



INDIAN SCHOOL MUSCAT

FIRST PERIODIC TEST

ACCOUNTANCY

CLASS: XII

Sub.Code: 055

Time Allotted: 50mts.

18.04.2023

Max .Marks: 20

GENERAL INSTRUCTIONS:

1. There are 8 questions in the question paper. All questions are compulsory.
2. Questions No. 1 to 4 carries 1 mark each.
3. Questions No. 5 and 6 carries 3 marks each.
4. Question No. 7 carries 4 marks.
5. Questions No. 8 carries 6 marks.

- 1 In the absence of partnership deed, a partner is entitled to an interest on the amount of additional capital advanced by him to the firm at a rate of: 1
(a) Entitled for 6% p.a. on their additional capital, only when there are profits.
(b) Entitled for 10% p.a. on their additional capital
(c) Entitled for 12% p.a. on their additional capital
(d) Not entitled for any interest on their additional capitals.
- 2 Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R) 1
Assertion (A): Transfer to Reserves is shown in Profit & Loss Appropriation A/c.
Reason (R): Reserves are charge against the profits.
In the context of the above statements, which one of the following is correct?
Codes:
(a) Assertion (A) is correct, but Reason (R) is wrong.
(b) Both Assertion (A) and Reason (R) are correct.
(c) Assertion (A) is wrong, but Reason (R) is correct.
(d) Both Assertion (A) and Reason (R) are wrong.
- 3 A, B and C are partners, their partnership deed provides for interest on drawings at 8% per annum. 1
B withdrew a fixed amount in the middle of every month and his interest on drawings amounted to ₹4,800 at the end of the year. What was the amount of his monthly drawings?
(a) ₹10,000 (b) ₹5,000
(c) ₹1,20,000 (d) ₹48,000
- 4 Which of the following is true regarding Salary to a partner when the firm maintains fluctuating 1
capital accounts?

- (a) Debit Partner's Loan A/c and Credit Profit & Loss Appropriation A/c.
 (b) Debit Profit & Loss A/c and Credit Partner's Capital A/c.
 (c) Debit Profit & Loss Appropriation A/c and Credit Partner's Current A/c.
 (d) Debit Profit & Loss Appropriation A/c and Credit Partner's Capital A/c.
- 5 A and B started business on 1st April, 2020 with capitals of ₹ 15,00,000 and ₹ 9,00,000 respectively. On 1st October, 2020 they decided that their capitals should be ₹12,00,000 each. The necessary adjustments in capitals were made by introducing or withdrawing by cheque. Interest on Capital is allowed @ 8% p.a. Compute interest on capital for the year ended 31st March, 2021. 3
- 6 (a) X and Y are partners in a firm. X is entitled to salary of ₹ 10,000 per month and commission of 10% of Net Profit after partners' salaries but before charging commission. Y is entitled to a salary of ₹ 25,000 p.a. and a commission of 10% of Net Profit after charging all commission and partners' salaries. Net Profit for the year ended 31st March, 2023 was ₹ 4,20,000. Calculate the commission allowed to X. 3
- (b) Calculate Interest on A's Drawings @ 9% p.a. if he withdrew ₹ 1,40,000 during the year.
- 7 Kavita, Meenakshi and Gauri are partners doing a paper business in Ludhiana. After the accounts of partnership have been drawn up and closed, it was discovered that for the years ending 31st March 2020 and 2021, interest on capital has been allowed to partners @ 6% p.a. although there is no provision for interest on capital in the partnership deed. Their fixed capitals were ₹ 2,00,000; ₹ 1,60,000 and ₹ 1,20,000 respectively. During the last two years they had shared the profits as under: 4
- | Year | Ratio |
|---------------|-------|
| 31 March 2020 | 3:2:1 |
| 31 March 2021 | 5:3:2 |
- You are required to give necessary adjusting entry on April 1, 2021.
- 8 Asma, Chitra and Daisy are partners in a firm. Their Capital Accounts stood at ₹ 6,00,000; ₹ 5,00,000 and ₹ 4,00,000 respectively on 1st April, 2020. They shared profits and losses in the proportion of 4:2:3. Partners are entitled to interest on capital @ 8% p.a. and salary to Chitra and Daisy @ ₹ 7,000 per month and ₹ 10,000 per quarter respectively as per the provisions of the Partnership Deed. 6
- Daisy's share of profit (excluding interest on capital but including salary) is guaranteed at a minimum of ₹ 1,10,000 p.a. Any deficiency arising on that account shall be met by Asma. The profit for the year ended 31st March, 2021 amounted to ₹ 4,24,000.
- Prepare Profit and Loss Appropriation Account for the year ended 31st March, 2021.

