DWARKA INTERNATIONAL SCHOOL

WORKSHEET

SUBJECT: ACCOUNTANCY(055)\

Q1: Interest on capital will be paid to the partners if provided for in the partnership deed but only out of:

a) Profits b) Reserves

c) Accumulated profits d) Goodwill

Q2: Mohit and Rohit were partners in a firm with capitals of ₹80,000 and ₹40,000 respectively. The firm earned a profit of ₹30,000 during the year. Mohit's share in the profit will be:

a) Rupees 20000 b) Rupees 15000

c) Rupees 10000 d) Rupees 18000.

Q3: In case of partnership, the act of any partner is:

a) Binding on all partners b) Binding on that partner only.

c) Binding on all partners except that particular partner d) none of the above.

Q4: A company purchased machinery for ₹1, 80,000 and in consideration issued shares at 20% premium. What will be the face value of shares issued :
a) ₹1,50,000 b) ₹1,44,000
c) ₹1,80,000 d) ₹2,16,000

Q5: Which of the following items added to previous year's profits for finding normal profits for finding normal profit for valuation of goodwill

a)Loss on sale of fixed assets b)Loss due to fire, earthquake etc.

c) Undervaluation of closing stock d) All of above

Q6: A shareholder allotted 9,000 shares of ₹ 10 per share failed to pay first & final of ₹ 2 per share. ₹ 18,000 to be recorded in the books of company with _____

(a) Dr. to Calls-in Arrears A/c (b) Dr. to Share Forfeiture A/c

(c) Cr. to Calls-in Arrears A/c (d) Cr. to Share Forfeiture A/c

Q7: A, B and C were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 2. The partners decide to share future profits and losses in the ratio of 2:2: 1. Each partner's gain or sacrifice due to change in the ratio will be :

(A) Sacrifice $A\ \frac{2}{45}$; Sacrifice $B\ \frac{1}{45}$; Gain $C\ \frac{3}{45}$

(B) Gain $A\ \frac{2}{45}$; Sacrifice $B\ \frac{3}{45}$; Gain $C\ \frac{1}{45}$

(C) Sacrifice $A\ \frac{2}{45}$; Gain $B\ \frac{3}{45}$; Sacrifice $C\ \frac{1}{45}$

(D) Gain $A\ \frac{2}{45}$; Gain $B\ \frac{1}{45}$; Sacrifice $C\ \frac{3}{45}$

Q8: Golden Firework Ltd is authorized to issue shares 5,00,000 of ₹ 100 each. Company raised the capital by issuing 2,00,000 shares through e-IPO. As per the decision of the Managing Board of Directors of the company, the company issued 75,000 shares to their parent company and 40,000 shares issued to existing employees of the company as per their choice and option at the below price than the market price.

"40,000 shares issued to existing employees of the company as per their choice and option at the below price than the market price." Is an example of _______

(a) Public Issue

(b) Private Placement

(c) ESOP

(d) Issue other than cash

Q9: Limited Liability Partnerships came into existence in India after the enactment of:

a) Indian Partnership Act, 1932

b) Limited Liability Partnership Act, 1932

c) Limited Liability partnership Act, 2008

d) Indian companies Act, 2013.

Q10: A and B are partners sharing profits in the ratio of 2 : 3. Their Balance Sheet shows Machinery at ₹2, 00,000; Stock at ₹80,000 and Debtors at ₹1,60,000. C is admitted and a new profit sharing ratio is agreed at 6: 9: 5. Machinery is revalued at ₹1,40,000 and a provision is made for doubtful debts @5%. A's share in loss on revaluation amount to ₹20,000. Revalued value of Stock will be:

(A) ₹62,000

(B) ₹1, 00,000

(C) ₹60,000

(D) ₹98,000

Q11: Analyses the transaction and identify the effect on the revaluation account.

