



St. Lawrence High School

A Jesuit Christian Minority Institution



Answer Key 5

Class: XII

Sub: Accountancy

Chapter: Unit I: Introduction to Partnership

Topic: Partners' Capital Account

F.M.: 15

Date: 7/05/2020

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1. Methods of preparing partners capital account can be classified into
(a) **two categories**; (b) three categories; (c) four categories; (d) none of these.
 2. Partners' capital account is
(a) real account; (b) nominal account; (c) **personal account**; (d) valuation account.
 3. Balances of partners' capital account are usually
(a) debit; (b) **credit**; (c) no balance; (d) none of these.
 4. Under fixed capital method partners'
(a) **current account is opened**; (b) capital account is not opened; (c) both a and b; (d) none of these.
 5. Withdrawal of capital comes in partners'
(a) current account; (b) **capital account**; (c) profit and loss account; (d) profit and loss appropriation account.
 6. Partners may have debit balance in their
(a) current account; (b) **both capital and current account**; (c) capital account; (d) none of these.
 7. Partners current account is
(a) real account; (b) nominal account; (c) **personal account**; (d) valuation account.
 8. Under fluctuating capital method, partners'
(a) capital and current accounts are prepared; (b) current account is prepared; (c) **capital account is prepared**; (d) none of these.
 9. One similarity between partners' capital and partners' current account is
(a) both are prepared by partnership firm; (b) both are personal accounts; (c) both are usually shown in the liability side of the balance sheet; (d) **all of these**.
 10. Under fluctuating method, distributable profit _____ partners' capital balance.
(a) decreases; (b) **increases**; (c) remains same; (d) none of these.
 11. Under fixed method, partners salary comes in the partners'
(a) capital account; (b) **current account**; (c) both capital and current accounts; (d) none of these.
 12. Under fixed method, partners drawings comes in the partners'
(a) capital account; (b) **current account**; (c) both capital and current accounts; (d) none of these.
 13. Debit balance of partners' current account signifies
(a) **asset**; (b) liability; (c) income; (d) expense.
 14. Under fixed capital method, capital remains
(a) fixed; (b) fluctuating; (c) **rarely fluctuate**; (d) none of these.
 15. Interest on partners' drawings comes in the debit side of
(a) **partners' current account** ; (b) profit and loss appropriation account; (c) profit and loss account; (d) none of these.

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