END OF QUESTION PAPER

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4. Question No. 7 carries 4 marks.
5. Questions No. 8 carries 6 marks.

- 1 Which of the following is true regarding Salary to a partner when the firm maintains fluctuating capital accounts? 1
 - (a) Debit Partner's Loan A/c and Credit Profit & Loss Appropriation A/c.
 - (b) Debit Profit & Loss A/c and Credit Partner's Capital A/c.
 - (c) Debit Profit & Loss Appropriation A/c and Credit Partner's Current A/c.
 - (d) Debit Profit & Loss Appropriation A/c and Credit Partner's Capital A/c.
- 2 In the absence of partnership deed, a partner is entitled to an interest on the amount of additional capital advanced by him to the firm at a rate of: 1
 - (a) Entitled for 6% p.a. on their additional capital, only when there are profits.
 - (b) Entitled for 10% p.a. on their additional capital
 - (c) Entitled for 12% p.a. on their additional capital
 - (d) Not entitled for any interest on their additional capitals.
- 3 Assertion (A):- Commission provided to partner is shown in Profit and Loss A/c. 1
Reason (R):- Commission provided to partner is charge against profits and is to be provided at fixed rate.
 - (a) (A) is correct but (R) is wrong
 - (b) Both (A) and (R) are correct, but (R) is not the correct explanation of (A)
 - (c) Both (A) and (R) are incorrect.
 - (d) Both (A) and (R) are correct, and (R) is the correct explanation of (A)
- 4 Girdhar, a partner withdrew ₹ 5,000 in the beginning of each quarter and interest on drawings was calculated as ₹ 1,500 at the end of accounting year 31st March 2022. What is the rate of interest on drawings charged? 1
 - (a) 6% p.a.
 - (b) 8% p.a.
 - (c) 10% p.a.
 - (d) 12% p.a.

- 5 (a) X and Y are partners in a firm. X is entitled to salary of ₹ 10,000 per month and commission of 10% of Net Profit after partners' salaries but before charging commission. Y is entitled to a salary of ₹ 25,000 p.a. and a commission of 10% of Net Profit after charging all commission and partners' salaries. Net Profit for the year ended 31st March, 2023 was ₹ 4,20,000. Calculate the commission allowed to X. 3
- (b) Calculate Interest on A's Drawings @ 9% p.a. if he withdrew ₹ 1,40,000 during the year.
- 6 C and D started business on 1st April, 2021 with capitals of ₹ 7,50,000 and ₹ 4,50,000 respectively. On 1st October, 2021 they decided that their capitals should be ₹ 6,00,000 each. The necessary adjustments in capitals were made by introducing or withdrawing by cheque. Interest on Capital is allowed @ 8% p.a. Compute interest on capital for the year ended 31st March, 2022. 3
- 7 Kavita, Meenakshi and Gauri are partners doing a paper business in Ludhiana. After the accounts of partnership have been drawn up and closed, it was discovered that for the years ending 31st March 2020 and 2021, interest on capital has been allowed to partners @ 6% p.a. although there is no provision for interest on capital in the partnership deed. Their fixed capitals were ₹ 2,00,000; ₹ 1,60,000 and ₹ 1,20,000 respectively. During the last two years they had shared the profits as under: 4
- | Year | Ratio |
|---------------|-------|
| 31 March 2020 | 3:2:1 |
| 31 March 2021 | 5:3:2 |
- You are required to give necessary adjusting entry on April 1, 2021.
- 8 Asma, Chitra and Daisy are partners in a firm. Their Capital Accounts stood at ₹ 6,00,000; ₹ 5,00,000 and ₹ 4,00,000 respectively on 1st April, 2020. They shared profits and losses in the proportion of 4:2:3. Partners are entitled to interest on capital @ 8% p.a. and salary to Chitra and Daisy @ ₹ 7,000 per month and ₹ 10,000 per quarter respectively as per the provisions of the Partnership Deed. 6
- Daisy's share of profit (excluding interest on capital but including salary) is guaranteed at a minimum of ₹ 1,10,000 p.a. Any deficiency arising on that account shall be met by Asma. The profit for the year ended 31st March, 2021 amounted to ₹ 4,24,000.
- Prepare Profit and Loss Appropriation Account for the year ended 31st March, 2021.