Two month's salaries @ Rs. 6000 per month were outstanding.

a. Revaluation account is debited by Rs. 12000   b. Revaluation account is credited by Rs. 12000

c. Revaluation account is debited by Rs.6000   d. Revaluation account is credited by Rs. 6000

Q12: A Company invited applications for 1, 00,000 shares and it received applications for 1, 50,000 shares. Applications for 30,000 shares were rejected and the remaining was allotted shares on prorata basis. How many shares an applicant for 3,000 shares will be allotted :

(A) 2,500 Shares   (B) 3,600 Shares
(C) 4,500 Shares   (D) 2,000 Shares

Q13: A firm earns ₹1, 00,000. The normal rate of return is 10%. The assets of the company amounted to ₹11, 00,000 and liabilities to ₹1, 00,000. Value of goodwill by the capitalization of average actual profit will be

A) ₹ 2, 00,000   B) ₹ 10,000

C) ₹ 5,000   D) ₹ 1, 00,000

Q14: Outstanding Salary will be shown under which of the following sub-head of the head Current Liabilities on the Equity & Liability side of the Balance Sheet.

(a) Short-term borrowings   (b) Trade payables

(c) Short-term provision   (d) other current liabilities

Q15: Charvi and Vaanya were partners sharing Profit and Losses in 3 : 2 with effect from 1st April 2021, they decided to share future profits equally. On that date, following journal entry was passed by the firm:

Charvi's Current A/c Dr. 30,000

To Vaanya's Current A/c 30,000

Which of the following balances was existing in the books of the firm on the date of reconstitution?

(a) Contingency Reserve Rs. 3, 00,000   (b) Profit and Loss (Dr.) Balance Rs. 3, 00,000

(c) Profit and Loss (Cr.) Balance Rs. 3, 00,000   (d) Advertisement Suspense Account Rs.2,00,000.

- X and Y are partners in 3:2. Their capital balances as on 1st April 2020 amounting to ₹2,00,000 each. On 1st February, 2021, X contributed an additional capital of ₹1,00,000. Following are the terms of deed:

a) Interest on capital @ 6% per annum

b) Interest on drawings @ 8% per annum

c) Salary to X ₹1500 per month

d) Commission to Y @10% on net profit after charging interest on capital, salary and his commission.

Drawings of the partners were ₹20,000 and ₹30,000 respectively during the year. Net profit earned by the firm was ₹2, 08,000.

Choose the correct option based on the above information (Q16 TO Q18):

16. What is the amount of Interest on capitals of X and Y:

a) ₹12,000 each

b) ₹12,000 to X and ₹ ₹13,000 to Y

c) ₹13,000 to X and ₹12,000 to Y

d) None of the above.

17. What is the amount of interest on drawings of X and Y:

a) ₹ 1200 and ₹ 1800 respectively

b) ₹ 800 and ₹ 1200 respectively

c) ₹ 1200 and ₹ 800 respectively

d) ₹ 1600 ₹ 2400 respectively

18. What will be the closing capital of X after all adjustments?

a) ₹ 422200

b) ₹ 401400

c) ₹ 300000

d) ₹ 423000

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SUB: ACCOUNTANCY

Q1: A and B are partners sharing profits in the ratio of 2: 3. Their Balance Sheet shows Machinery at ₹2, 00,000; Stock at ₹80,000 and Debtors at ₹1, 60,000. C is admitted and new profit sharing ratio is agreed at 6: 9: 5. Machinery is revalued at ₹1, 40,000 and a provision is made for doubtful debts @5%. A's share in loss on revaluation amount to ₹20,000. Revalued value of Stock will be:

(A) ₹62,000 (B) ₹1, 00,000

(C) ₹60,000 (D) ₹98,000

Q2: Assertion (A): In the case of change in profit-sharing ratio, there was a balance in Workmen Compensation Reserve ₹ 30,000 and till the date of reconstitution, the claim for workmen compensation is ₹ 12,000. Partners of the firm decided to distribute between them ₹ 30,000 in their profit-sharing ratio.

Reason(R): Workmen Compensation Reserve is the part of profits. Therefore, it should be distributed between the partners in their profit-sharing ratio.

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

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

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

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

Q3: A business has earned average profits of ₹ 4, 50,000 during the last few years and the normal rate of return in a similar line of business is 15%. The value of net assets of the business is ₹ 25, 00,000. What will be the value of goodwill of the business if it is to be valued by capitalization of average profits method?

