

## Accountancy

**Std: XII**

**Marks: 55**

**Time : 30 Min.**

**I. Fill ups:**

**Chapter 1 to 3 (Final A/c, Single entry and Depreciation A/c)**

1. Net Profit is transferred from Profit and Loss account to \_\_\_\_\_ account.
2. A statement of affairs resembles a \_\_\_\_\_.
3. Closing capital can be found by preparing a statement of affairs at the \_\_\_\_\_ of the year.
4. Provision for Bad and Doubtful debts is deducted from \_\_\_\_\_ in the balance sheet.
5. Prepaid expenses are shown on the \_\_\_\_\_ side of the balance sheet.
6. Income accrued but not received will be shown on the \_\_\_\_\_ side of the balance sheet.
7. Closing Stock is valued at Cost Price or \_\_\_\_\_ price whichever is lower.
8. Outstanding expenses are shown on the \_\_\_\_\_ side of the balance sheet.
9. All assets whose benefit is derived for a \_\_\_\_\_ period of time are called as Fixed Assets
10. The excess of assets over liabilities is \_\_\_\_\_.
11. Under insurance policy method, cash is paid by way of \_\_\_\_\_ every year.
12. Interest on drawings is credited in \_\_\_\_\_ account.
13. A firm has assets with worth Rs.60,000 and Capital Rs.45,000. Then it's liabilities is \_\_\_\_\_.
14. The estimated sale value of the asset at the end of it's economic life is called as \_\_\_\_\_ value.
15. Interest on capital is debited in \_\_\_\_\_ account.
16. Credit Purchase can be ascertained as the balancing figure in the \_\_\_\_\_.
17. Income received in advance will be shown on the \_\_\_\_\_ side of the Balance Sheet.
18. The total assets of a proprietor are Rs.5,00,000. His liabilities Rs.3,50,000. Then his capital in the business is \_\_\_\_\_.
19. \_\_\_\_\_ method of depreciation is suitable for special type of asset like Loose tools.
20. Interest on loan borrowed unpaid is shown on the \_\_\_\_\_ side of the Balance Sheet.
21. \_\_\_\_\_ capital can be found by preparing a statement of affairs at the beginning of the year.
22. Depreciation is deducted from the concerned \_\_\_\_\_ in the balance sheet.
23. Under \_\_\_\_\_ method depreciation is calculated on the book value of the asset each year.
24. Debts which are not recoverable from Sundry Debtors are termed as \_\_\_\_\_.
25. Incomplete records are those records which are not kept under \_\_\_\_\_ system.
26. In \_\_\_\_\_ system, only personal and cash accounts are opened.
27. \_\_\_\_\_ method of depreciation is used in the case of Lease.
28. Statement of affairs method is also called as \_\_\_\_\_ method.
29. Provision for discount on creditors is deducted from \_\_\_\_\_ in the balance sheet.
30. \_\_\_\_\_ method of depreciation is calculated on the original cost of the asset.

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**II. Choose:**

1. Return inwards are deducted from
  - a) Purchases b) Sales c) Returns outward
2. The Profit and Loss Account shows
  - a) Financial position of the concern b) Net profit or Net loss c) Gross profit or Gross Loss
3. Under the Net worth method the basis for ascertaining the profit is
  - a) the difference between the capital on two dates
  - b) the difference between the liabilities on two dates
  - c) the difference between the Assets on two dates
4. If selling price is more than the book value of the asset on the date of sale it is
  - a) a loss b) an income c) a profit
5. Rent outstanding is a) a liability b) an asset c) an income
6. Loss on sale of fixed asset appear on the
  - a) credit side of Depreciation account b) debit side of the fixed asset account
  - c) credit side of Fixed asset account
7. Single entry system is a) a Scientific method b) an Incomplete Double Entry system c) None
8. Closing stock is shown in a) Profit and Loss account b) Trading account and Balance Sheet c) None
9. The term depletion is used for a) Intangible assets b) Fixed assets c) Natural resources
10. Credit sales is obtained from
  - a) Bills Receivable Account b) Total Debtors Account c) Total Creditors Account
11. Under diminishing balance method depreciation
  - a) decreases every year b) increases every year c) constant every year
12. Opening stock is shown in a) Balance sheet b) Profit and Loss account c) Trading account
13. The capital of a business is ascertained by preparing
  - a) Trading account b) Statement of Profit or Loss c) Statement of Affairs
14. Profit made on sale of fixed asset is debited to
  - a) Profit and Loss Account b) Fixed Asset Account c) Depreciation Account
15. Interest on Drawings is deducted from a) Drawings A/c b) Capital A/c c) Expenses A/c
16. Incomplete records are generally used by
  - a) Small traders b) Company c) Government
17. Total amount of Depreciation provided on the written down value method at the rate of 10% p.a. on Rs.10,000 for first three years will be
  - a) Rs.2,107 b) Rs.2,710 c) 2,701
18. Outstanding interest on loan borrowed is to be added to
  - a) Asset A/c b) Income A/c c) Loan A/c
19. If selling price is less than the book value of the asset it denotes
  - a) a loss b) capital profit c) expenditure
20. Gross Profit is transferred to a) Capital Account b) Profit and Loss Account c) Balance Sheet
21. Interest on Capital is added to a) Expense A/c b) Income A/c c) Capital A/c
22. The amount of depreciation charged on a machinery will be debited to
  - a) Machinery account b) Depreciation account c) Cash account
23. All the items given in the adjustment will appear at \_\_\_\_ in the final accounts.
  - a) Three places b) Two places c) one place
24. Depreciation arises due to
  - a) wear and tear of the asset b) fall in the market value of asset c) fall in the value of money
25. Under straight line method, rate of depreciation is calculated on
  - a) Original cost b) Written down value c) Cost less scrap value

