Accountancy Sample Paper

Section-1

Q 1. Devika and Harshita are partners in a firm. They are entitled to interest on their capital but net profit was not sufficient for paying the interest, then the profit will be disturbed among partner in -

a) 1: 2 **b)** Profit sharing Ratio **c)** Capital ratio **d)** Equally

Q 2. Which one of the following items is recorded in the profit and loss appropriation account ?

a) Interest on loan **b)** Partner salary **c)** Rent paid to partner's house **d)** Manager's Commission

Q 3. A,B and C are partner in a firm sharing profit in the ratio of 3:2:1. During the year the firm earned profit of Rs. 84,000. Calculate the amount of profit or loss transferred to the capital Account of B.

a) Loss Rs. 87,000 **b)** Profit Rs. 87,000 **c)** Profit Rs. 28,000 **d)** Profit Rs. 14,000

Q 4. Super profit can be calculated:

a) Average profit- Normal profit **b)** Net profit-Average profit **c)** Capital employed-Net profit **d)** Net profit-Capital Employed

Q 5. Which step is not involved in valuing the goodwill according to super profit method :

a) Ascertain average profit **b)** Ascertain super profit

c) Ascertain Normal profit **d)** Multiply super profit with Number of years purchased

Q 6. Better quality of product will increase the sales and profit. Identify the factor :-

a) Capital Employed **b)** Efficiency of Management **c)** Location **d)** Risk

Q 7. If Average profit = Rs. 1,60,000
Actual Capital Employed =Rs. 5,00,000
If rate of normal profit = 20%

What is the amount of super profit?

a) Rs. 60,000 **b)** Rs.1,00,000 **c)** Rs.20,000 **d)** Rs.80,000

Q 8. If goodwill is Rs.1,20,000,Average profit is Rs.60,000, normal rate of return is 10% on Capital Employed Rs.4,80,000. Calculate capitalized value of the firm:-

a) Rs. 6,00,000 **b)** Rs.5,00,000 **c)** Rs. 4,00,000 **d)** Rs. 7,00,000

Q 9. Tangible assets of the firm are Rs. 14,00,000 and outside liabilities are Rs. 4,00,000, profit of the is Rs. 1,50,000 and normal rate of return is 10% Calculate capital employed.

a) Rs. 10,00,000 **b)** Rs. 1,00,000 **c)** Rs. 50,0000 **d)** Rs.20,000

Q 10. A business has earned super profit of Rs. 1,00,000 during the last few years and normal rate of return in 10% calculate goodwill.

a) Rs. 10,00,000 **b)** Rs. 54,000 **c)** Rs. 20,000 **d)** Rs. 36,000

Q 11. A and B are partner sharing profit equally. A draws regularly Rs. 4.000 at the end of every month for 6 months ended on 30th September 2020, calculate interest on drawings @ rate 5% p.a.

a) Rs. 350 **b)** Rs. 450 **c)** Rs. 150 **d)** Rs. 250

Q 12. Which section of the partnership act define partnership as the relation between person who have agreed to share the profit to the business carried on by all or any them acting for all?

a) Section 61 **b)** Section 4 **c)** Section 5 **d)** Section 48

Q 13. Which of the following is to be recorded in an income and expenditure account?

a) Purchase of a fixed assets
b) Capital expenditure incurred on fixed assets
c) Profit on sale of fixed assets
d) Sale of a fixed assets

Q 14. Sale of old newspapers by a non-profit organisation is treated as ________.

a) Expenditure **b)** Expenses **c)** Income **d)** Capital receipt

Q 15. An advance receipt of subscription from a member of the non-profit organization is considered as a/an

a) Equity **b)** Expense **c)** Liability **d)** Asset

Q 16.
A and B are partners in a firm sharing profits in the ratio of 5 : 3. They admit C as a new partner for $\frac{1}{5}$ share. New Ratio will be 3 : 1 : 1. Sacrificing ratio will be:

a) 2 : 1 **b)** 1 : 2 **c)** 1 : 7 **d)** 5 : 3

Q 17.
X and Y are partners sharing profits in the ratio of 3:2. They admitted Z as a new partner for $\frac{1}{5}$ share in the future profits of the firm. Calculate new profit sharing ratio of X, Y and Z.

a) 12:8:5 **b)** 10:7:4 **c)** 12:10:4 **d)** 14:10:6

Q 18. How to calculate the share of the goodwill of Retiring or deceased partner?

a) Value of the firm's goodwill × outgoing partner's share of profit
b) Value of the firm's goodwill × Sacrificing partner's share
c) Value of the firm's goodwill × new partner's profit share
d) Value of the firm's goodwill × Gainer partner's share

Q 19. Which ratio is calculated to share future profit and losses by continuing partners after the retirement of a partner?

a) New share = old share + acquired gaining share
b) New share = Old share + acquired Sacrificing share
c) New share = acquired gaining ratio
d) New share = old share – acquired gaining share

Q 20. Realisation Account is:

a) Real Account **b)** P/L Adjustment A/c **c)** Personal Account **d)** Nominal Account

Q 21. Calls-in-Arrears Account shows ....

a) Credit balance. **b)** Debit balance. **c)** Debit or Credit balance **d)** Nil balance.