(a) ₹ 3, 00,000 (b) ₹ 2, 50,000

(c) ₹ 5, 00,000 (d) ₹ 3, 75,000

Q4: P, Q and R are partners in a firm. Net profit before appropriations is Rs. 7,87,000. Total interest on capital and salary to the partners amounted to Rs.40,000 and Rs. 75,000 respectively.

P and Q are entitled to receive a commission @ 6% each on net profit after taking into consideration interest on capital salaries and all commission. Calculate commission payable to P and Q

(a) Rs.18, 000 each

(b) Rs. 40,320 each

(c) Rs.36, 000 each

(d) Rs.24, 000 each

Q5. A partner of the firm drew ₹ 10,000 in the middle of each quarter for personal purpose against the profits. As per the Partnership Deed, interest on drawings to be charged @ 10% p.a. Interest on drawings will be:

(a) ₹ 500

(b) ₹ 1,000

(c) ₹ 3,000

(d) ₹ 2,000

Q6. Anubhav, Shagun and Pulkit are partners in a firm sharing profits and losses in the ratio of 2:2:1. On 1st April 2021, they decided to change their profit-sharing ratio to 5:3:2. On that date, debit balance of Profit & Loss A/c ₹30,000 appeared in the balance sheet and partners decided to pass an adjusting entry for it. Which of the undermentioned options reflect correct treatment for the above treatment?

(A) Shagun's capital account will be debited by ₹3,000 and Anubhav's capital account credited by ₹3,000 (B) Pulkit's capital account will be credited by ₹3,000 and Shagun's capital account will be credited by ₹3,000

(C) Shagun's capital account will be debited by ₹30,000 and Anubhav's capital account credited by ₹30,000

(D) Shagun's capital account will be debited by ₹3,000 and Anubhav's and Pulkit's capital account credited by ₹2,000 and ₹1,000 respectively.

- Read the following information and give the answer for the question No. 25 and 26:

Deepak and Vijay are partners sharing profits & losses in the ratio of 2:3. The Balance Sheet of a firm as on 31st March, 2021 is given below:

Liabilities	Amt. in ₹	Assets	Amt. in ₹
Creditors	60,000	Debtors	40,000
Bills Payable	20,000	Stock	1,00,000
Capital A/cs:	4,00,000	Machinery	1,50,000

Deepak 1,60,000 Vijay 2,40,000		Land & Building	1,90,000
	4,80,000		4,80,000

The partners decided to share future profits in the equal ratio with effect from 1st April, 2021. The following adjustments were agreed upon:

(1) Land & Building valued at ₹ 2,40,000 and Machinery depreciated by ₹ 15,000.

(2) ₹ 5,000 of creditor is not likely to claim but ₹ 10,000 of provision to be made for legal charges.

Q7. Which Journal entry is correct from the following for sharing gain/loss on revaluation?

A. Deepak's Capital A/c Dr. 12,000

Vijay's Capital A/c Dr. 18,000

To Revaluation A/c 30,000

B. Revaluation A/c Dr. 50,000

To Deepak's Capital A/c 20,000

To Vijay's Capital A/c 30,000

C. Revaluation A/c Dr. 30,000

To Deepak's Capital A/c 12,000

To Vijay's Capital A/c 18,000

D. Deepak's Capital A/c Dr. 20,000

Vijay's Capital A/c Dr. 30,000

To Revaluation A/c 50,000

Q8. What will be the balance of Deepak's capital after reconstitution of partnership?

(a) ₹ 1, 72,000 (b) ₹ 1, 60,000

(c) ₹ 1, 48,000 (d) ₹ 1, 40,000

Q9. A company issued 40,000 preference shares of ₹ 100 per share at par payable as under: On Application: 20% On Allotment: 40% On First & Final Call: balance Applications were received for 50,000 shares. Allotment was made on pro-rata basis. How much amount will be received in cash on allotment?

(a) 14, 00,000 (b) 16, 00,000

(c) 18, 00,000 (d) 20, 00,000

Q10. Higher the ratio, the more favorable it is, doesn't stand true for

(a) Operating ratio (b) Liquidity Ratio

(c) Net Profit Ratio (d) Stock turnover Ratio