

MOCK EXAMINATION PAPER

Accountancy

General Instructions for attempting the Question Paper:

- (i) The Question Paper has **50 Questions** out of which **40 Questions** are to be attempted.
- (ii) Case Study Based Questions have 4 Questions each. These questions shall be considered as 4 Questions.
- (iii) Time allowed to attempt the Question Paper is **45 Minutes**. Separate reading time is not allowed.
- (iv) Each Question carries 1 (One) mark.
- (v) For each incorrect answer 1 (One) mark will be deducted.

Disclaimer: This is a Mock Examination Paper. Actual Examination paper may differ.

1. Receipts & Payments Account is prepared on _____ basis whereas, Income & Expenditure Account is prepared on _____ basis.

1. Accrual, Cash.

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2. Cash, Cash.

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3. Cash, Accrual.

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4. Accrual, Accrual.

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2. At the end of the year, balance in Debentures' Interest Account is shown in the _____ as _____.

1. Statement of Profit & Loss; Finance Cost.

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2. Statement of Profit & Loss Other Expenses.

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3. Surplus, i.e., Balance in Statement of Profit & Loss; Finance Cost.

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4. Surplus, i.e., Balance in Statement of Profit & Loss; Other Expenses.

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3. Reserve capital is not a part of

1. Issued Capital.

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2. Authorised Capital.

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3. Called-up Capital.

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4. Paid-up Capital.

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4. For valuation of Goodwill of the firm, Capital Employed excludes

1. Goodwill.

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2. Non-trade Investments.

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3. Fictitious Assets.

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4. All of the above.

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5. Which of the following are not shown as Financing Activities in Cash Flow Statement for non-financing companies?

A. Conversion of Debentures into Shares.

B. Decrease in amount of Cash Credit.

C. Payment of Underwriting Commission.

D. Redemption of Preference Shares.

E. Receipt of Dividend.

Choose the correct option:

1. A, B, C, D and E ☐
 2. A, C, D and E only ☐
 3. A, D and E only ☐
 4. A and E only ☐
6. Which of the following is/are Cash Flow from Operating Activities?
1. Cash receipts and cash payments of an insurance enterprise for premiums and claims, annuities and other policy benefits. ☐
 2. Cash receipts and payments by an enterprise whose business is that of securities trading for futures contracts, forward contracts, option contracts and swap contracts when the contracts are held for dealing or trading purposes. ☐
 3. Cash payments or refunds of GST. ☐
 4. All of the above. ☐
7. Opening balances of Library Fund and 9% Library Fund Investment were ₹ 12,80,000 and ₹ 10,00,000 respectively. Interest received on Library Fund investment was ₹ 68,000. Closing Balance of Library Fund will be
1. ₹ 13,48,000. ☐
 2. ₹ 23,48,000. ☐
 3. ₹ 13,70,000. ☐
 4. ₹ 23,70,000. ☐
8. What is the correct sequence for finding average collection period?
- A. Find Average Trade Receivables.
 - B. Determine Trade Receivables Turnover Ratio.
 - C. Find Net Credit Revenue from Operations.
 - D. Divide the days or months in a year by trade receivables Turnover ratio.

Choose the correct option:

1. A, B, D and C ☐
 2. C, A, B and D ☐
 3. C, B, A and D ☐
 4. B, C, A and D ☐
9. Bharat Care Ltd., a listed company, has outstanding 20,000 Debentures of ₹ 100 each on 1st April, 2021 redeemable at a premium of 25%. These are to be redeemed at the end of 31st March, 2022. Amount transferred to DRR will be
1. ₹ 20,00,000. ☐
 2. ₹ 25,00,000. ☐
 3. ₹ 2,00,000. ☐
 4. NIL. ☐

10. Neha, Nisha and Yamini are partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. The partners decide to share future profits and losses in the ratio of 3 : 2 : 1. Each partner's gain or sacrifice due to change in the ratio will be

1. Neha's Sacrifice $\frac{1}{30}$; Nisha's Gain $\frac{1}{30}$; Yamini Nil.
2. Neha's Gain $\frac{1}{30}$; Nisha Nil; Yamini's Sacrifice $\frac{1}{30}$.
3. Neha Nil; Nisha's Sacrifice $\frac{1}{30}$; Yamini's Gain $\frac{1}{30}$.
4. Neha Nil; Nisha's Gain $\frac{1}{30}$; Yamini's Sacrifice $\frac{1}{30}$.

