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Time: 1.30 Hrs.

Accountancy

Marks:50

10×1=10

I. Choose the correct answer.

- 1) The excess of assets over liabilities is
 - a) Loss
 - b) Cash
 - c) Capital
 - d) Profit
- 2) The amount of credit sales can be computed from
 - a) Total debtors account
 - b) Total creditors account
 - c) Bills receivable account
 - d) Bills payable account
- 3) Statement of affairs is a
 - a) Statement of income and expenditure
 - b) Statement of assets and liabilities
 - c) Summary of cash transactions
 - d) Summary of credit transactions
- 4) Legacy is
 - a) Revenue expenditure
 - b) Capital expenditure
 - c) Revenue receipt
 - d) Capital receipt
- 5) Income and expenditure account is a
 - a) Nominal A/c
 - b) Real A/c
 - c) Personal A/c
 - d) Representative personal account
- 6) In the absence of an agreement among the partners, interest on capital is
 - a) Not allowed
 - b) Allowed at bank rate
 - c) Allowed at @ 5% per annum
 - d) Allowed @ 6% per annum
- 7) When a partner withdraws regularly a fixed sum of money at the middle of every month, period for which interest is to be calculated on the drawings on an average is
 - a) 5.5 months
 - b) 6 months
 - c) 12 months
 - d) 6.5 months
- 8) In the absence of an agreement, partners are entitled to
 - a) Salary
 - b) Commission
 - c) Interest on loan
 - d) Interest on capital
- 9) The average rate of return of similar concerns is considered as
 - a) Average Profit
 - b) Normal rate of return
 - c) Expected rate of return
 - d) None of these
- 10) 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 can not acquired

II. Answer any 5 questions. Q.No.17 is compulsory)

5×2=10

- 11) What is a statement of affairs?
- 12) From the following details, calculate credit purchases.

Particulars	Rs.
Opening creditors	3,40,000
Purchase returns	40,000
Cash paid to creditors	9,00,000
closing creditors	3,80,000

- 13) Give four examples for capital receipts of not-for-profit organisation.
 14) Show how the following items appear in the income and expenditure account of Sirkazhi Singers Association?

	Rs.
Stock of stationery on 1.4.2018	5,500
Purchase of stationery during the year	12,600
Stock of stationery on 31.3.2019	6,000

- 15) Mannan and Ramesh share profits and losses in the ratio of 3:2 and their capital on 1st April, 2018 was Mannan Rs.1,50,000 and Ramesh Rs.1,00,000 respectively and their current accounts show a credit balance of Rs.25,000 and Rs.20,000 respectively. Calculate interest on capital at 6% p.a. for the year ending 31st March, 2019 and show the journal entries.
 16) 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
2015	Profit	5,000
2016	Profit	8,000
2017	Loss	3,000
2018	Profit	6,000

- 17) What is super profit?

III. Answer any 5 questions. (Q.No.24 is compulsory)

5×3=15

- 18) From the following details find out total sales made during the year.

Particulars	Rs.
Debtors on 1st January 2018	1,30,000
Cash received from debtors during the year	4,20,000
Sales returns	35,000
Bad debts	15,000
Debtors on 31st December 2018	2,00,000
Cash Sales	4,60,000

- 19) How will the following appear in the final accounts of Karaikudi sports club for the year ending 31st March, 2019?

Particulars	Rs.
Tournament fund on 1st April 2018	90,000
Tournament fund investment on 1st April 2018	90,000
Interest received on tournament fund investment	9,000
Donation to tournament fund	10,000
Tournament expenses	60,000

- 20) How will the following items appear in the income and expenditure accounts of a club for the year ending 31st March 2017?

Received subscription of Rs.40,000 during the year 2016-17. This includes subscription of Rs.5,000 for 2015-16 and Rs.3,000 for the year 2017-18. subscription of Rs.1,000 is still outstanding for the year 2016-17.

- 21) Kavitha is a partner in a firm. She withdraws Rs.2,500 p.m. regularly. Interest on drawings is charged @ 4% p.a. Calculate the interest on drawings using average period, if she draws
- at the beginning of every month
 - in the middle of every month
 - at the end of every month
- 22) From the following details, calculate the value of goodwill at 2 years purchase of super profit.
- Total assets of a firm are Rs.5,00,000
 - The liabilities of firm are Rs.2,00,000
 - Normal rate of return in this class of business is 15%
 - Average profit of the firm is Rs.60,000.
- 23) State the differences between fixed capital method and fluctuating capital method.
- 24) State the differences between double entry system and incomplete records.

III. Answer All the questions.

3×5=15

- 25) A) 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.
- Profits for the year ending 31st December 2016, 2017 and 2018 were Rs.1,75,000, Rs.1,50,000 and Rs.2,00,000 respectively.
 - A non-recurring income of Rs.45,000 is included in the profits of the year 2016.
 - The closing stock of the year 2017 was overvalued by Rs.30,000.
- (or)
- B) Find out the value of goodwill by capitalising super profits:
- Normal Rate of Return 10%
 - Profits for the last four years are Rs.27,000, Rs.40,000, Rs.50,000 and Rs.45,000.
 - Average capital employed is Rs.3,00,000.
- 26) A) From the following details you are required to calculate credit sales and credit purchases by preparing total debtors account, total creditors account, bills receivable account and bills payable account.

Particulars	Opening balance	Closing balance
Sundry debtors	60,000	55,000
Bills receivable	5,000	1,000
Sundry creditors	25,000	28,000
Bills payable	2,000	3,000
Other information:		
Cash received from debtors	1,30,000.	
Discount allowed to customers	5,500	
Cash paid to creditors	70,000	
Discount allowed by suppliers	3,500	
Payments against bill payable	7,000	

Cash received for bills receivable	14,000
Bills receivable dishonoured	1,200
Bad debts	3,500

(or)

B) 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 (Book value Rs.17,000)	16,000	By Balance c/d	
		Cash in hand	10,000
	1,45,000		1,45,000

27) A) From the information given below, prepare Receipts and Payments account of Madurai Mother Theresa Mahalir Mandram for the year ended 31st December, 2018.

Pardiculars	Rs.	Particulars	Rs.
Cash balance as on 1.1.2018	2,000	FireInsurance premium paid	1,500
Bank balance as on 1.1.2018	3,000	Subscription received	8,500
Sale of old newspapers	500	Furniture purchased	6,000
Stationery purchased	6,000	Purchase of newspapers	700
Audit fees paid	2,000	Depreciation on furniture	900
Entrance fees received	3,000	Cash balance as on	2,500
Sundry charges	6,000	Conveyance paid	1,000
Scholarship given	2,000	Sale of furniture	4,000
Interest on investments	2,000		

(or)

B) 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.