



ST. LAWRENCE HIGH SCHOOL

27, BALLYGUNGE CIRCULAR ROAD



Class : 12

Subject : ACCOUNTANCY

Term : FIRST TERM

Max Marks : 60

Q 1 : Meaning of Partnership is defined in Partnership Act,1932 as per

Marks : 1

1. Section 2
2. Section 4
3. Section 12
4. Section 15

(This Answer is Correct)

Q 2 : When the values of assets & liabilities are to be shown in the new Balance Sheet at original figure,we need to prepare

Marks : 1

1. Revaluation A/C
2. Memorandum Revaluation A/C
3. Profit & Loss A/C
4. Profit & Loss Appropriation A/C

(This Answer is Correct)

Q 3 : In the absence of partnership deed, interest loan to be charged to the partners at

Marks : 1

1. 10% p.a.
2. 5% p.a.
3. 6% p.a.
4. No interest to be charged

(This Answer is Correct)

Q 4 : If new partner is unable to bring his premium for goodwill temporarily

Marks : 1

1. His capital account is to be debited
2. His capital account is to be credited
3. His current account is to be credited
4. His current account is to be debited

(This Answer is Correct)

Q 5 : Building increased by Rs.30,000 & stock reduced by Rs.10,000. Profit on revaluation is

Marks : 1

1. Rs.30,000
2. Rs.20,000
3. Rs.40,000
4. Rs.10,000

(This Answer is Correct)

Q 6 : If mutual ratio among old partners remained unchanged, then after admission of a new partner **Marks : 1**

1 . Old Ratio = Sacrificing Ratio (This Answer is Correct)

2 . Old Ratio > Sacrificing Ratio

3 . Sacrificing Ratio > Old Ratio

4 . None of these

Q 7 : Which one of the following is the factor affecting the value of goodwill? **Marks : 1**

1 . Efficient management

2 . Market situation

3 . Nature of business

4 . All of these (This Answer is Correct)

Q 8 : If premium for goodwill brought by new partner is withdrawn by old partners, their capital account must be **Marks : 1**

1 . Credited

2 . Debited (This Answer is Correct)

3 . Unaltered

4 . None of these

Q 9 : Payment of salaries to manager is an example of **Marks : 1**

1 . Charge against profit (This Answer is Correct)

2 . Appropriation of profit

3 . Capital expenditure

4 . All of these

Q 10 : When partners draws a fixed sum for 12 months at the beginning of each month, interest on drawings will be equal to interest of **Marks : 1**

1 . 5 months

2 . 5.5 months

3 . 6.5 months (This Answer is Correct)

4 . 6 months

Q 11 : When a new partner is admitted, unless otherwise agreed, the profit sharing ratio between the existing partners will **Marks : 1**

1 . Reduce

2 . Increase

(This Answer is Correct)

- 3 . Remain same
 - 4 . None of these
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Q 12 : Registration of partnership firm is

Marks : 1

- 1 . Compulsory
- 2 . Not compulsory
- 3 . Compulsory if number of partners does not exceed 10
- 4 . Not compulsory if number of partners exceeds 10

 (This Answer is Correct)

Q 13 : If incoming partner is to bring Rs.6,000 as his premium for goodwill for 1/5th share, what is the value of the total goodwill of the firm?

Marks : 1

- 1 . Rs.30,000
- 2 . Rs.24,000
- 3 . Rs. 25,000
- 4 . Rs. 27,500

 (This Answer is Correct)

Q 14 : Which one of the following is the essential element of partnership?