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Case Study

Kamal, Kabir and Manav are in a partnership with profit-sharing ratio of 3 : 2 : 1. Their capitals are fixed at ₹ 12,00,000; ₹ 10,00,000; ₹ 8,00,000 respectively. On 1st December, 2021, Kamal gave a loan of ₹ 3,00,000 to the firm. It has been agreed that interest on loan and capital will be allowed @ 10% p.a. Partners' salaries shall be: Kamal ₹ 5,000 per month and Kabir ₹ 3,000 per quarter. Manav has allowed the firm to use his premises for which he will be paid rent of ₹ 2,000 per month. Interest on capital is to be paid whether the firm earns profit or incurs loss. Profit of the firm for the year ended 31st March, 2022 was ₹ 5,23,200. 10% of Net Profit is to be provided for Manager's commission and 10% of Divisible Profit is to be transferred to General Reserve.

Based on the above case, answer questions from 11 to 14.

11. Rent Paid to Manav will be

1. Debited to Profit & Loss Appropriation Account.
2. Debited to Profit & Loss Account.
3. Debited to Z's Capital Accounts.
4. Debited to Profit & Loss Adjustment Account.

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12. Interest on capital will be transferred to the

1. debit of Profit & Loss Account.
2. debit of Profit & Loss Appropriation Account.
3. debit of Partners' Capital Accounts.
4. debit of Profit & Loss Adjustment Account.

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13. Amount of Manager's commission will be

1. ₹ 46,600 Debited to Profit & Loss Account.
2. ₹ 17,200 Debited to Profit & Loss Account.
3. ₹ 46,600 Debited to Profit & Loss Appropriation Account.
4. ₹ 16,600 Debited to Profit & Loss Appropriation Account.

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14. Amount of profit transferred to General Reserve is

1. ₹ 50,000.
2. ₹ 14,940.
3. ₹ 10,000.
4. ₹ 41,940.

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15. Monroe Ltd. paid income tax on Capital Gains ₹ 12,28,600 resulting from sale of Building. In Cash Flow Statement, it will be shown:

1. by way of adjustment in Cash and Cash Equivalents at the end. ☐
2. as addition to Net Profit Before Tax Extraordinary Items under Operating Activities and as outflow as Tax paid under Operating Activities. ☐
3. as addition to Net Profit Before Tax Extraordinary Items under Operating Activities and as outflow as Tax paid under Investing Activities. ☐
4. as addition to Net Profit Before Tax Extraordinary Items under Operating Activities and as outflow as Tax paid under Financing Activities. ☐

16. Match the entries (items) in LIST I with entries (items) in LIST II.

List I	List II
A. General Reserve	(I) Credit to Revaluation Account
B. Increase in the value of asset	(II) Old Profit Share – New Profit Share
C. Sacrificing Ratio	(III) Debit to Revaluation Account
D. Increase in the value of liability	(IV) Accumulated Profit

Choose the correct option:

1. A-IV, B-I, C-III and D-II ☐
2. A-IV, B-III, C-II and D-I ☐
3. A-IV, B-I, C-II and D-III ☐
4. A-IV, B-II, C-I and D-III ☐

17. Furniture as on 1st April, 2021 was ₹ 3,40,000. Furniture (having Book value as on 1st April, 2021 of ₹ 60,000) was sold at a profit of 20% on 1st October, 2021. Furniture is depreciated @ 10% p.a. Furniture for ₹ 3,00,000 was purchased on 1st October, 2021. Profit on sale of furniture for the year ended 31st March, 2021 is