END OF QUESTION PAPER



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5. Questions No. 8 carries 6 marks.

- 1 G and Q are partners. G draws a fixed amount at the beginning of every month. Interest on Drawings is charged @ 8% p.a. At the end of the year interest on G's drawings amounts to ₹ 2,600. Monthly drawings of G were
(a) ₹ 8,000 (b) ₹ 60,000
(c) ₹ 7,000 (d) ₹ 5,000
- 2 Which of the following is true regarding Salary to a partner when the firm maintains fluctuating capital accounts? 1
(a) Debit Partner's Loan A/c and Credit Profit & Loss Appropriation A/c.
(b) Debit Profit & Loss A/c and Credit Partner's Capital A/c.
(c) Debit Profit & Loss Appropriation A/c and Credit Partner's Current A/c.
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- 3 In the absence of partnership deed, a partner is entitled to an interest on the amount of additional capital advanced by him to the firm at a rate of: 1
(a) Entitled for 6% p.a. on their additional capital, only when there are profits.
(b) Entitled for 10% p.a. on their additional capital
(c) Entitled for 12% p.a. on their additional capital
(d) Not entitled for any interest on their additional capitals.
- 4 Assertion (A): Rent to a Partner is transferred to the debit of Profit and Loss Account but is not transferred to the debit of Profit and Loss Appropriation Account. 1
Reason (R): Rent to a Partner is an expense which is a charge against profits and not an appropriation of profit. Hence it is transferred to the debit of Profit and Loss Account.

In the context of the above statements, which of the following is correct?

- (a) Assertion (A) and Reason (R) are correct but Reason (R) is not the correct explanation of Assertion (A).
- (b) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A).
- (c) Assertion (A) is correct but Reason (R) is not correct.
- (d) Assertion (A) is not correct but Reason (R) is correct.

5 X and Y started business on 1st April, 2022 with capitals of ₹ 10,00,000 and ₹ 4,00,000 respectively. On 1st October, 2022 they decided that their capitals should be ₹ 6,00,000 each. The necessary adjustments in capitals were made by introducing or withdrawing by cheque. Interest on Capital is allowed @ 8% p.a. Compute interest on capital for the year ended 31st March, 2023. 3

6 X and Y are partners in a firm. X is entitled to salary of ₹ 10,000 per month and commission of 10% of Net Profit after partners' salaries but before charging commission. Y is entitled to a salary of ₹ 25,000 p.a. and a commission of 10% of Net Profit after charging all commission and partners' salaries. Net Profit for the year ended 31st March, 2023 was ₹ 4,20,000. Calculate the commission allowed to X. 3

(b) Calculate Interest on A's Drawings @ 9% p.a. if he withdrew ₹ 1,40,000 during the year.

7 Kavita, Meenakshi and Gauri are partners doing a paper business in Ludhiana. After the accounts of partnership have been drawn up and closed, it was discovered that for the years ending 31st March 2020 and 2021, interest on capital has been allowed to partners @ 6% p.a. although there is no provision for interest on capital in the partnership deed. Their fixed capitals were ₹ 2,00,000; ₹ 1,60,000 and ₹ 1,20,000 respectively. During the last two years they had shared the profits as under: 4

Year	Ratio
31 March 2020	3:2:1
31 March 2021	5:3:2

You are required to give necessary adjusting entry on April 1, 2021.

8 Asma, Chitra and Daisy are partners in a firm. Their Capital Accounts stood at ₹ 6,00,000; ₹ 5,00,000 and ₹ 4,00,000 respectively on 1st April, 2020. They shared profits and losses in the proportion of 4:2:3. Partners are entitled to interest on capital @ 8% p.a. and salary to Chitra and Daisy @ ₹ 7,000 per month and ₹ 10,000 per quarter respectively as per the provisions of the Partnership Deed. 6

Daisy's share of profit (excluding interest on capital but including salary) is guaranteed at a minimum of ₹ 1,10,000 p.a. Any deficiency arising on that account shall be met by Asma. The profit for the year ended 31st March, 2021 amounted to ₹ 4,24,000.

Prepare Profit and Loss Appropriation Account for the year ended 31st March, 2021.

END OF QUESTION PAPER