Marks : 1

- 1 . There must be two or more persons
- 2 . There must be an agreement
- 3 . There must be a lawful business
- 4 . All of these

 (This Answer is Correct)

Q 15 : New partner can be admitted in a partnership firm

Marks : 1

- 1 . With consent of all partners
- 2 . With consent of any one partner
- 3 . Without consent of any partner
- 4 . None of these

 (This Answer is Correct)

Q 16 : Change in profit sharing ratio means

Marks : 1

- 1 . Decrease in share of profit
- 2 . Increase in share of profit
- 3 . Transfer of share of profit by one partner to another partner
- 4 . None of these

 (This Answer is Correct)

Q 17 : Non-purchased goodwill means

Marks : 1

1. Internally generated goodwill
2. Known as self generated goodwill
3. Goodwill which is not recorded in the books of account
4. All of these

(This Answer is Correct)

Q 18 : Interest on loan is payable to partner in case of

Marks : 1

1. Profit
2. Loss
3. Either profit or loss
4. None of these

(This Answer is Correct)

Q 19 : When capital is introduced or withdrawn by the partners, fixed capital account balance

Marks : 1

1. Unchanged
2. Changed
3. Always reduce
4. Always increase

(This Answer is Correct)

Q 20 : Which of the account is prepared under Partnership Deed or agreement?

Marks : 1

1. Trading A/C
2. Profit & Loss A/C
3. Profit & Loss Appropriation A/C
4. All of these

(This Answer is Correct)

Q 21 : In Profit & Loss Appropriation A/C partners commission is payable

Marks : 1

1. On the basis of net profit
2. On the basis of divisible profit
3. On the basis of turnover
4. All of these

(This Answer is Correct)

Q 22 : In an accounting year super profit came as negative Rs.50,000. If it is sated that value goodwill on the basis of two years purchase of super profit, amount of goodwill is

Marks : 1

1. Rs.1,00,000 negative
2. Rs.1,00,000 positive
3. NIL
4. None of these

(This Answer is Correct)

- Q 23 :** If net profit of the firm is Rs.1,20,000, interest on drawings is Rs.10,000 and partners salaries is Rs.30,000, divisible profit is **Marks : 1**
1. Rs.1,30,000
 2. Rs. 1,20,000
 3. Rs.1,10,000
 4. Rs.1,00,000
- (This Answer is Correct)
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- Q 24 :** In partnership, partners agreed to share **Marks : 1**
1. Profits
 2. Losses
 3. Both profits & losses
 4. None of these
- (This Answer is Correct)
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- Q 25 :** Partnership Deed is a _____ document **Marks : 1**
1. Written
 2. Verbal
 3. Both written & verbal
 4. All of these
- (This Answer is Correct)
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- Q 26 :** In the absence of partnership deed, profits & losses must be share **Marks : 1**
1. In capital ratio
 2. In equal ratio
 3. Not to share
 4. In the ratio of turnover
- (This Answer is Correct)
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- Q 27 :** Sacrificing Ratio means **Marks : 1**
1. Old Ratio - New Ratio
 2. New Ratio- Old Ratio
 3. Old ratio - Gaining Ratio
 4. Gaining Ratio - Old Ratio
- (This Answer is Correct)
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- Q 28 :** Premium for goodwill brought by new partner must be adjusted by old partners in **Marks : 1**
1. New Ratio
 2. Old Ratio
 3. Sacrificing Ratio
 4. Gaining Ratio
- (This Answer is Correct)

Q 29 : Partners capital accounts can be maintained under **Marks :** 1

- 1 . Fixed Method
- 2 . Fluctuating Method
- 3 . Either fixed or fluctuating method** (This Answer is Correct)
- 4 . None of these

Q 30 : If capital is fixed, interest on capital to be credited to **Marks :** 1

- 1 . Partners Capital A/C
- 2 . Partners Current A/C** (This Answer is Correct)
- 3 . P/L Appropriation A/C
- 4 . Profit & Loss A/c

Q 31 : Goodwill is an example of **Marks :** 1

- 1 . Tangible Asset
- 2 . Current Asset
- 3 . Intangible Asset** (This Answer is Correct)
- 4 . Current Liability

Q 32 : In case of admission of a partner the amount of General Reserve must be distributed among old partners in **Marks :** 1

- 1 . New Ratio
- 2 . Old Ratio** (This Answer is Correct)
- 3 . Sacrificing Ratio
- 4 . Gaining Ratio

Q 33 : Gurantee of profit can be given by **Marks :** 1

- 1 . One partner
- 2 . More than one partner
- 3 . The firm to the partners
- 4 . All of these** (This Answer is Correct)