1. ₹ 10,400. ☐
2. ₹ 11,400. ☐
3. ₹ 9,400. ☐
4. ₹ 7,400. ☐

18. In the Balance Sheet of Om Ji Om Caterers (a partnership between Dharam and Param), Debtors were ₹ 5,00,000 and Provision for Doubtful Debts ₹ 20,000. On dissolution of the firm, if Bad Debts are ₹ 1,00,000 and remaining Debtors were realised at a discount of 8%, Cash Account will be debited by

1. ₹ 3,40,000. ☐
2. ₹ 3,49,600. ☐
3. ₹ 3,68,000. ☐
4. ₹ 3,60,000. ☐

19. Match the following items:

List I	List II
A. When shares are forfeited, account debited is	(I) Securities Premium Reserve.
B. Shares reissued at value less than its nominal (face) value as fully paid-up is	(II) Share Capital Account.
C. Amount received on forfeited shares is credited to	(III) Discount on Issue of Shares.
D. Shares reissued at value more than its nominal (face) value is credited to	(IV) Share Forfeiture Account.

1. A-IV, B-III, C-II and D-I

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2. A-II, B-III, C-IV and D-I

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3. A-II, B-III, C-I and D-IV

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4. A-II, B-IV, C-III and D-I

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20. Property, Plant and Equipment of Maxo Ltd. has changed from ₹ 20,00,000 to ₹ 25,00,000 in the current year as compared to previous year. While preparing Comparative Balance Sheet, the increase in Property, Plant and Equipment in absolute and percentage terms is

1. Increase by ₹ 5,00,000; 20%.

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2. Decrease by ₹ 5,00,000; 20%.

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3. Increase by ₹ 5,00,000; 25%.

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4. Decrease by ₹ 5,00,000; 25%.

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21. A club has 1,500 members. Each member pays ₹ 1,200 per annum as subscription, Outstanding Subscription for the years ended 31st March, 2021 and 2020 were ₹ 1,08,000 and ₹ 84,000 respectively. Members who have not paid their subscription for the year 2020–21 are

1. 120.

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2. 20.

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3. 80.

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4. 480.

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22. CRIC GYAN Ltd. Issued 25,000, 10% Debentures of ₹ 100 each at a premium of 5%, redeemable at premium of 5% after 10 years. The issue price was payable in instalments ₹ 30 on application and balance on allotment. The entry passed on allotment of Debentures would be

1. Dr. Bank A/c and Cr. Debentures Allotment A/c by ₹ 18,75,000.

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2. Dr. Debentures Allotment A/c by ₹ 18,75,000 and Loss on Issue of Debentures A/c by ₹ 1,25,000;

Cr. 10% Debentures A/c by ₹ 17,50,000, Securities Premium Reserve A/c by ₹ 1,25,000 and Premium on Redemption of Debentures A/c by ₹ 1,25,000.

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3. Dr. Debentures Allotment A/c by ₹ 18,75,000; Cr. 10% Debentures A/c by ₹ 17,50,000, Securities Premium Reserve A/c by ₹ 1,25,000.

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4. Dr. Debentures Allotment A/c by ₹ 18,75,000 and Discount on Issue of Debentures A/c by ₹ 1,25,000;

Cr. 10% Debentures A/c by ₹ 17,50,000, Securities Premium Reserve A/c by ₹ 1,25,000 and Premium on Redemption of Debentures A/c by ₹ 1,25,000.

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23. Ravi and Bhuvu are partners in the ratio of 5 : 3. Their capitals are ₹ 2,00,000 and ₹ 1,00,000 respectively. As per the Partnership Deed, they are allowed interest on capitals @ 8% p.a. Interest charged on drawings of Ravi and Bhuvu were ₹ 2,500 and ₹ 1,500 respectively. Firm incurred a loss of ₹ 20,000 for the year ended 31st March, 2020. Loss transferred to the Capital Accounts of Ravi and Bhuvu would be

1. ₹ 25,000; ₹ 15,000.

