

Roll No.....

142/A

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2039

**ANNUAL EXAMINATION SYSTEM  
ACCOUNTANCY-II**

Time allowed : 2 Hours

Maximum Marks:40

1. Receipts and Payments Account is prepared on:

- (a) Cash Basis
- (b) Accrual Basis
- (c) Time Basis
- (d) Sales Basis

2. Subscription received in advance during the current year is:

- (a) an income
- (b) a liability
- (c) an asset
- (d) None of these

3. Written agreement among the partners is called:

- (a) Partnership Deed
- (b) Partnership Constitution
- (c) Partnership bye-laws
- (d) a contract

4. Interest on Capital is allowed on

- (a) the opening capital
- (b) average capital of the year
- (c) the capital in the middle of the year
- (d) the capital at the year end

5. Goodwill is defined as

- (a) Intangible asset
- (b) Fictitious asset
- (c) Current asset
- (d) Liquid asset

6. The formula for calculating the sacrificing ratio is :

- (a) New share – Old share
- (b) Old share – New share
- (c) Gaining Ratio – Old Ratio
- (d) Old Ratio – Gaining Ratio

7. When a new partner brings his share of goodwill in cash, the

amount is debited to:

- (a) Goodwill A/c
- (b) Capital A/c of the new partner
- (c) Cash A/c
- (d) Capital A/cs of the old partners

8.if at the time of admission, there is some unrecorded liability, it will be :

- (a) Debited to Revaluation Account
- (b) Credited to Revaluation Account
- (c) Debited to Goodwill Account
- (d) Credited to partners' Capital Accounts

9.Revaluation Account or Profit and Loss Adjustment A/c is a:

- (a) Real Account
- (b) Personal Account
- (c) Nominal Account
- (d) Asset Account

10.On the death of a partner, the amount due to him will be

credited to :

- (a) All partner's Capital Accounts
- (b) Remaining partner's Capital Accounts
- (c) His Executor's Account
- (d) Governments' Revenue Account

11.On retirement of a partner, goodwill will be credited to the

Capital Account of:

- (a) Retiring Partner
- (b) Remaining Partners
- (c) All Partners
- (d) None of the Above

12.According to the partnership Act, (Sec. 37) the interest

payable to the deceased partner on the amount left by him will  
be:

- (a) 6% p.a.
- (b) 10% p.a.
- (c) The Bank rate
- (d) None of the above

13.Revaluation Account is prepared at the time of:

- (a) Admission of a partner
- (b) Retirement of a partner
- (c) Death of a partner
- (d) All of the above

14.At the time of admission of a new partners general reserve

appearing in the old Balance Sheet is transferred to:

- (a) All Partner's Capital Accounts
- (b) New Partner's Capital Account
- (c) Old Partner's Capital Accounts
- (d) None of these

15.In the event of dissolution of partnership firm, the  
provision for doubtful debts is transferred to :

- (a) Realisation Account
- (b) Partners' Capital Accounts

(c) Sundry Debtors Account

(d) None of the above

16. On taking responsibility of payment of realisation expenses by a partner, the account credited will be :

(a) Realisation Account

(b) Cash Account

(c) Capital Account of the Partner

(d) None of the above

17. The excess amount which the firm can get on selling its assets over and above the saleable value of its assets is called:

(a) Surplus

(b) Super profits

(c) Reserve

(d) Goodwill

18. Cash balance shown in the Balance Sheet is shown on dissolution of firm in :

(a) Realisation Account

(b) Cash Account

(c) Capital Account

(d) None of the Account

19. On dissolution of a firm, Bank overdraft is transferred to:

(a) Cash Account

(b) Bank Account

(c) Realisation Account

(d) Partner's Capital Account

20. Which of the following is not a method of valuation of Goodwill:

(a) Revaluation Method

(b) Average Profit Method

(c) Super Profit Method

(d) Capitalisation Method

21. The opening balance of Prize Fund was Rs.32,800. During the year, donations received towards this fund amounted to Rs.

15,400; amount spent on prizes was Rs. 12,300 and interest received on prize fund investment was Rs.4,000. The closing balance of Prize Fund will be:

(a) Rs. 56,500 (b) Rs.64,500

(c) Rs.39,900 (d) Rs. 31,900

22. Seema is a partner in a firm. She withdrew ₹ 10,000 in each quarter during the year ended 31st March, 2019. Interest on her drawings @ 9% p.a. will be:

(a) ₹ 1,350

(b) ₹ 2,250

(c) ₹ 7,900

(d) ₹ 1,800

23. Goodwill is to be calculated on the basis of three year's purchase of average profit of last four years. These profits were :

Year Profit /Loss (₹)

I 30,000

II 50,000

III 80,000

IV 60,000 (Loss)

Calculate the value of goodwill.

