



St. Lawrence High School

A Jesuit Christian Minority Institution



Answer Key 9

Sub: Accountancy

Class: XII

Chapter: Unit I: Introduction to Partnership

F.M.: 15

Topic: Problem & Solution from P/L Appro. A/c & Partners' Cap A/c 4

Date: 12/05/2020

1. Partners' Capital and Partners' Current Account are prepared under
(a) fluctuating method; **(b) fixed method**; (c) profit and appropriation method; (d) none of these.
2. Rent to X amounting to ₹5,000 is to be debited to
(a) Profit & Loss Appropriation A/c; **(b) Profit & Loss A/c**; (c) Trading A/c; (d) none of these.
3. Rent to partners is
(a) charge against profit; (b) appropriation of profit; (c) appropriation of loss; (d) all of these.
4. Interest on Drawings to X and Y is calculated for
(a) 6.5 months; **(b) 6 months**; (c) 5.5 months; (d) none of these.
5. Y has _____ balance in his current account
(a) debit; (b) credit; (c) no; (d) none of these.
6. Amount of money transferred to Reserve as per the problem is
(a) ₹10,000; (b) ₹11,000; (c) ₹10,980; **(d) ₹11,980**.
7. The profit sharing ratio in the given problem is
(a) 3:2; (b) 2:3; (c) 3:1; (d) 2:1.
8. Partners' Current Account is
(a) Real A/c; **(b) Personal A/c**; (c) Nominal A/c; (d) Valuation A/c.
9. One similarity between Partners' Capital Account and Partners' Current Account in the given problem is:
(a) the opening balances of both are credit; (b) both have same closing balances; **(c) the closing balances of both are credit**; (d) none of these.
10. Distributable profit of Profit & Loss Appropriation Account is the
(a) debit balance; **(b) credit balance**; (c) asset balance; (d) none of these.
11. Interest on partners' drawings in the given problem is
(a) ₹1,000 & ₹500; (b) ₹1,500 & ₹1,200; **(c) ₹1,080 & ₹900**; (d) ₹980 & ₹1,000.
12. Which of the following statement is correct in respect to the given problem?
(a) opening and closing balances of partners' capital accounts are same; (b) opening and closing balances of partners' current accounts are same; (c) distributable profit of the partners transferred to partners capital account; (d) partners are equal partners.
13. For paying rent of ₹5,000 to X, which of the following account is to be credited in the journal in respect to the given problem?
(a) cash account; (b) X's Capital account; **(c) X's Current account**; (d) none of these.
14. Charging of Interest on Partners' Drawings is _____ as per Indian Partnership Act, 1932.
(a) mandatory; (b) optional; **(c) as per the partnership agreement**; (d) none of these.
15. Partnership firm has
(a) same legal identity; (b) separate legal entity; (c) no legal entity; (d) none of these.

Compiled by
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