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## Accountancy

**Std: XII**

**Key for Objectives Chap.1 to 3**

<b>I. Fill up:</b>	<b>II. Choose:</b>
<ol style="list-style-type: none"> <li>1. Capital</li> <li>2. Balance Sheet</li> <li>3. End</li> <li>4. Sundry Debtors</li> <li>5. Assets</li> <li>6. Assets</li> <li>7. Market</li> <li>8. Liabilities</li> <li>9. Long period</li> <li>10. Capital</li> <li>11. Premium or Insurance Premium</li> <li>12. Capital</li> <li>13. Rs.15,000</li> <li>14. Scrap or Residual or Turn-in-value</li> <li>15. Profit and Loss</li> <li>16. Total Creditors A/c</li> <li>17. Liabilities</li> <li>18. Rs.1,50,000</li> <li>19. Revaluation</li> <li>20. Liabilities</li> <li>21. Opening</li> <li>22. Fixed Assets</li> <li>23. Written Down Value or Diminishing Balance or Reducing Balance Method</li> <li>24. Bad debts</li> <li>25. Double entry</li> <li>26. Single entry</li> <li>27. Annuity</li> <li>28. Net worth or Capital Comparison Method</li> <li>29. Sundry Debtors (or) Debtors</li> <li>30. Straight Line or Original Cost or Fixed Installment Method</li> </ol>	<ol style="list-style-type: none"> <li>1. Sales</li> <li>2. Net Profit or Net loss</li> <li>3. the difference between the capital on two dates</li> <li>4. a profit</li> <li>5. a liability</li> <li>6. credit side of the Fixed Asset account</li> <li>7. an Incomplete Double Entry system</li> <li>8. Trading account and Balance Sheet</li> <li>9. Natural resources</li> <li>10. Total Debtors Account</li> <li>11. Decreases every year</li> <li>12. Trading Account</li> <li>13. Statement of Affairs</li> <li>14. Fixed Asset Account</li> <li>15. Capital A/c</li> <li>16. Small traders</li> <li>17. Rs.2,710</li> <li>18. Loan A/c</li> <li>19. a loss</li> <li>20. Profit and Loss Account</li> <li>21. Capital A/c</li> <li>22. Depreciation account</li> <li>23. Two places</li> <li>24. wear and tear of the asset</li> <li>25. Original Cost</li> </ol>

## Accountancy

**Std: XII**

**Marks: 40**

**Time : 20 Min.**

**I. Fill ups:**

**Chapter 4 & 5 (Ratio Analysis & Cash Budget)**

1. Liquid ratio is used to assess the firm's \_\_\_\_ liquidity.
2. Liquid Assets means current assets less \_\_\_\_ and \_\_\_\_.
3. Stock turnover ratio is otherwise called \_\_\_\_.
4. 100% - Operating profit ratio is equal to \_\_\_\_ ratio.
5. Cash budget is also called as \_\_\_\_.
6. There are \_\_\_\_ methods by which a cash budget is prepared.
7. The opening balance of cash in April Rs.1,250. Total receipts for the month are Rs.4,300 and total payments amounted to Rs.3,750. Opening balance of cash in May will be \_\_\_\_.
8. Cash budget is a useful tool for \_\_\_\_.
9. \_\_\_\_ Ratio measures the firm ability to pay off its current dues.
10. \_\_\_\_ are those assets which are easily convertible into cash.
11. Bank overdraft is an example of \_\_\_\_ current liability.
12. \_\_\_\_ ratio is modified form of liquid ratio
13. The term 'cash' in cash budget stands for \_\_\_\_ and \_\_\_\_ balance
14. Liquid liabilities means current liabilities less \_\_\_\_.
15. Proprietary ratio shows the relationship between \_\_\_\_ and total tangible assets.
16. Gross profit can be ascertained by deducting cost of goods sold from \_\_\_\_.
17. When total sales is Rs.2,00,000, Cash sales is Rs.65,000, then Credit Sales is Rs. \_\_\_\_
18. Liquid ratio is otherwise known as \_\_\_\_.
19. The closing balance of one month will be the \_\_\_\_ balance of the next month.
20. \_\_\_\_ Ratio is a mathematical relationship between two items expressed in quantitative form.
21. Ratio helps in \_\_\_\_ forecasting

**II. Choose:**

1. Current assets of a business concern is Rs.60,000 and Current liabilities are Rs,30,000. Current ratio will be a) 1 : 2      b) 1 : 1      c) 2 : 1
2. Operating ratio is equal to  
a)  $100 - \text{Operating profit ratio}$  b)  $100 + \text{Operating ratio}$  c) Operating profit ratio
3. Budget is an estimate relating to \_\_\_\_\_ period.
4. a) Current      b) Past      c) Future
5. Shareholders funds includes  
a) Equity share capital, Preference share capital, Reserves &  
b) Surplus and Loans from banks  
c) Loans from banks & Financial institutions and Debentures  
d) share capital, Preference share capital, Reserves & Surplus
6. All Solvency ratios are expressed in terms of  
a) Proportion      b) Times      c) Percentage
7. All Activity ratios are expressed in terms of  
a) Proportion      b) Times      c) Percentage
8. Budget is expressed in terms of  
a) Money      b) Physical units      c) Money & Physical units
9. Total Sales is Rs.3,40,000 and the Gross profit made is Rs.1,40,000. The cost of goods sold will be  
a) Rs.2,00,000      b) Rs.4,80,000      c) Rs.3,40,000
10. Total Sales of a business concern is Rs.8,75,000. If Cash sales is Rs.3,75,000, then credit sales will be  
a) Rs,12,50,000      b) Rs,5,00,000      c) Rs.12,00,000
11. The opening balance of cash in January is Rs.9,000. The estimated receipts are Rs.14,000 and the estimated payments are Rs.10,000. The opening balance of cash in Feb. will be  
a) Rs.13,000  
b) Rs.21,0000      c) Rs.11,000  
a) Liquid liabilities means      a) Current liabilities      b) Current liabilities – Bank overdraft  
c) Current liabilities + Bank overdraft
12. Gross profit ratio establishes the relationship between  
a) Gross profit & Total Sales      b) Gross profit & Credit sales  
c) Gross Profit & Cash sales
13. Opening Stock is equal to Rs.10,000, Purchase Rs.2,00,000 and Closing stock is Rs.5,000. Cost of goods sold is equal to  
a) Rs.2,15,000      b) Rs.2,10,000      c) Rs.2,05,000
14. Purchase of Furniture is an example for  
a) Cash receipts      b) Cash payments      c) None of the above
15. Which of the following option is correct  
a) Tangible Assets = Land + Buildings + Goodwill  
b) Tangible Assets = Land + Buildings + Furniture  
c) Tangible Assets = Land + Buildings + Goodwill + Furniture
16. Cash budget deals with  
a) Estimated cash receipts b) Estimated cash payments  
b) Estimated cash receipts & Estimated cash payments
17. Cost of goods sold is Rs.4,00,000 and average stock is Rs.80,000. Stock turnover ratio will be  
a) 5 times      b) 4 times      c) 7 times
18. Equity share capital is Rs.2,00,000, Reserves & surplus is Rs.30,000. Debenture Rs.40,000 and the shareholders funds will be  
a) Rs.2,00,000      b) Rs.2,30,000      c) Rs.1,00,000
19. All Profitability ratios are expressed in terms of  
a) Proportion      b) Times      c) Percentage

