



ST. LAWRENCE HIGH SCHOOL



A Jesuit Christian Minority Institution

Answer Key 3

Sub: Accountancy

Class: XII

Chapter: Unit I: Introduction to Partnership

F.M.: 15

Topic: P/L Appropriation Format & Items of P/L Appropriation A/c Date: 5/05/2020

Choose the correct alternatives:

1 x 15 =15

1. Profit & Loss Appropriation Account is prepared in
(a) statement form; **(b) tabular form**; (c) journal form; (d) none of these.
2. Net profit of a partnership firm come in the _____ side of Profit & Loss Appropriation A/c.
(a) credit side; (b) debit side; (c) both debit and credit sides; (d) none of these.
3. Which balance of Profit & Loss Appropriation Account shows distributable profit?
(a) credit; (b) debit ; (c) both debit and credit; (d) none of these.
4. Distributable profit is transferred to
(a) Profit & Loss Appropriation A/c; (b) Partners' Capital A/c; (c) Partners' Current A/c; **(d) both (b) & (c).**
5. Partners' Salary is an item of
(a) Trading A/c; (b) Profit & Loss A/c; **(c) Profit & Loss Appropriation A/c**; (d) all of these.
6. In absence of Partnership Deed, rate of interest on partners' capital is
(a) 6%; (b) 12%; (c) 2%; **(d) none of these.**
7. A introduced ₹1,00,000 as capital in a firm at the beginning of the year, at the beginning of the fifth month he further introduced ₹50,000 as further capital. If the rate of interest on capital is 6% p.a., then amount of interest on capital at the end of the year will be
(a) ₹10,800; (b) ₹9,000; **(c) ₹8,000**; (d) none of these.
8. If distributable profit is ₹50,000 and 5% of it is transferred to Reserve, then the amount to be transferred to Reserve will be
(a) ₹2,500; (b) ₹2,381; (c) ₹5,000; (d) none of these.
9. If distributable profit is ₹2,15,000 and $7\frac{1}{2}\%$ of net distributable profit is transferred to Reserve, then the amount to be transferred to Reserve will be
(a) ₹16,125; (b) ₹21,500; **(c) ₹15,000**; (d) none of these.
10. Partner X is entitled to a commission @ 10% of net profit after charging such commission. Net profit of the firm is ₹5,000. X's commission will be
(a) ₹500; **(b) ₹455**; (c) ₹1,000; (d) none of these.
11. Partner Y is entitled to a commission @ 6% on net profit. Net profit of the firm is ₹30,000. Y's commission will be
(a) ₹1,698; (b) ₹283; **(c) ₹1,800**; (d) none of these.
12. Corona is a partner of a firm. He introduced ₹1,00,000 as capital of 1.1.2020. On 30.6.2020, he withdrew his entire capital from the business. What will be his interest on capital on 31.12.2020 @ 10% p.a.?
(a) ₹10,000; **(b) ₹5,000**; (c) ₹2,500; (d) ₹1,250.
13. Interest on Capital A/c is a
(a) real a/c; (b) personal a/c; **(c) nominal a/c**; (d) none of these.
14. Transfer to Reserve is
(a) charge against profit; **(b) appropriation of profit**; (c) creation of capital; (d) none of these.
15. Reserve is a/an
(a) asset; **(b) liability**; (c) income; (d) gain.

Compiled by
Partha Datta, Asst. Teacher.

