

2022 XI 12

0230

Seat No.

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Time : 1½ Hours

FIRST-TERM

ACCOUNTANCY

Subject Code

H	4	6	0	5
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Total No. of Questions : 40 (Printed Pages : 16)

Maximum Marks : 40

- INSTRUCTIONS :**
- (i) There are **40** multiple choice questions carrying 1 mark each.
 - (ii) *All* questions are compulsory.
 - (iii) Every question has four choices for its answers (A), (B), (C) and (D), only one of them is the correct answer.
 - (iv) On the OMR sheet, for each question number, darken with a ball point pen **ONLY ONE** bubble corresponding to what you consider to be the most appropriate answer, from among the four choices.
 - (v) **Please note that it is not possible to change the answer once you have filled up the bubble with a ball point pen. Hence sufficient care must be taken while darkening the bubbles.**
 - (vi) For each question, you will be awarded **ONE** mark if you have darkened only the bubble corresponding to the correct answer. In all other cases, you will get zero mark. **There is no negative mark.**
 - (vii) Only **one** OMR sheet will be provided.
 - (viii) Use only Black or Blue Ball Point Pen.
 - (ix) Use of simple calculator is allowed. Mobiles or any other such electronic gadgets are not allowed.

1. Who can sign a Partnership Deed ?
 - (A) One of the partners
 - (B) All senior partners
 - (C) All partners
 - (D) Only active partners

2. How is interest on partner's capital treated in case of Fluctuating Capital method ?
 - (A) Credited to partner's capital account
 - (B) Credited to partner's current account
 - (C) Debited to partner's capital account
 - (D) Debited to partner's current account

3. What is goodwill ?
 - (A) The future value of the firm's present losses
 - (B) The future value of the firm's present earnings
 - (C) The present value of the firm's anticipated losses
 - (D) The present value of the firm's expected earnings

4. Which of the following items is NOT dealt through Profit and Loss Appropriation account ?
 - (A) Interest on Partner's loan
 - (B) Interest on Partner's Capital
 - (C) Partner's salary
 - (D) Partner's Commission

5. Which account is debited with capital withdrawn by partner in case of fixed capital method ?
- (A) Cash account
 - (B) Drawings account
 - (C) Partner's Current account
 - (D) Partner's Capital account
6. Capital account of Sanvi a partner, showed credit balance of Rs. 8,00,000 on 31st March, 2022. She had introduced additional capital of Rs. 2,00,000 on 31st December, 2021. Calculate interest on her capital @ 8% p.a. for the year ending 31st March, 2022.
- (A) Rs. 48,000
 - (B) Rs. 52,000
 - (C) Rs. 64,000
 - (D) Rs. 80,000
7. As per Indian Partnership Act 1932, what will the partner get if Partnership deed does not exist ?
- (A) Monthly Salary to a partner of Rs. 50,000
 - (B) Commission to a partner @ 10% on sales
 - (C) Interest on Partner's Capital @ 6% p.a.
 - (D) Interest on partner's loan @ 6% p.a.

8. Capital employed in a business is Rs. 8,00,000. Its average profits for last 3 years is Rs. 1,10,000. The Normal Rate of Return is 12%. Calculate the amount of goodwill of the firm at 3 year's purchase of super profits.
- (A) Rs. 13,200
- (B) Rs. 14,000
- (C) Rs. 42,000
- (D) Rs. 96,000
9. Who will contribute guaranteed profit if a firm has given a guarantee of minimum profit to a partner ?
- (A) Only that partner who has maximum capital
- (B) Only that partner who has maximum profit
- (C) All partners in their capital ratio
- (D) All partners in their profit sharing ratio
10. What is the provision for admitting a new partner under Indian Partnership Act 1932 ?
- (A) Can be admitted with the consent of senior partners
- (B) Can be admitted with the consent of majority partners
- (C) Can be admitted with the consent of all partners
- (D) Can be admitted with the consent of trustworthy partners

11. Which of the following is *true* regarding goodwill brought by incoming partner ?
- (A) Distributed among old partners in gaining ratio
 - (B) Distributed among old partners in sacrificing ratio
 - (C) Distributed among old partners in old ratio
 - (D) Distributed among old partners in new ratio
12. Which of the following accounts is opened for revaluation of assets and reassessment of liabilities at the time of admission of a partner ?
- (A) Realisation account
 - (B) Profit and Loss Appropriation account
 - (C) Profit and Loss adjustment account
 - (D) Profit and Loss suspense account
13. In which ratio are the accumulated profits/losses transferred to the capital accounts of existing partners, at the time of admission of a partner ?
- (A) New Ratio
 - (B) Sacrificing Ratio
 - (C) Old Ratio
 - (D) Gaining Ratio