## Accountancy

**Std: XII**

**Marks: 105**

**Time : 45 Min.**

### Vol.-II Chapter 6 to 9

**(Partnership-Basic Concept, Admission, Retirement and Company Account)**

**I. Fill ups:**

1. Indian Partnership Act was enacted in the year \_\_\_\_.
2. A sole trader business is owned and managed by \_\_\_\_ person.
3. In the event of admission of a new partner, legally there is \_\_\_\_\_ of old partnership.
4. Mutual and \_\_\_\_ agency is the essence of partnership.
5. At the time of admission of a new partner, \_\_\_\_ profit ratio should be found out.
6. At the time of admission of a new partner, \_\_\_\_\_ of assets and liabilities should be taken up.
7. In the absence of any specific agreement between the partners, partners loan to the firms will carry an interest at the rate of \_\_\_\_\_ percentage.
8. The accumulated reserves will be transferred to the old partners capital account in the \_\_\_\_ ratio at the time of his retirement.
9. At the time of admission, when goodwill is raised, the old partners capital account will be credited in the \_\_\_\_\_ ratio.
10. At the time of retirement, the revaluation profits of business will be shared by \_\_\_\_ partners.
11. Sacrificing ratio is the ratio in which the old partners (existing) have agreed to sacrifice their \_\_\_\_\_ in favour of \_\_\_\_\_.
12. The profits and losses of the business will be shared among the partners in the \_\_\_\_ ratio.
13. Under fluctuating capital method, profit or loss in a year, will be transferred to the respective \_\_\_\_\_ accounts.
14. A partnership can be formed only for a \_\_\_\_ business.
15. Audit of accounts are done by practicing chartered accounts who are appointed by \_\_\_\_ at the \_\_\_\_\_.
16. When the value of an asset increases, it results in \_\_\_\_\_.
17. The difference between old profit sharing ratio and new profit sharing ratio at time of admission is \_\_\_\_ ratio.
18. Companies have been defined in Section \_\_\_\_ of the Companies Act, \_\_\_\_\_.
19. The capital accounts of partners may be \_\_\_\_\_ or fluctuating.
20. When excess application money is adjusted towards allotment it is called as \_\_\_\_\_ allotment.
21. Undistributed Profit will appear on the \_\_\_\_\_ side of the Balance Sheet.
22. A, B and C shares profit as  $\frac{1}{2}$  to A,  $\frac{1}{3}$  to B and  $\frac{1}{6}$  to C. If B retires then, the new profit sharing ratio is \_\_\_\_\_.
23. At the time of retirement of partners, the existing partners stand to \_\_\_\_\_.
24. Under \_\_\_\_\_ capital arrangement, current accounts will not be maintained.
25. The debit balance of the current account, will be shown in the \_\_\_\_\_ side of the balance sheet.
26. Goodwill is an \_\_\_\_\_ asset.
27. The excess of average profit over normal profit is \_\_\_\_.
28. If the value of liabilities decrease, it results in \_\_\_\_\_ item.
29. At the time of retirement, the increase in the value of goodwill will be transferred to the \_\_\_\_ side of the capital accounts of all the partners.
30. Interest on partners' capital is allowed, only when the \_\_\_\_\_ specifically provides for it.

**Page-2-**

31. Money lent to the business by a partner is credited to his \_\_\_\_\_ account and not his capital account.
32. In the absence of partnership deed, no interest is to be charged on \_\_\_\_\_.
33. Forfeited shares have to be reissued at a price \_\_\_\_\_ than the face value.
34. Under \_\_\_\_\_ goodwill account is raised by crediting the old partners capital accounts in the old profit sharing ratio.
35. Interest on partners' loan should be paid, even if there is no \_\_\_\_\_ in a year.
36. When an unrecorded liabilities is brought into books, it results in \_\_\_\_\_.
37. The balance of revaluation account shows \_\_\_\_\_ on revaluation.
38. Minimum subscription that should be received by the company is \_\_\_\_\_ % of the issued capital.
39. The persons who entered into partnership are collectively known as \_\_\_\_\_.
40. The retiring partner should be paid off or the amount due to him, will be treated as his \_\_\_\_\_ to the firm.
41. At the time of retirement, the profit on revaluation of assets and liabilities will be transferred to the \_\_\_\_\_ side of the capital accounts of all the partners.
42. The amount due to the retiring partner is either \_\_\_\_\_ or is paid in \_\_\_\_\_.
43. The part of the authorized capital not offered for subscription to the public is known as \_\_\_\_\_.
44. The partner admitted into partnership firm acquires two rights i.e., right to share in the \_\_\_\_\_ of the partnership and right to share in the \_\_\_\_\_.
45. Reserve capital can be issued only at the time of \_\_\_\_\_.
46. \_\_\_\_\_ is the maximum amount of capital that can be issued by a company.
47. Nominal capital is the capital mentioned in the \_\_\_\_\_ of the company.
48. \_\_\_\_\_ is calculated to determine the amount of compensation to be paid by each of the continuing partners to the outgoing partners.
49. The revaluation profit or loss is transferred to the old partners' capital accounts, in their \_\_\_\_\_.
50. The management of a company is done by \_\_\_\_\_.
51. There should be a time gap of \_\_\_\_\_ between two calls.
52. Securities premium is shown in the \_\_\_\_\_ side of the Balance Sheet.
53. The new profit sharing ratio will be determined by how the new partner acquire is \_\_\_\_\_ from the old partners.
54. \_\_\_\_\_ is considered as the official signature of the company.
55. \_\_\_\_\_ is the valuation of assets and liabilities at the time of reconstitution of the partnership firm.
56. The liability of shareholders are \_\_\_\_\_ in a company.
57. A public issue can not kept open for more \_\_\_\_\_ days.
58. Capital Reserve represents \_\_\_\_\_ profit.