Q 22. Which account is opened to transfer deceased partner's share of profit to his capital account?

a) P&L Adjustment account **b)** P&L Appropriation account **c)** P&L Suspense account **d)** None of the above

Q 23. Return on Debentures is called:

a) Interest **b)** Dividend **c)** a and b both **d)** None of the above

Q 24. Assertion (A): Amount due to the retiring partner is always transferred to his loan account.
Reason (R): Amount due to the retiring partner may be paid immediately or later in installments
In the context of the above two statements ,which of the following is correct?

a) Assertion (A) and Reason (R) are correct and Reason (R)is the correct explanation of Assertion (A).

b) Assertion (A) and Reason (R) are correct but Reason (R) is not the correct explanation of Assertion (A).

c) Assertion (A) is correct but Reason (R) is not correct.

d) Assertion (A) is not correct but Reason (R) is correct.

Q 25. Assertion (A): Cash and Cash Equivalents are always shown as Current Assets.
Reason (R): Cash and Cash Equivalents are always shown as Current Assets because they are most liquid asset and thus current assets.
In the context of the above two statements ,which of the following is correct?

a) Assertion (A) and Reason (R) are correct and Reason (R)is the correct explanation of Assertion (A).

b) Assertion (A) and Reason (R) are correct but Reason (R) is not the correct explanation of Assertion (A).

c) Assertion (A) is correct but Reason (R) is not correct.

d) Assertion (A) is not correct but Reason (R) is correct.

Harsh charitable institution is a non profit organization,they give free medical treatment to the weaker section of the society.they are giving the following information:

Stock of Medicines on 1^{st} April, 2019 30,000

Creditors for Medicines on 1^{st} April, 2019 20,000

Amount paid for Medicines during the year ended on 31st March, 2020 1,08,000

Stock of Medicines on 31^{st} March, 2020 5,000

Creditors for Medicines on 31^{st} March, 2020 13,000

From the above information answer the question number (26 and 27):

Q 26. Determine the amount to be debited as Medicine Consumed in Income and Expenditure Account for the year ended 31^{st} March, 2020:

a) 1,26,000 **b)** 1,10,000 **c)** 1,31,000 **d)** 2,12,000

Q 27. In the Balance Sheet for the year ended 31^{st} March, 2020 the amount of creditors for medicines will be shown at which side :

a) Assets side **b)** Liabilities side **c)** Both a and b **d)** None

On 1st April,2018, Jhanvi Ltd. was formed with an authorised capital of ₹10,00,000 divided into 1,00,000 equity share of ₹10 each. On 1st April 2020 it acquired the running business of its competitor with following assets and liabilities:
Land ₹4,50,000; Debtors ₹1,00,000; Furniture ₹90,000; Creditors ₹1,80,000 The purchase consideration decided ₹ 6,00,000 which was paid by issuing a cheque of ₹1,25,000 and balance in form of 8% debentures of ₹100 each at a discount of 5% On the same date, the company issues 1,000 , 8% debentures of ₹100 each as collateral security to Punjab national bank who had advanced a loan of ₹1,50,000. The company had already a balance in Security Premium Reserve A/c of ₹20,000.

On the basis of above information answer the following questions(28 TO 30):

Q 28. Number of 8% debentures to be issued to vendor is:

a) 6,000 **b)** 4,750 **c)** 5,000 **d)** 5,750

Q 29. Journal entry for writing off Discount on issue of debentures is:

a) Security Premium Reserve A/c Dr. 20,000,br> To Discount on issue of debentures A/c 20,000

b) Statement of Profit and Loss A/c Dr. 20,000
To Discount on issue of debentures A/c 20,000

c) Securities Premium Reserve A/c Dr. 20,000
Statement of Profit and Loss A/c Dr. 5,000
To discount on issue of debentures A/c 25,000

d) None of the above

Q 30. If the total of Debit side is greater than the total of Credit side what is the difference called?

a) Capital reserve **b)** Goodwill **c)** Both a and b **d)** None

Q 31. While preparing Common-size Balance Sheet,each item of Balance Sheet is expressed as % of

a) Non-Current Assets. **b)** Current Assets. **c)** Non-current Liabilities. **d)** Total Assets

Q 32. If Revenue from Operations for current year is Rs.10,00,000 and proportionate increase is 25% . Revenue from Operations for the previous year would be

a) Rs. 9, 00,000. **b)** Rs. 6, 00,000. **c)** Rs. 8, 00,000. **d)** Rs. 7, 00,000.