(a) ₹ 75,000 (b) ₹ 1,00,000

(c) ₹ 80,000 (d) ₹ 1,20,000

24. A and B shared profits & loss in the ratio of 2:3. starting 1st April 2019, they agreed to distribute profits equally. The firm goodwill was valued at ₹ 60,000. The adjustment entry will be:

(a) Dr. B and Cr. A with ₹6,000

(b) Dr. A and Cr. B with ₹6,000

(c) Dr. A and Cr. B with ₹6,00

(d) Dr. B and Cr. A with ₹6,00

25. Total assets of a firm including fictitious assets of ₹5,000 are ₹ 85,000. The net liabilities of the firm are ₹ 30,000. The normal rate of return is 10% and the average profits of the firm are ₹8,000. Calculate the goodwill as per capitalisation of super profits.

(a) ₹20,000

(b) ₹25,000

(c) ₹30,000

(d) None of these

26. Debtors appearing in the Balance Sheet of a firm were as follows:

Assets ₹

Sundry Debtors 2,00,000

Less: Provision 10,000 1,90,000

On Dissolution, bad debts were 25,000 and the remaining debtors were realised at 5% discount. How much amount was realised from Debtors?

(a) ₹ 1,66,250

(b) ₹ 1,80,500

(c) ₹ 1,90,000

(d) ₹ 2,10,000

27. X and Y are partners sharing profit in the ratio of 3 : 2. Z was admitted with 1/4 share in profits which he acquires equally from X and Y. The new ratio will be:

(a) 9 : 6 : 5

(b) 19 : 11 : 10

(c) 3 : 3 : 2

(d) 3 : 2 : 4

28. A and B are partners in a firm sharing profits and losses in the ratio of 3 : 2. A new partner C is admitted. A surrenders 1/15th share of his profit in favour of C and B surrenders 2/15th of his share in favour of C. The new ratio will be :

- (a) 8 : 4 : 3
- (b) 42 : 26 : 7
- (c) 4 : 8 : 3
- (d) 26 : 42 : 7

29. P, Q and R are partners sharing profits in the ratio of 5 :

4 : 3. Q retires and P and R decide to share future profits equally. Gaining Ratio will be :

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

30. Sundry Creditors amounted to ₹ 8,000. These were paid at a discount of 5%. Realisation account will be debited by

- (a) ₹8,000
- (b) ₹7,600
- (c) ₹400
- (d) ₹8,400

31. Interest received from Building Fund Investments should be

- (a) credited to Income & Expenditure A/c
- (b) credited to Building Fund A/c
- (c) credited to Building Fund Investment A/c
- (d) debited to Building Account

32. The Agreement of Partnership may be:

- (a) Oral
- (b) Written
- (c) Both (a) and (b)
- (d) None of these

33. Partners' Current Accounts are opened when their Capital Accounts are:

- (a) Fixed
- (b) Fixed and Fluctuating
- (c) Fluctuating
- (d) None of these

34. A firm is reconstituted, whenever there is a

- (a) Death of a partner
- (b) Retirement of Existing Partner
- (c) Admission of a new partner
- (d) All of the options

35.In case of admission of a partner, the profit or loss on revaluation of assets and liabilities is shared by partners.

- (a) all
- (b) old
- (c) new
- (d) none of these

36.A, B and C are partners sharing profits in the ratio of 5:2:1. If the new ratio on the retirement of A is 3:2, what will be the gaining ratio?

- (a) 11:14
- (b) 3:2
- (c) 2:3
- (d) 14:11

37.On dissolution of a firm, a partner's capital account has a credit balance of Rs.42,000. His share of profit in realisation account is Rs. 9,000. He has paid firm's realisation expenses Rs.3,000. He will finally get a payment of:

- (a) Rs.39,000
- (b) Rs.42,000
- (c) Rs.54.000
- (d) Rs.48,000

38.On dissolution of the firm, amount received from sale of unrecorded asset is credited to :

- (a) Partner's Capital Accounts
- (b) Profit and Loss Account
- (c) Realisation Account
- (d) Cash Account

39.What treatment is made of accumulated profits and losses on the retirement of a partner:

- (a) Credited to all partner's capital accounts in old ratio
- (b) Debited to all partner's capital accounts in old ratio
- (c) Credited to remaining partner's capital accounts in new ratio
- (d) Credited to remaining partner's capital accounts in gaining ratio

40.If at the time of admission, some profit and loss account balance appears in the books, it will be transferred to :

- (a) Profit & Loss Adjustment Account
- (b) All partners' Capital Accounts
- (c) Old partners' Capital Accounts
- (d) Revaluation Account