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**Std: XII****Accountancy****II.Choose:**

1. The minimum number of persons in a partnership firm is \_\_\_\_\_.  
a) one b) two c) seven
2. When A and B sharing profits and losses in the ratio of 3:2 they admit C as a partner giving him 1/3 share of profits. This will be given by A and B.  
a) Equally b) In the ratio of their capitals c) In the ratio of their profits.
3. Normally companies can issue shares at \_\_\_\_ % of discount.  
a) 5 b) 10 c) 20
4. Where a partner is entitled to interest on capital such interest will be payable  
a) only out of profits b) only out of capital c) out of profits or out of capital
5. In a partnership, partners share their profits and losses in \_\_\_\_ ratio.  
a) their capital b) equal c) agreed
6. In order to maintain fair dealings, at the time of admission, it is necessary to revalue assets and liabilities of the firm to their \_\_\_\_\_.  
a) cost price b) true value c) cost price less depreciation
7. The maximum calls that a company can make is \_\_\_\_\_.  
a) one b) two c) three
8. Under fixed capital method salary payable to a partner is recorded \_\_\_\_  
a) in Capital Account b) in Current Account c) Either these two accounts.
9. Calls-in-arrears is shown in the Balance Sheet as  
a) deduction from called up capital b) addition to paid up capital  
c) addition to issued capital
10. Under fixed capital system, the profits and losses of partners will be transferred to their \_\_\_\_ account. a) Current b) Drawings c) Capital
11. A, B and C are sharing profits in the ratio of 2/5: 2/5: 1/5. C retired from business and his share was purchased equally by A and B. Then new profit sharing ratio shall be  
a) A-1/2 & B-1/2 b) A-3/5 & B-2/5 c) A-2/5 & B-3/5
12. According to Companies (Amendment) Act 2000, a company limited by share can issue \_\_\_\_ kinds of Shares:  
a) 1 b) 2 c) 3
13. In a partnership business, agreement is \_\_\_\_\_.  
a) compulsory b) optional c) not necessary
14. When A and B sharing profits and losses in the ratio 3:2, admit C as a partner giving him 1/5 share of profits. This will be given by A and B.  
a) Equally b) in their profit sharing ratio c) in their capital ratio
15. According to Table A, interest charged on calls-in-arrears is \_\_\_\_%.  
a) 4% b) 5% c) 6%
16. On admission of a partner if goodwill account is to be raised this should be debited to  
a) Partner's capital account b) Goodwill account c) Revaluation account
17. Current accounts for partners will be opened under  
a) Fixed capital method b) Fluctuating capital method c) Either two method
18. On retirement of a partner goodwill amount is credited to the account of  
a) only retiring partner b) only remaining partner c) all partners including retiring partner
19. When the company issue shares at a price more the face value it is called as an issue at\_\_\_\_,  
a) Par b) Premium c) Discount
20. In admission, profit from revaluation of assets and liabilities will be transferred to the capital accounts of the old partners in the  
a) Old profit sharing ratio b) Sacrifice ratio c) New profit sharing ratio
21. In the absence of an agreement profits and losses are divided  
a) in the ratio of capitals b) in the ratio of devoted by each partner c) equally
22. According to Table A, interest charged on calls in advance is \_\_\_\_%.  
a) 4% b) 5% c) 6%

23. X and Y are partners sharing the profits and losses in the ratio of 2:3 with capitals of Rs.1,20,000 and Rs.60,000 respectively. Profits for the year are Rs.9,000. If the partnership deed is silent as to interest on capital. Show how profit is shared among X and Y  
 a) Profit X-Rs.3,600 Y- Rs.5,400 b) Profit X-Rs.6,000 Y-Rs.3,000  
 b) Profit X-Rs.3,000 Y-Rs.6,000