14. How is surplus shown by partner's capital a/c treated while adjusting capitals in the new profit sharing ratio on admission of a partner ?
- (A) Credited to Revaluation account
 - (B) Debited to Cash account
 - (C) Credited to Partner's Capital account
 - (D) Debited to Partner's Capital account
15. Raj and Shammi are partners sharing profits in the ratio 5 : 3 respectively. They admit Rajiv as a new partner for $\frac{1}{5}$ share in the future profits of the firm. What is the new profit sharing ratio between Raj, Shammi and Rajiv ?
- (A) 1 : 3 : 1
 - (B) 5 : 3 : 1
 - (C) 5 : 3 : 2
 - (D) 5 : 3 : 4
16. What is the accounting treatment for Machinery having a book value of Rs. 7,45,000 was taken over by a partner at Rs. 8,35,000 at the time of admission of a partner ?
- (A) Rs. 90,000 debited to revaluation account
 - (B) Rs. 90,000 credited to revaluation account
 - (C) Rs. 90,000 debited to Partner's Capital account
 - (D) Rs. 90,000 credited to Partner's Capital account

17. Balance Sheet of a firm owned by Chetan and Sandeep shows an accumulated loss of Rs. 1,80,000 before the admission of Vikram. What is the accounting treatment in the capital accounts of partners ?
- (A) credited as Rs. 60,000 (Chetan); Rs. 60,000 (Sandeep); Rs. 60,000 (Vikram)
- (B) debited as Rs. 60,000 (Chetan); Rs. 60,000 (Sandeep); Rs. 60,000 (Vikram)
- (C) credited as Rs. 90,000 (Chetan); Rs. 90,000 (Sandeep)
- (D) debited as Rs. 90,000 (Chetan); Rs. 90,000 (Sandeep)
18. Shreya and Manasi are partners in a firm sharing profits and losses in the ratio 5 : 3. They admitted Ranjit as a partner for $\frac{2}{5}$ share. Ranjit brings Rs. 1,80,000 as his capital and Rs. 70,000 as premium for goodwill. Calculate the total capital of the reconstituted firm taking Ranjit's capital as the base.
- (A) Rs. 72,000
- (B) Rs. 4,50,000
- (C) Rs. 6,25,000
- (D) Rs. 9,00,000

19. Who among the following gets the amount due to a retiring partner on his retirement ?
- (A) Remaining partners
 - (B) All partners
 - (C) Retiring partner
 - (D) His/her executor
20. Unless given otherwise, what will be the gaining ratio in case of retirement of a partner ?
- (A) same as new ratio
 - (B) same as old ratio
 - (C) same as sacrifice ratio
 - (D) same as guaranteed ratio
21. What is the accounting treatment for retiring partner's share of Goodwill ?
- (A) Debited to goodwill account
 - (B) Credited to goodwill account
 - (C) Debited to Retiring partner's capital account
 - (D) Credited to Retiring partner's capital account
22. What is the accounting treatment for unrecorded computer at the time of retirement of a partner ?
- (A) Debited to Revaluation account
 - (B) Credited to Revaluation account
 - (C) Debited to partner's Capital account
 - (D) Credited to partner's Capital account

23. Which of the following is NOT credited to deceased partner's capital account ?
- (A) His/her share in accumulated profits
 - (B) His/her share in accumulated losses
 - (C) His/her share in reserve fund
 - (D) His/her share in goodwill
24. Rupa, Rani and Vanita are partners in a firm sharing profits and losses in the ratio 5 : 3 : 2. Vanita retires and surrenders her share in favour of Rani. Calculate new ratio between Rupa and Rani.
- (A) 1 : 1
 - (B) 3 : 2
 - (C) 5 : 3
 - (D) 6 : 4
25. At the time of retirement of a partner, stock having book value of Rs. 3,20,000 was found overvalued by Rs. 90,000. What is the accounting treatment in the Balance Sheet of the new firm ?
- (A) Stock appears on the asset side at Rs. 2,30,000
 - (B) Stock appears on the asset side at Rs. 90,000
 - (C) Stock appears on the asset side at Rs. 4,10,000
 - (D) Stock appears on the asset side at Rs. 3,20,000