2. ₹ 15,000; ₹ 25,000.

3. ₹ 10,000; ₹ 6,000.

4. ₹ 6,000; ₹ 10,000.

24. Based on the following information, Fixed Assets Turnover Ratio will be:

Shareholders' Funds ₹ 14,50,000; Total Outside Liabilities are ₹ 16,83,000, Long-term Loans ₹ 6,30,000; 8% Debentures ₹ 7,20,000; Long-term Provisions ₹ 2,16,000; Current Assets ₹ 11,33,000; Current Liabilities ₹ 1,17,000. Gross Profit ₹ 9,00,000; Rate of Gross Profit on Cost 25%.

1. 3 times.

2. 2.5 times.

3. 2.25 times.

4. 3.75 times.

Case Study

Juley Sports Club (JSC) is engaged in the activity of identifying and promoting sports talent in the UT of Ladakh, India. During 2021–2022, Identifying with this noble cause Mr. Tshering Dorboo a businessman donated ₹ 25,00,000, for the construction of a playground in Leh. Till date ₹ 18,00,000 had been spent on construction of playground. JSC have 250 members paying an annual subscription of ₹ 2,500 per annum. They approached the MP of the city with their proposal and received a grant of ₹ 20,00,000 for Construction of Gymnasium and purchase of equipment. 10 tourists from Jammu and Kashmir contributed ₹ 25,000 each as lifetime subscription. Entrance Fees received during the year amounted to ₹ 45,000. The Capital Fund as on 31st March, 2021 was ₹ 12,58,000. Amount spent on construction of Gymnasium and purchase of equipment till date is ₹ 11,95,000. Income & Expenditure account showed a surplus of ₹ 72,000. Taking reference from the above, answer questions 25 to 28.

25. Lifetime subscription will be posted to

1. Debit side of Income & Expenditure Account.

2. Liability side of Balance Sheet as a separate item.

3. Assets side of Balance Sheet.

4. Added to capital fund on the Liability side of Balance Sheet.

26. Donation received for the construction of a playground will be posted to

1. Credit side of Income & Expenditure Account.

2. Assets side of Balance Sheet.

3. Added to capital fund on the Liability side of Balance Sheet.

4. Liability side of Balance Sheet as a separate item.

27. Entrance Fees received will be posted to

1. Debit side of Income & Expenditure Account.
2. Added to capital fund on the Liability side of Balance Sheet.
3. Liability side of Balance Sheet as a separate item.
4. Credit side of Income & Expenditure account.

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28. Balance of Capital fund as on 31st March, 2022 is

1. ₹ 46,20,000.
2. ₹ 46,75,000.
3. ₹ 45,75,000.
4. ₹ 45,25,000.

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29. The amount or property received by a Not-for-Profit Organisation from the will of a deceased person is called

1. Grant.
2. Donation.
3. Legacy Donation.
4. Fund.

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30. V, I, and P are partners in a company sharing profits and losses in the ratio of 7 : 5 : 8. On 31st August, 2021, P died. Books of account of the firm are closed on 31st March every year. Sales and profit for the year ended 31st March, 2021 were ₹ 8,00,000 and ₹ 1,12,000 respectively. Sales for the period from 1st April, 2021 to 31st August, 2021, were ₹ 4,50,000. The share of the deceased partner in the current year's profits based on the sales is

1. ₹ 25,200.
2. ₹ 14,700.
3. ₹ 63,000.
4. ₹ 44,800.

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31. Which of the following is/are deducted to arrive at normal business profit/future maintainable profit?

- A. Loss on sale of Motor Vehicle owned by the Business.
- B. Income from Non-Trade Investment.
- C. Managing Cost.
- D. Under valuation of closing stock.