Page-2-

24. If new share of the incoming partner is given without mentioning the details of the sacrifice made by the old partners then, the presumption is that old partners sacrifice in the \_\_\_\_\_  
 a) Old profit sharing ratio b) Gaining ratio c) Capital ratio.
25. In the absence of partnership deed, partners shall  
 a) be paid salaries b) not to paid salaries c) paid salaries to those who work for the firm
26. The reconstitution of the partnership requires a revision of the \_\_\_\_\_ of the existing partners.  
 a) Profit sharing ratio b) Capital ratio c) Sacrificing ratio
27. \_\_\_\_\_ ratio is computed at the time of admission of a new partner.  
 a) Gaining ratio b) Capital ratio c) Sacrificing ratio
28. If a firm is maintaining both 'Capital Accounts' and 'Current Accounts' of the partners A and B. Additional capital introduced by B will be recorded in  
 a) B's Current A/c b) B's Capital A/c c) Either B's Capital & Current A/c
29. Undistributed profits and losses \_\_\_\_\_ transferred to all the partners account at the time of retirement of a partner. a) should be b) should not be c) may be
30. When shares are forfeited the share capital of the company will \_\_\_\_\_.  
 a) remain same b) reduce c) increase.
31. On admission of new partner, increase in value of assets is debited to \_\_\_\_\_.  
 a) Asset A/c b) Profit & Loss Appropriation A/c c) Old Partners capital A/c
32. At the time of retirement of a partner, calculation of new profit ratio is \_\_\_\_\_.  
 a) not necessary b) necessary c) optional
33. Minimum amount to be collected by a company as application money according to SEBI is \_\_\_\_ % of the issue price. a) 10% b) 25% c) 50%
34. If the goodwill account is raised for Rs.30,000, the amount is debited to:  
 a) The capital accounts of partners b) Goodwill A/c c) Cash A/c
35. Capital Reserve is shown on the \_\_\_\_\_ side of the Balance Sheet.  
 a) Asset b) Liability c) Both.
36. At the time of retirement Balance Sheet items like Profit & Loss account and General Reserve must be transferred to  
 a) Revaluation A/c b) Partner's Capital A/c c) None of the above.
37. If the amount due to the outgoing partner is transferred to loan account then he is entitled to interest at \_\_\_\_\_ until it is paid out.  
 a) 9% b) 5% c) 6%
38. Securities premium will appear in the \_\_\_\_\_ side of the Balance Sheet.  
 a) Asset b) Liability c) Assets & Liabilities
39. The balance of forfeited share account is \_\_\_\_\_ in the Balance sheet.  
 a) added to authorized capital b) added to paid up capital c) deducted from paid up capital
40. \_\_\_\_\_ ratio is calculated by taking out the difference between new profit sharing ratio and old profit sharing ratio.  
 a) Gaining b) Capital c) Sacrifice
41. The public issue must be kept open for atleast  
 a) 3 days b) 5 days c) 7 days d) 10 days
42. On admission of a new partner balance of General Reserve Account should be transferred to the capital account of  
 a) all partners in their new profit sharing ratio b) old partners in their new profit sharing ratio c) old partners in their old profit sharing ratio

43. When more number of application are received than that are offered to the public, it is called \_\_\_\_\_. a)  
Over subscription b) Under subscription c) Full subscription
44. The old partners share all the accumulated profits and reserves in their \_\_\_\_\_  
a) new profit sharing ratio b) old profit sharing ratio c) capital ratio
45. When the amount due to an outgoing partner is not paid immediately, then it is transferred to  
a) Capital A/c b) Loan A/c c) Cash A/c
46. A company can issue shares  
a) at par only b) at par and premium c) at par, at premium & at discount
47. Interest on capital is calculated on the  
a) Opening Capital b) Closing Capital c) Average Capital
- \*\*\*\*\*All the Best\*\*\*\*\*

**STD: XII****Accountancy****Section-A****1.Final A/c**

1. Final accounts are prepared on the basis of the \_\_\_\_\_.
2. Final accounts are the means of conveying the profitability and \_\_\_\_\_ to management, owners and interested outsiders of the business.
3. All \_\_\_\_\_ are given outside the Trial Balance.
4. Expenses which have been incurred but not yet paid during the accounting period are called as \_\_\_\_\_ expenses.
5. Expenses which have been paid in advance are called as \_\_\_\_\_ expenses.
6. Incomes which has been earned but not received during the accounting period is called as \_\_\_\_\_ income.
7. Income received during a particular accounting period for the work to be done in future period is called as \_\_\_\_\_.
8. Interest on drawings is an income for the business and will \_\_\_\_\_ the capital of the owner.
9. Bad debts is a \_\_\_\_\_ for the business.
10. After providing provision for bad and doubtful debts, the remaining debtors are called as \_\_\_\_\_ debtors.
11. Net profit is transferred from profit and loss account to \_\_\_\_\_ account.
12. Closing stock is valued at cost price or \_\_\_\_\_ price whichever is lower.
13. Outstanding expenses are shown on the \_\_\_\_\_ side of the balance sheet.
14. Prepaid expenses are shown on the \_\_\_\_\_ side of the balance sheet.
15. Income accrued but not received will be shown on the \_\_\_\_\_ side of the balance sheet.
16. Income received in advance will be shown on the \_\_\_\_\_ side of the balance sheet.
17. Interest on capital debited in \_\_\_\_\_ account.
18. Interest on drawings is credited in \_\_\_\_\_ account.
19. Unpaid interest on loan borrowed is shown on the \_\_\_\_\_ side of the balance sheet.
20. Depreciation is deducted from the concerned \_\_\_\_\_ in the balance sheet.
21. Provision for bad and doubtful debts is calculated as a percentage on \_\_\_\_\_.
22. Provision for discount on creditors is deducted from \_\_\_\_\_ in the balance sheet.
23. Debts which are not recoverable from sundry debtors are termed as \_\_\_\_\_.
24. Trial Balance shows bank loan Rs.4,00,000 @ 10% on 1.4.03, Interest paid Rs.14,000. Interest outstanding is \_\_\_\_\_.
25. The Trial Balance as on 31.3.03 shows capital Rs.4,00,000 and Drawings Rs.30,000. Interest on drawing @ 5% is \_\_\_\_\_.

**2.Single Entry.**

1. Accounts from incomplete records is an incomplete, inaccurate, \_\_\_\_\_ and unsystematic system of book keeping.
2. Tax authorities do not accept accounts prepared according to \_\_\_\_\_ for computation of taxes.
3. If adjusted closing capital is more than opening capital, it denotes \_\_\_\_\_.
4. For ascertaining the amount of credit sales the \_\_\_\_\_ account should be prepared.
5. Incomplete records are those records which are not kept under \_\_\_\_\_ system.
6. Statement of affairs method is also called as \_\_\_\_\_ method.
7. \_\_\_\_\_ capital can be found by preparing a statement of affairs at the beginning of the year.
8. A Statement of affairs resembles a \_\_\_\_\_.
9. Closing capital can be ascertained by preparing a statement of affairs at the \_\_\_\_\_ of the year.

10. In \_\_\_\_ only personal and cash accounts are opened.
11. Credit purchase can be ascertained by preparing \_\_\_\_.
12. The excess of assets over liabilities is \_\_\_\_.
13. The total assets of a proprietor are Rs.5,00,000. His liabilities Rs.3,50,000. His capital in the business is \_\_\_\_.
14. A firm has assets worth Rs.60,000 and capital Rs.45,000. It's liabilities is \_\_\_\_
15. \_\_\_\_ cannot keep books on incomplete double entry because of legal provisions.
16. \_\_\_\_ is not based on dual aspect concept.
17. A firm has opening capital Rs.10,000 and Closing capital Rs.15,000. The profit of the business is \_\_\_\_
18. If adjusted closing capital is less than the opening capital, it denotes \_\_\_\_
19. Accounts from incomplete records ignores \_\_\_\_ and \_\_\_\_ accounts.
20. Calculation of profit by preparing Trading and Profit and Loss account under incomplete double entry is called \_\_\_\_ Method.