Q 34 : If funiture increased by Rs.20,000, stock reduced by Rs.30,000 & provision for bad debt is to be maintained at Rs.5,000, what is the result of revaluation? **Marks :** 1

- 1 . Profit Rs.15,000
- 2 . Profit Rs. 20,000
- 3 . Loss Rs. 15,000** (This Answer is Correct)

4 . Loss Rs.35,000

Q 35 : When there is a change in the profit sharing ratio among the existing partners, it is treated as **Marks : 1**

- 1 . Termination of partnership firm
- 2 . Termination of partnership business
- 3 . Reconstitution of partnership**
- 4 . None of these

(This Answer is Correct)

Q 36 : The liability of the partner is **Marks : 1**

- 1 . Limited to capital contribution
- 2 . Limited to the extent of share of profit
- 3 . Unlimited**
- 4 . Unlimited in some cases

(This Answer is Correct)

Q 37 : 'Agreed amount payable to partners in respect of duties discharged by them' is known as **Marks : 1**

- 1 . Partner's interest
- 2 . Partner's salary**
- 3 . Partner's drawings
- 4 . Partner's profit

(This Answer is Correct)

Q 38 : The characteristics of a partnership are listed below except for **Marks : 1**

- 1 . Mutual agency
- 2 . The business must be carried on by all or any of them acting for all
- 3 . Co-ownership property
- 4 . Limited liability**

(This Answer is Correct)

Q 39 : Which of the following item appear in the debit side of Profit & Loss Appropriation Account? **Marks : 1**

- 1 . Interest on loan
- 2 . Partners salaries**
- 3 . Rent paid to partners
- 4 . Salaries paid to managers

(This Answer is Correct)

Q 40 : Accumulated losses has **Marks : 1**

- 1 . Credit balance
- 2 . Debit balance**

(This Answer is Correct)

3 . Either debit or credit balance

4 . None of these

Q 41 : Normal Rate of Returns means

Marks : 1

1 . Profit earned in normal course of business

2 . Profit minus abnormal losses

3 . Profit plus abnormal losses

4 . Return of profit normally earned by an average firm belonging to the same industry (This Answer is Correct)

Q 42 : Average Profit means

Marks : 1

1 . Average of the profits of the past few years (This Answer is Correct)

2 . Total of normal profits

3 . Total of abnormal profits

4 . All of these

Q 43 : For valuation of goodwill capital employed can be ascertained under

Marks : 1

1 . Assets Approach

2 . Liabilities Approach

3 . Under both assets & liabilities approach (This Answer is Correct)

4 . None of these

Q 44 : If average profit is Rs.40,000,goodwill under 3years purchase of average profit method is

Marks : 1

1 . Rs.1,20,000 (This Answer is Correct)

2 . Rs.1,00,000

3 . Rs.1,50,000

4 . Rs.80,000

Q 45 : In preparation of which account matching principle is followed?

Marks : 1

1 . Profit & Loss A/C (This Answer is Correct)

2 . Profit & Loss Appropriation A/C

3 . Both Profit & Loss A/C and Profit & Loss Appropriation A/C

4 . None of these

Q 46 : Under capitalisation of super profit method, goodwill can be determined by

Marks : 1

1 . Dividing super profit by normal rate of return (This Answer is Correct)

- 2 . Multiplying super profit by normal rate of return
- 3 . Deducting average profit from super profit
- 4 . None of these

Q 47 : Rent paid to partner is an example of

Marks : 1

- 1 . Charge against profit
- 2 . Appropriation of profit
- 3 . Income of the firm
- 4 . None of these

(This Answer is Correct)

Q 48 : If opening capital on 1.4.19 is Rs.2,00,000; further capital is introduced on 1.10.19 is Rs. 80,000, calculate interest on capital @ 10% p.a. for 2019-20

Marks : 1

- 1 . Rs.20,000
- 2 . Rs. 28,000
- 3 . Rs.24,000
- 4 . Rs.8000

(This Answer is Correct)