Q 33. Sunrise Ltd. has a current ratio at 3:1. To maintain this ratio at 4:1, management may

a) Issue shares in cash **b)** Sell stock in trade at profit **c)** Sell fixed assets at loss **d)** All of the above

Q 34. Comparing of values (figures) of a firm with that of another firm or industry is

a) Intra - firm comparison **b)** Intra - firm comparison **c)** Particular comparison **d)** General comparison

Q 35. Cash proceeds from issue of debentures are shown under which activity of cash flow statement :

a) Investing activity. **b)** Financing activity. **c)** Operating activity. **d)** None of the above.

Q 36. In which condition a partnership firm is deemed to be dissolved?

a) On a partner's admission **b)** On retirement of a partner
c) On expiry of the period of partnership **d)** On loss in partnership

Q 37. While preparing the balance sheet of a company, Securities Premium Reserve is shown under:

a) Non Current Liabilities **b)** Long-term Borrowings **c)** Share holder's fund **d)** Current Liabilities

Q 38. **Assertion (A):** Activity Ratios are the ratios that are calculated for measuring the efficiency of operations of business based on effective utilisation of resources.
Reason (R): Current Ratio and Quick Ratio are liquidity ratios
Alternatives:

a) Both Assertion (A) and Reason (R)are true and reason is the correct explanation.

b) both Assertion (A) and Reason (R) are true and reason is not the correct explanation.

c) Assertion (A) is true but Reason (R) is false.

d) Assertion (A) is false but Reason (R) is true.

Q 39. **Assertion (A):** The limitation of financial statements also form the limitations of the ratio analysis.
Reason (R): Since the ratios are derived from the financial statements, any weakness in the original financial statements will also creep in the derived analysis in the form of Accounting
Ratios Alternatives:

a) Both Assertion (A) and Reason (R)are true and reason is the correct explanation.

b) both Assertion (A) and Reason (R) are true and reason is not the correct explanation.

c) Assertion (A) is true but Reason (R) is false.

d) Assertion (A) is false but Reason (R) is true.

Q 40. **Assertion (A):** If the debt equity ratio is 1:2, it is considered to be safe.
Reason (R): From a security point of view, a capital structure with less debt and more equity is considered favourable as it reduces the chances of bankruptcy
Alternatives:

a) Both Assertion (A) and Reason (R)are true and reason is the correct explanation.

b) both Assertion (A) and Reason (R) are true and reason is not the correct explanation.

c) Assertion (A) is true but Reason (R) is false.

d) Assertion (A) is false but Reason (R) is true.

A shoe making company wanted to analyze their profitability position Along with the check on their inventory level of past two years. The following data is available for your reference:
2019-20 2020-21
Revenue from 42,00,000 60,00,000
Operations
Inventory on 7,20,000 15,00,000
31st March
During the year 2019-20, the inventory increased by 20%. Gross profit is 25% on cost of revenue of operations.
You are required to answer the following questions[Q NO.41 TO 44] on the basis of the above information:

Q 41. State the amount of inventory increased during the year 2019-20.

a) 1,44,000 b) 80,000 c) 1,20,000 d) 72,000

Q 42. The average inventory of the year 2019-20 is ____.

a) 6,60,000 b) 9,36,000 c) 9,12,000 d) 6,80,000

Q 43. The inventory turnover ratio of the year 2019-20 is ____.

a) 4.05 times b) 5.7 times c) 5.09 times d) 4.87 times

Q 44. Inventory turnover Ratio of 2020-21 is ___.

a) 4.87 times b) 5.7 times c) 4.05 times d) 4.32 times

Q 45. How many blank worksheets are shown when a new workbook is created?

a) One b) Two c) Three d) Four

Q 46. In Excel the chat tools provides three different options _____._____ and_______ for formatting:

a) Layout, Format, Data marker. b) Design, Layout, Format.

c) Chart Layouts, Chat style, Label. d) Format, Layout, Label.

Q 47. Pie chart don’t have more than ______categories:

a) Ten. b) Twenty Five. c) Seven d) Three

Q 48. The common fields used in a relationship between tables are called :

a) Joint fields b) Main fields c) Key fields d) Table fields

Q 49. The existence of data in a primary key field is:

a) Not necessarily required b) Required but need not be unique

c) Required and must be unique d) All of above

Q 50. Which step completes an entry and moves the pointer to the cell to the right ?

a) Pressing [Enter] **b)** Pressing [Tab] **c)** Pressing [Shift] +[Tab] **d)** Pressing [Shift]+[Enter]

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1	**c**	2	**b**	3	**c**	4	**a**	5	**a**	6	**b**	7	**a**	8	**a**	9	**a**	10	**a**
11	**d**	12	**b**	13	**c**	14	**c**	15	**c**	16	**c**	17	**a**	18	**a**	19	**a**	20	**d**
21	**b**	22	**c**	23	**a**	24	**d**	25	**a**	26	**a**	27	**a**	28	**c**	29	**c**	30	**a**
31	**d**	32	**c**	33	**b**	34	**b**	35	**b**	36	**c**	37	**c**	38	**b**	39	**a**	40	**d**
41	**c**	42	**a**	43	**c**	44	**d**	45	**c**	46	**b**	47	**c**	48	**c**	49	**c**	50	**d**