### 3.Depreciation:

1. Reduction in the value of fixed assets is called \_\_\_\_
2. \_\_\_\_ refers to the physical deterioration by the exhaustion of natural resources.
3. Loss in the value of intangible assets is termed as \_\_\_\_
4. Under \_\_\_\_ method the book value of the asset becomes zero or to its scrap value at the end of its estimated life.
5. Loss in the value of an asset due to new invention is termed as \_\_\_\_.
6. The value expected to be realized on sale of an asset on the expiry of it's useful life is known as \_\_\_\_
7. Under \_\_\_\_ method of depreciation, same amount of depreciation is charged every year throughout the life of the asset.
8. Under \_\_\_\_ method of depreciation, the amount of depreciation goes on decreasing every year.
9. Under \_\_\_\_ method of depreciation the amount of depreciation is determined with help of annuity table.
10. Under \_\_\_\_ method of depreciation funds are made available for the replacement of asset at the end of its useful life.
11. Under \_\_\_\_ method of depreciation a sum equal to the amount of depreciation is paid as premium every year.
12. If the book value of an asset is less than the selling price, it is \_\_\_\_
13. The period over which an asset is expected to be used is termed as \_\_\_\_.
14. Depreciation account is closed by transferring it to \_\_\_\_ account.
15. All assets whose benefit is derived for a \_\_\_\_ period of time are called as fixed assets.
16. Under \_\_\_\_ method of depreciation the amount of depreciation is calculated on the original cost of assets.
17. Under \_\_\_\_ method of depreciation, the amount of depreciation is calculated on the book value of the asset each year.
18. \_\_\_\_ method of depreciation is used to calculate depreciation amount on lease.
19. Under Insurance policy method, a sum equal to the amount of depreciation is paid as \_\_\_\_ every year.
20. \_\_\_\_ method of depreciation is suitable for special type of asset like loose tools.
21. In \_\_\_\_ method of depreciation, amount is invested outside the business.
22. If the book value of an asset is more than the selling price, it is \_\_\_\_
23. The written down value method of providing depreciation is recognised by the \_\_\_\_ authorities.

24. If asset is sold for profit, such profit is shown in the \_\_\_\_ side of the asset account.
25. If asset is sold for loss, such loss is shown in the \_\_\_\_\_ side of the asset account

#### 4.Ratio Analysis:

1. Accounting ratio helps in \_\_\_\_ forecasting.
2. The objectives of using ratios are to test the \_\_\_\_\_ financial position and the operating efficiency of the concern.
3. \_\_\_\_ means total sales less sales returns.
4. 100% minus operating profit ratio is equal to \_\_\_\_\_ ratio.
5. On the basis of purpose, ratios are classified as liquidity ratios, solvency ratios, profitability ratios and \_\_\_\_\_
6. All profitability ratios are expressed in terms of \_\_\_\_\_
7. \_\_\_\_\_ is an expression of one number in relation to another number.
8. Financial statements are the \_\_\_\_ result of accounting work done during the year.
9. Liquid ratio is otherwise called as \_\_\_\_\_.
10. \_\_\_\_\_ are those assets which are easily convertible into cash.
11. The relationship between sales and capital employed is known as \_\_\_\_\_ ratio.
12. If total sales is Rs.2,00,000, cash sales is Rs.65,000 then credit sales will be \_\_\_\_\_
13. All solvency ratios are expressed as a \_\_\_\_\_
14. Liquid liabilities is Rs.1,00,000. Bank overdraft is Rs.30,000 then current liabilities is Rs. \_\_\_\_\_
15. \_\_\_\_\_ is a mathematical relationship between two items expressed in a quantitative form.
16. \_\_\_\_\_ explain the relation between operating cost to sales.
17. Absolute Liquid ratio is also called \_\_\_\_\_
18. Liquid liabilities means current liabilities minus \_\_\_\_\_
19. Proprietary ratio establishes relationship between \_\_\_\_\_ and total tangible assets.
20. Liquidity ratios are also called \_\_\_\_\_ solvency ratios.

#### 5.Cash Budget:

1. Budget is a means to achieve the \_\_\_\_ objective.
2. Adjusted profit and loss account method is also termed as \_\_\_\_ method.
3. \_\_\_\_\_ shows the estimate of cash receipts and cash payments from all sources over a specific period.
4. \_\_\_\_\_ is a blue print of future course of action and activities.
5. Cash budget is an useful tool for \_\_\_\_\_
6. One of the main budgets prepared by a business concern is \_\_\_\_\_
7. Cash budget is also called as \_\_\_\_\_
8. A budget is expressed in terms of \_\_\_\_\_ or \_\_\_\_\_ units.
9. A transaction of a firm directly or indirectly deals with \_\_\_\_\_.
10. The \_\_\_\_\_ cash balance of current month will be the opening cash balance of next month.