Choose the correct option:

1. D only
2. B, C and D only
3. B and C only
4. A, B and C only

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32. Cuvee Ltd. had forfeited 5,000 Equity Shares of ₹ 10 each that were issued at a premium of ₹ 5 per share for non-payment of First and Final Call of ₹ 4 per share. The forfeited shares were reissued for ₹ 8 per share as fully paid-up. The amount that will be transferred to Capital Reserve will be

1. ₹ 10,000.
2. ₹ 20,000.
3. ₹ 30,000.
4. NIL.

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33. Following information is of Gold Case Ltd.:

Net Profit before Tax ₹ 16,00,000; Equity Share Capital (₹ 10 per share) ₹ 20,00,000, 8% Preference Share Capital ₹ 10,00,000; Tax rate 25%; Market Price per share ₹ 448, then Price Earning (P/E) Ratio is

1. 85 times.
2. 70 times.
3. 65 times.
4. 80 times.

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34. Identify the sequence for application of assets at the time of Dissolution of a firm:

- A. Partner's loans or advances.
- B. Partner's capital.
- C. Profit among the partners in their profit-sharing ratio.
- D. Third parties such as Creditors and Bank Loan.

Choose the correct option:

1. D, C, B and A
2. A, B, C and D
3. D, B, C and A
4. D, A, B and C

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35. Match the entries (items) in LIST I with entries in LIST II.

List I	List II
A. Cost of Materials Consumed + Purchases of Stock-in-Trade + Changes in Inventories of Finished Goods, WIP and Stock-in-Trade + Direct Expenses	(I) Cost of Revenue from Operations
B. Cost of Revenue from Operations + Operating Expenses	(II) Net Profit
C. Revenue from Operations – Cost of Revenue from Operations – Operating Expenses	(III) Operating Cost
D. Revenue from Operations – Gross Profit	(IV) Operating Profit

Choose the correct option:

1. A-I, B-III, C-IV and D-I
2. A-I, B-III, C-II and D-I
3. A-I, B-III, C-I and D-II
4. A-I, B-III, C-I and D-I

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36. A Not-for-Profit Organisation has made an investment earning interest @ 12% per annum. Interest in the Receipts & Payments Account is ₹ 40,000 and Interest on Investment is accrued for 4 months. The value of Investment is

1. ₹ 5,00,000.

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2. ₹ 4,00,000.

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3. ₹ 4,80,000.

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4. ₹ 6,00,000.

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37. Alps Ltd issued 50,000 Equity Shares of ₹ 10 each at par for subscription payable ₹ 3 on Application, ₹ 4 on Allotment and ₹ 3 as First and Final call. It received applications for 1,45,000 Equity Shares. Applicants for 20,000 Equity Shares were refused allotment and remaining applicants were allotted shares on *pro rata* basis. Excess Application Money was not to be refunded. Amount credited to Calls-in-Advance Account will be

1. ₹ 2,25,000.

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2. ₹ 25,000.

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3. ₹ 1,75,000.

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4. Nil.

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38. 9% Preference Share Capital of ₹ 7,50,000 was redeemed at a premium of 10%, partly out of proceeds of issue of 30,000 equity shares of ₹ 10 each issued at 15% premium and partly out of profits otherwise available for dividends. Choose the correct effect on different activities of cash flow statement from the options given below:

1. In financing activities, cash outflow ₹ 8,25,000 and cash inflow ₹ 3,45,000.

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2. In financing activities, cash outflow ₹ 8,25,000 and in investing activities, cash inflow ₹ 3,45,000.

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3. Net ₹ 4,80,000 will be outflow in operating activities.

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4. In investing activities cash outflow of ₹ 8,25,000 and in financing activities cash inflow of ₹ 3,45,000.

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39. V, I, and P are partners in a company sharing profits and losses in the ratio of 7 : 5 : 8. P died on 28th August, 2021. In terms of the Partnership Deed, financial statements were prepared for the period ended 28th August, 2021 and profit share of P was determined to be ₹ 75,000. It will be credited to P's Capital Account by debiting

1. Profit & Loss Suspense Account.

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2. Profit & Loss Account.

