

CLASS-XII

SUBJECT: ACCOUNTANCY

MONTH: JUNE

Q. N.	TYPE OF QUESTION	QUESTION	OPTION PROVIDED	CORRECT OPTION	EXPLANATION	%OF STUDENTS ATTEMPTED CORRECTLY
1	MCQ	Manoj is a chartered accountant and performing the audit of partnership firm of A and B. While scrutinizing their accounting books he raised an audit objection for raising goodwill account at the time of change in profit sharing ratio among them as goodwill was not purchased for cash. On the basis of which accounting standard did Manoj raised such audit objection.	(a) AS-26. (b) AS-32 (c) AS-6 (d) AS-12	(a)	As per accounting standard 26 goodwill is raised in the books only when it is purchased for cash.	
2	MCQ	Ramu and Shyamu are equal partners in a firm they valued their goodwill at 4 years purchase of super profits at Rs80,000. If average profits of the firm are Rs60,000 and normal rate of return is 8%, what will be the amount of capital employed.	(a) 8,00,000 (b) 5,00,000 (c) 10,00,000 (d) 4,00,000	(b)	Goodwill =SPX4 80000=SPX4 SP=20000 SP=AP-NP NP=40000 NP=CEXNRR/100 CE=40000X100/8 CE=500000	

3	MCQ	<p>Assertion (A): When partners change their profit-sharing ratio, it is necessary to revalue the assets and liabilities of the firm.</p> <p>Reason (R): Revaluation helps to ascertain the true value of the firm's net worth at the time of the change in profit-sharing ratio.</p>	<p>(a) Both Assertion and reason are true and reason is the correct explanation of assertion</p> <p>(b) Assertion is true but reason is wrong</p> <p>(c) Assertion is wrong but reason is true</p> <p>(d) Both Assertion and reason are wrong.</p>	(a)	<p>The assertion is correct because a change in the profit sharing ratio necessitates the revaluation of assets and liabilities to ensure that any gains or losses are fairly allocated among the partners before the new ratio is implemented.</p> <p>The reason is correct because the primary purpose of revaluation is to reflect assets and liabilities at their true value</p>	
4	MCQ	<p>A, B, and C are in a partnership sharing profits and losses in the ratio of 5:3:2 respectively. They decided to change their profit-sharing ratio to 4:4:2. On the date of change, the following balances are available:</p> <p>General Reserve: Rs60,000 Profit and Loss Account (Credit): Rs30,000 Partners decide to carry accumulated profits. What will be the journal entry for the above effect.</p>	<p>(a) A's Cap a/c Dr 9000 To B's Cap a/c 9000</p> <p>(b) Gen Res Dr 60000 P&L Dr 30000 To A's Cap 45000 To B's Cap 27000 To C's Cap 18000</p> <p>(c) B's Cap a/c dr 9000 To A's Cap 9000</p> <p>(d) No journal entry will be passed.</p>	(c)	<p>When accumulated profits are to be carried over, gaining partner will compensate to sacrificing partner an amount equals to his gain out of accumulated profits. Here B is in gain and A is sacrificing, C has no effect due to change in ration. Hence B has to compensate 1/10 of Rs90000 to A</p>	
5	MCQ	<p>P,Q and R are partners in a firm</p>	<p>(a) Rs5000 Dr (b) Rs2000 Cr</p>	(d)	<p>When assets and liabilities are</p>	

		having profit sharing ratio of 5:3:2. They decided to share future profits in 4:4:2. At the time of change in profit sharing ratio they revalued their assets and liabilities which results in a profit of Rs10,000 , however partners decided to reflect assets and liabilities at their old value in future. By what amount did the R's Capital account will be affected in this situation.	(c) Rs2000 Dr (d) NIL		revalued and appeared at their old value , revaluation profit or loss is adjusted on the basis of gain or sacrifice arisen due to change in ratio. In this question R's New and old ratio are same hence there will be no effect on R's capital account due to change in ratio.	
6	MCQ	Assertion (A): When partners change their profit-sharing ratio, the partnership deed must be amended to reflect the new terms. Reason (R): The amendment is necessary to legally enforce the new profit-sharing arrangement.	(a) Both Assertion and reason are true and reason is the correct explanation of assertion (b) Assertion is true but reason is wrong (c) Assertion is wrong but reason is true (d) Both Assertion and reason are wrong.	(a)	Both Assertion and reason are true and reason is the correct explanation of assertion	
7	MCQ	X, Y and Z are partners sharing profits and losses in the ratio of 5 : 3 : 2. They decide to share the future profits in the ratio 3 : 2 : 1. Workmen compensation reserve appearing in the balance sheet at Rs 60000 and there was a claim against WCR for Rs36000. What journal entry will be passed if	(a) WCR Dr 60000 To X 30000 To Y 18000 To Z 12000 (b) WCR Dr 36000 To X 18000 To Y 12000 To Z 6000 (c) WCR Dr 60000	(c)	WCR will be Distributed to the partners in old profit sharing ratio except for the value of claim. Hence Rs 24000 will be distributed among X Y and Z along with creation of claim against WCR and disposal / distribution of WCR.	

		WCR is not to be carried over.	<p>To Claim Ag, WCR 36000 To X 12000 To Y 7200 To Z 4800</p> <p>(d) WCR Dr 60000 To X 30000 To Y 20000 To Z 10000</p>			
8	MCQ	Any change in the relationship of existing partners which results in an end of the existing agreement and enforces making of a new agreement is called	<p>(a) Revaluation of partnership. (b) Reconstitution of partnership. (c) Realization of partnership. (d) None of the above.</p>	(b)	Reconstitution of partnership	
9	MCQ	Total capital employed in the firm is ₹ 8,00,000, reasonable rate of return is 15% and Profit for the year is ₹12,00,000. The value of goodwill of the firm as per capitalization method would be:	<p>(a) ₹82,00,000 (b) ₹12,00,000 (c) ₹ 72,00,000 (d) ₹42,00,000</p>	(c)	₹ 72,00,000	
10	MCQ	A, B and C are partner sharing profits sharing in the ratio of 1 : 2 : 3. On 1-4-2019 they decided to share the profits equally. On the date there was a credit balance of ₹1,20,000 in	<p>(a) Dr. A by ₹50,000; Cr. B by ₹50,000 (b) Cr. A by ₹50,000; Dr. B by ₹50,000 (c) Dr. A by ₹50,000; Cr. C by ₹50,000 (d) Cr. A by ₹50,000; Dr. C by ₹50,000</p>	(c)	Dr. A by ₹50,000; Cr. C by ₹50,000	

		<p>their Profit and Loss Account and a balance of ₹1,80,000 in General Reserve Account. Instead of closing the General Reserve Account and Profit and Loss Account, it is decided to record an adjustment entry for the same. In the necessary adjustment entry to give effect to the above arrangement:</p>				
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