#### 6, 7 & 8. Partnership:

1. Drawings is the amount withdrawn from business for \_\_\_\_\_ expenses.
2. \_\_\_\_\_ account is merely an extension of the profit and loss account.
3. In the absence of partnership deed, the partners shall share the profits of the firm \_\_\_\_\_ irrespective of their capital.
4. Interest on capital is calculated on the \_\_\_\_\_ capital.
5. Sacrificing ratio is equal to old share minus \_\_\_\_\_

6. Revaluation Account is \_\_\_\_ account in nature.
7. When an unrecorded asset is recorded it results in \_\_\_\_\_
8. The super profit earning capacity of a firm is called \_\_\_\_\_
9. The amount due to a retiring partner may be transferred to his \_\_\_\_ account.
10. In admission, when goodwill is raised, the old partners will be credited in the \_\_\_\_ ratio.
11. The purpose of calculating \_\_\_\_ ratio is to determine the amount of goodwill to be paid by the new partner to the old partners.
12. In admission, profit from revaluation of assets and liabilities will be transferred to the capital accounts of the old partners in the \_\_\_\_ ratio.
13. When a value of asset decreases it results in \_\_\_\_\_
14. When X and Y sharing profit and losses in the ratio of 3:2 they admit Z as a partner giving him 1/3 shares of profits. This will be given by X and Y in the ratio of \_\_\_\_\_
15. A and B are partners sharing profit in the ratio of 7:5. Profit for the year was Rs.12,000. 'A' will get \_\_\_\_\_
16. In admission balance sheet items like profit and loss account and general reserve balances must be transferred to \_\_\_\_\_.
17. On admission of a new partner, a new firm is \_\_\_\_\_ under a fresh agreement.
18. The profit or loss will be divided among the partners in the \_\_\_\_\_.
19. The amount due to the retiring partner is ascertained by preparing his \_\_\_\_\_ account incorporating all the adjustments.
20. A, B and C are partners in the ratio of 2:3:5. If A retires, the new profit sharing ratio is \_\_\_\_\_
21. The debit balance of current account will be shown in the \_\_\_\_ side of the B/S.
22. A person who is retired from the firm is known as \_\_\_\_\_
23. A revaluation account is credited with all the \_\_\_\_\_ items.
24. Goodwill is an \_\_\_\_\_ asset.
25. On retirement, the old partnership comes to an \_\_\_\_\_.

### 9. Company Account:

1. A \_\_\_\_ is an association of persons who contribute money or moneys worth to a common stock for carrying on business for the purpose of profit.
2. \_\_\_\_ capital represent part of the authorised capital, which is issued by public for subscription.
3. \_\_\_\_ considered as the official signature of the company.
4. The capital reserve are shown on the \_\_\_\_ side of the balance sheet.
5. When shares are over subscribed the directors may allot the shares on call money.
6. \_\_\_\_ means the company to take back the shares for non payment of any call money.
7. When a company issues its shares at a price more than the face value, it is said to be issued at \_\_\_\_.
8. The capital of the company is divided into different units of fixed amount each unit is called \_\_\_\_\_
9. Premium is normally collected along with \_\_\_\_ money.
10. \_\_\_\_ capital is not disclosed in the companies balance sheet.
11. If the issue price of share is equal to the face value, it is said to be issued at \_\_\_\_.
12. Forfeiture of shares will \_\_\_\_ the share capital.
13. The difference between authorised capital and issued capital is \_\_\_\_\_.
14. If the number of shares applied for is more than the number of shares issued, it is called \_\_\_\_\_.
15. In \_\_\_\_ allotment the excess application money is adjusted to allotment and calls.
16. Securities premium is shown in the \_\_\_\_ side of the balance sheet.
17. The amount of discount on issue of share not yet written off will appear in the \_\_\_\_ side of the balance sheet.
18. The unpaid balance in the called-up capital is known as \_\_\_\_\_

19. When an applicant sends more money than what is called by the company, the excess money is called \_\_\_\_\_.
20. Audit of accounts are done by practicing chartered accounts who are appointed by \_\_\_\_\_ at the \_\_\_\_\_.
21. Minimum subscription that should be received by the company is \_\_\_\_\_ of the issued capital.
22. The difference between the issued capital and subscribed capital represents \_\_\_\_\_.
23. Nominal capital is the maximum amount of capital which a company is \_\_\_\_\_ to raise.
24. Pro-rata allotment will arise only when there is \_\_\_\_\_ of shares.
25. The difference between subscribed and called up capital is called \_\_\_\_\_.
26. The management of a company is done by \_\_\_\_\_.
27. Forfeited shares have to be reissued at a price \_\_\_\_\_ than the face value.
28. The profits on forfeiture is credited to \_\_\_\_\_ account.
29. The loss on reissue of shares is \_\_\_\_\_ to forfeited shares account.
30. After reissuing all the forfeited shares the balance in share forfeited account is transferred to \_\_\_\_\_ account.

## II. Choose the best Answer:

### 1. Final Account:

1. Final accounts refer to the preparation of \_\_\_\_
  - a) Trading, Profit and Loss account only
  - b) Balance Sheet only
  - c) Trading, Profit and Loss account and Balance Sheet.
2. If provisions for bad and doubtful debts is maintained, the loss on account of bad debts is taken to profit and loss account not directly but via \_\_\_\_
  - a) Provision for discount on debtors account
  - b) Provision for bad and doubtful debts account
  - c) Provision for discount on creditors account.
3. Returns inwards are deducted from
  - a) Total Purchases
  - b) Total Sales
  - c) Total Returns outwards
4. The object of preparing trading, profit and loss account is to know the \_\_\_\_ of the business.      a) Financial position of the concern. b) Net profit or Net loss c) Gross profit or Gross loss.
5. Rent outstanding is \_\_\_\_.
  - a) a liability
  - b) an asset
  - c) an income.
6. Closing stock is shown in \_\_\_\_.
  - a) Profit and Loss account.
  - b) Trading account and Balance Sheet.
  - c) Balance Sheet only.
7. Opening stock is shown in                      a) Balance Sheet b) Profit and Loss account c) Trading account.
8. Gross profit is transferred to \_\_\_\_ a) Capital A/c. b) Profit and Loss A/c c) Trading A/c.
9. Interest on capital is added to \_\_\_\_ a) expenses account b) income account c) capital account.
10. Interest on drawings is deducted from \_\_\_\_
  - a) income account
  - b) capital account
  - c) expenses account.
11. Outstanding interest on loan borrowed is to be added to \_\_\_\_
  - a) asset account
  - b) income account
  - c) loan account.
12. All the items given in adjustment will appear at \_\_\_\_ in the final accounts.
  - a) three places
  - b) two places
  - c) one place.
13. Depreciation @ 10% p.a. on furniture Rs.25,000 as on 31.3.2000 for one year is \_\_\_\_
  - a) Rs.2,500
  - b) Rs.2,800
  - c) Rs.250
14. Provision for discount on creditors is calculated at a certain percentage on \_\_\_\_\_