26. Aman, Peter and Nora are partners in a firm sharing profits in the ratio 3 : 2 : 1 respectively. Aman retired on 30th June, 2020 and was entitled to a share in the profits of the firm till the date of his retirement based on the average profit of the last five years, which was Rs. 1,21,000. The firm closes its books of accounts on 31st March every year. Calculate the amount of his share of profit for the current year to be credited to his account.
- (A) Rs. 15,125
- (B) Rs. 30,250
- (C) Rs. 45,375
- (D) Rs. 60,500
27. On death of a partner, the amount due to his executor Rs. 4,20,000 was payable in two equal annual installments together with interest @ 6% p.a. What will be the amount of first installment payable to his executor ?
- (A) Rs. 25,200
- (B) Rs. 2,35,200
- (C) Rs. 4,32,600
- (D) Rs. 4,45,200
28. Which of the following situation brings an end to the business of a partnership firm ?
- (A) Admission of a partner in the firm
- (B) Retirement of a partner in the firm
- (C) Death of a partner in the firm
- (D) Dissolution of the firm

29. Which of the following is NOT a valid reason for dissolution of a partnership firm ?
- (A) When all partners become insolvent
 - (B) When business of the firm becomes illegal
 - (C) When the contract between the partners ends
 - (D) When the firm suffers loss during an accounting year
30. What is the accounting treatment for loss on Realisation account ?
- (A) Realisation account is debited
 - (B) Bank account is debited
 - (C) Cash account is debited
 - (D) Partner's Capital account is debited
31. Which account is debited with interest payable on partner's loan account on dissolution of a partnership firm ?
- (A) Realisation account
 - (B) Partners' Capital account
 - (C) Cash/Bank account
 - (D) Partner's loan account
32. Which account is prepared for final settlement of outside liabilities and Partners on dissolution of a firm ?
- (A) Realisation account
 - (B) Partner's Capital account
 - (C) Cash/Bank account
 - (D) Partners' loan account

33. At the time of dissolution of the firm, an unrecorded Bills Payable of Rs. 1,20,000 was taken over by a partner at Rs. 1,08,000. What will be the accounting treatment in partner's capital account ?
- (A) Rs. 1,08,000 debited
 - (B) Rs. 1,08,000 credited
 - (C) Rs. 1,20,000 debited
 - (D) Rs. 1,20,000 credited
34. Nitin a partner in a firm was to bear all expenses of realisation of assets for which he was to be credited with commission of 7.5% on all assets realized in cash. Nitin had to pay realisation expenses of Rs. 49,000 and the amount collected by him from sale of assets was Rs. 12,50,000. What is the amount debited to realisation account ?
- (A) Rs. 44,750
 - (B) Rs. 49,000
 - (C) Rs. 93,750
 - (D) Rs. 1,42,750
35. On dissolution of the firm, 70% of stock was taken by one of its partner at a value of 80% and the remaining stock was sold at a loss of Rs. 3,500. If the book value of stock given in the Balance Sheet was Rs. 3,20,000, what is the amount realized from sale of stock ?
- (A) Rs. 3,500
 - (B) Rs. 92,500
 - (C) Rs. 1,79,200
 - (D) Rs. 2,72,700

36. On dissolution of a firm, creditors having book value of Rs. 2,50,000 were settled partly by giving unrecorded investment worth Rs. 80,000 and the remaining creditors were paid at 5% discount. What will be the amount paid to the creditors ?
- (A) Rs. 1,61,500
- (B) Rs. 1,70,000
- (C) Rs. 2,37,500
- (D) Rs. 3,13,500
37. What is the maximum amount of share capital raised by the company as per its Memorandum of Association called ?
- (A) Nominal Capital
- (B) Issued Capital
- (C) Called up Capital
- (D) Reserve Capital
38. Which shareholders are returned their capital after a specified period of time ?
- (A) Holders of Redeemable Preference Shares
- (B) Holders of Irredeemable Preference Shares
- (C) Holders of Cumulative Preference Shares
- (D) Holders of Non-Cumulative Preference Shares

39. What is return on debenture called ?
- (A) Commission
 - (B) Dividend
 - (C) Interest
 - (D) Profit
40. Which of the following is NOT true regarding Bearer Debentures ?
- (A) Their transfer requires a deed of transfer
 - (B) They are transferable by mere delivery
 - (C) Their name is not registered with the company
 - (D) The interest on it is paid to the bearer of the debenture coupon

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