Q 49 : Super Profit means

Marks : 1

- 1 . Normal Profit - Average Profit
- 2 . Average Profit - Normal Profit
- 3 . Average Profit - Capital Employed
- 4 . Capital Employed - Normal Profit

(This Answer is Correct)

Q 50 : Machinery as per last Balance Sheet is Rs.1,50,000.If it is undervalued by Rs.30,000, the effect in the revaluation account is

Marks : 1

- 1 . Profit on revaluation Rs.30,000
- 2 . Loss on revaluation Rs.30,000
- 3 . Revaluation account will not change
- 4 . None of these

(This Answer is Correct)

Q 51 : If drawings made by a partner is Rs. 2,000 p.m. at the beginning of each month and interest on drawings is chargeable @ 6% p.a.,the amount of interest on drawings is

Marks : 1

- 1 . Rs.780
- 2 . Rs. 720
- 3 . Rs. 1440
- 4 . Rs. 660

(This Answer is Correct)

- Q 52 :** If divisible profit is Rs.1,10,000 and one partner is entitled to receive commission @ 10% of divisible profit after charging such commission, the amount of commission is **Marks : 1**
- 1 . Rs.11,000
 - 2 . Rs.10,000 (This Answer is Correct)
 - 3 . Rs. 15,000
 - 4 . None of these
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- Q 53 :** Net Profit as problem is Rs.1,00,000 included abnormal loss is Rs.20,000 & profit on sale of fixed assets is Rs.10,000, rectified net profit is? **Marks : 1**
- 1 . Rs.1,30,000
 - 2 . Rs.1,20,000
 - 3 . Rs. Rs.90,000
 - 4 . Rs.1,10,000 (This Answer is Correct)
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- Q 54 :** The account that performs the same function as the revaluation account is the **Marks : 1**
- 1 . Profit & Loss Adjustment Account (This Answer is Correct)
 - 2 . Capital Account
 - 3 . Depreciation Account
 - 4 . Appreciation Account
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- Q 55 :** At the time of admission of a partner, Investment costing Rs.40,000 is takeover by an old partner at Rs.45,000.Which one of the following is the effect of this adjustment? **Marks : 1**
- 1 . Revaluation Account will credited by Rs.5,000
 - 2 . That partners capital account will be debitede by Rs.45,000
 - 3 . From new balance sheet investment will reduce by Rs. 40,000
 - 4 . All of these (This Answer is Correct)
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- Q 56 :** Goodwill is not a fictitious asset because **Marks : 1**
- 1 . It can be purchased
 - 2 . It can be self generated
 - 3 . It has a realisable value (This Answer is Correct)
 - 4 . None of these
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- Q 57 :** The excess of desired total capital of the firm over the actual combined capital of all partners is known as **Marks : 1**
- 1 . Capital Employed
 - 2 . Average Capital Employed
 - 3 . Hidden Goodwill (This Answer is Correct)

4 . Normal Capital employed

Q 58 : Why it is necessary to revalue assets & liabilities of a firm in case of admission of a new partner? **Marks :** 1

- 1 . To overstate the value of assets & liabilities
- 2 . To understate the value of assets & liabilities
- 3 . New partner should neither benefit nor suffer because of changes in value (This Answer is Correct)
- 4 . All of these

Q 59 : Net Profit as per problem is Rs.1,00,000. Closing stock is overvalued by Rs.20,000 and machinery purchased for Rs.10,000 wrongly charged as repairs. Corrected amount of net profit is **Marks :** 1

- 1 . Rs.1,20,000
- 2 . Rs.90,000 (This Answer is Correct)
- 3 . Rs.1,30,000
- 4 . Rs. 1,10,000

Q 60 : In case of admission of a partner if one old partner is sacrificing and another old partner is gaining, the accounting treatment is **Marks :** 1

- 1 . Sacrificing partner will compensate to gaining partner
 - 2 . Gaining partner will compensate to sacrificing partner (This Answer is Correct)
 - 3 . New partner will compensate to sacrificing partner
 - 4 . None of these
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