- a) bills payable      b) cash purchases      c) sundry creditors.
15. To motivate the debtors to make prompt payments \_\_\_\_\_ are given.  
a) free samples      b) incentives      c) cash discount.
16. Income received in advance is shown in the \_\_\_\_\_ side of the balance sheet.  
a) debit      b) assets      c) Liabilities.
17. As per trial balance debtors is Rs.10,500. In the adjustment bad debts written off Rs.500 is given. The amount to be shown in the assets side is \_\_\_\_\_.  
a) Rs.11,000      b) Rs.10,000      c) Rs.500
18. Prepaid expenses will be shown on the \_\_\_\_\_  
a) debit side of the profit and loss account by deducting from the particular expenses. b) credit side of the profit and loss account by adding with the particular item  
c) liability side of the balance sheet.
19. An amount received in respect of which full service has not been rendered is called \_\_\_\_  
a) prepaid expenses      b) income received in advance      c) accrued income.
20. Income for which services are rendered but remuneration not received are called \_\_\_\_  
a) income received in advance      b) prepaid expenses      c) accrued income.

## 2. Single Entry:

1. Statement of affairs is prepared to find out \_\_\_\_\_  
a) Capital      b) Profit      c) Drawings.
2. Under the net worth method, the basis for ascertaining the profit is the difference between the \_\_\_\_\_  
a) capital on two dates      b) liabilities on two dates      c) gross assets on two dates.
3. Incomplete records are generally used by \_\_\_\_\_  
a) small traders      b) Companies      c) Partnership firm.
4. Credit sales is obtained from \_\_\_\_\_  
a) Bill receivable account      b) Total debtors account      c) Total creditors account.
5. Incomplete double entry is \_\_\_\_\_  
a) a scientific method      b) an unscientific method      c) a systematic method.
6. Total creditors account is prepared to find out \_\_\_\_\_  
a) cash and credit purchases      b) cash purchases      c) credit purchases
7. If cash sales and credit sales are added we get \_\_\_\_\_  
a) total sales      b) total purchase      c) total debtors
8. A trader's closing capital is Rs.20,000, his drawings Rs.3,000 his opening capital Rs.14,000. His profit for the year is \_\_\_\_\_  
a) Rs.8,000      b) Rs.9,000      c) Rs.10,000
9. Total sales of a concern is Rs.55,000. Of this credit sales is Rs.44,000. Cash Sales is \_\_\_\_  
a) Rs.33,000      b) Rs.22,000      c) Rs.11,000
10. Debtors on 1<sup>st</sup> April 2004, Rs.20,000 and on 31<sup>st</sup> March 2005 Rs.30,000. Cash received from debtors during the year Rs.60,000, Credit sales made during the year is \_\_\_\_  
a) Rs.70,000      b) Rs.90,000      c) Rs.50,000

**3. Depreciation:**

1. Internal cause of depreciation is \_\_\_\_  
a) time factor b) depletion c) effluxion of time
2. The amount of depreciation provided on the straight line method @10% p.a. on Rs.1,00,000 will be a) Rs.100 b) Rs.1,000 c) Rs.10,000
3. The value of machinery purchased is Rs.2,00,000. Installation charges are Rs.10,000. Depreciation amount on straight line method @10% p.a. is \_\_\_\_  
a) Rs.20,000 b) Rs.21,000 c) Rs.19,000
4. Cost of an asset is Rs.1,00,000. Depreciation is calculated @10% p.a. under straight line method. Book value of asset at the end of second year is \_\_\_\_  
a) Rs.90,000 b) Rs.80,000 c) Rs.70,000
5. Depreciation is provided to ascertain the \_\_\_\_  
a) real cost of production b) market value c) residual value
6. Cost of an asset is Rs.45,000. It's estimated life is 10 years. Amount of depreciation is \_\_\_\_  
a) Rs.45 b) Rs.450 c) Rs.4,500
7. Cost of an asset is Rs.5,00,000. Depreciation provided under straight line method every year is Rs.50,000. Rate of depreciation is \_\_\_\_  
a) 50% b) 10% c) 5%
8. Depreciation arises due to \_\_\_\_  
a) wear and tear of the asset b) fall in the market value of asset c) fall in the value of money
9. Under straight line method, rate of depreciation is calculated on \_\_\_\_  
a) original cost b) written down value c) cost less scrap value
10. Under diminishing balance method, amount of depreciation \_\_\_\_  
a) decreases every year b) increases every year c) remains constant
11. The term depletion is used for decreases in the value of \_\_\_\_  
a) intangible assets b) fixed assets c) natural resources
12. If selling price is more than the book value of the asset on the date of sale, it is  
a) a loss b) an income c) a profit
13. If selling price is less than the book value of the asset, it denotes \_\_\_\_  
a) loss b) capital profit c) expenditure
14. Profit made on sale of fixed assets is debited in \_\_\_\_  
a) profit and loss account b) fixed asset account c) depreciation account
15. Loss on sale of fixed assets appear on the \_\_\_\_  
a) credit side of depreciation account b) debit side of fixed asset account  
c) credit side of fixed asset account
16. The amount of depreciation charged on machinery will be debited in \_\_\_\_  
a) Machinery account b) Depreciation account c) Cash account
17. Total amount of depreciation provided on the written down value method @10% p.a. on Rs.10,000 for first three years will be \_\_\_\_  
a) Rs.2,107 b) Rs.2,710 c) Rs.2,701
18. Installation cost of a machinery is included in \_\_\_\_ for determining depreciation.  
a) original cost b) Written down value c) scrap value
19. Residual value is otherwise known as \_\_\_\_  
a) scrap value b) cost price c) selling price
20. Cost price of an asset is Rs.10,000. Selling price of the asset is Rs.9,000. Book value of asset on the date of sale is Rs.8,500. It denotes \_\_\_\_  
a) profit Rs.5000 b) loss Rs.500 c) profit Rs.1,000

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