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3. Profit & Loss Appropriation Account.

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4. Profit & Loss Adjustment.

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40. Aries Motors Ltd. offered 2,00,000, 7% Debentures of ₹ 100 each at a discount of 5% redeemable at a premium of 5%. The issue price was payable on application. Subscription was received for the debentures issued and were allotted. On issue of debentures, Loss on Issue of Debentures will be _____ and Premium on Redemption of Debentures Account will be _____

1. Credited by ₹ 10,00,000, Debited by ₹ 10,00,000.
2. Debited by ₹ 10,00,000, Credited by ₹ 10,00,000.
3. Debited by ₹ 20,00,000, Credited by ₹ 10,00,000.
4. None of the above.

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41. Which of the following is/are assumed to be 100 for preparing Common Size Statement of Profit & Loss?

- A. Revenue from Operations.
- B. Balance Sheet total.
- C. Cost of Revenue from Operations.
- D. Total Revenue.

Choose the correct option

1. B and C only
2. B, C and D only
3. A and C only
4. A only

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42. Subscription received in advance in the year ended 31st March, 2021 for the year ended 31st March, 2023 is shown in the _____ in the Balance Sheet as at 31st March, 2021 and is _____ for the year ended 31st March, 2023

1. Income, Liability.
2. Asset, Liability.
3. Liability, Income.
4. Liability, Liability.

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43. Securities Premium can be used by the company for

1. adjusting business loss.
2. paying dividend.
3. adjusting loss on revaluation of assets.
4. issuing fully paid bonus shares.

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44. Amount credited to a retiring partner in his Capital Account is ₹ 10,05,000. He took over investment at ₹ 2,90,000. He also took over 20% of stock. The amount transferred to his loan account is ₹ 6,15,000. The value of stock before retirement is

1. ₹ 5,00,000.
2. ₹ 4,50,000.
3. ₹ 4,00,000.
4. ₹ 5,50,000.

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45. Match the following items:

List I	List II
A. Hire Cars Ltd. issued 13% Debentures of ₹ 50 at a premium of 20% for purchase of Motor Vehicles of ₹ 24,00,000. No. of debentures issued to vendors is?	(I) 60,000 debentures
B. Cecil Car Rental Ltd. issued 13% Debentures of ₹ 50 at a Discount of 20% for purchase of Motor Vehicles of ₹ 24,00,000. No. of debentures issued to vendors is?	(II) 25,000 debentures
C. Ambey Ltd. received application money of ₹ 55,00,000 against issue of 8% Debentures of ₹ 100 each issued at a premium of ₹ 10 per Debenture. Number of Debentures applied were	(III) 50,000 debentures
D. Aura Ltd. received application money of ₹ 23,75,000 against issue of 8% Debentures of ₹ 100 each issued at a discount of 5%. Number of Debentures applied were	(IV) 40,000 debentures

Choose the correct option:

1. A-IV, B-I, C-II and D-III
2. A-IV, B-II, C-III and D-I
3. A-I, B-IV, C-III and D-II
4. A-IV, B-I, C-III and D-II

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46. Sehajvir and Vansh are partners sharing profits and losses in the ratio of 5 : 4. On 1st April, 2021, they admit Yugank as a partner for 1/5th share. Their Balance Sheet as at 31st March, 2021 shows Building at ₹ 2,00,000; Stock at ₹ 60,000 and Debtors at ₹ 80,000. Stock is revalued at ₹ 80,000 and Provision for Doubtful Debts @5%. Vansh's share in gain (profit) on revaluation amounts to ₹ 16,000. Revised value of Building would be

1. ₹ 20,000.
2. ₹ 2,20,000.
3. ₹ 1,80,000.
4. ₹ 2,40,000.

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47. Match List I with List II.

List I	List II
A. Rows in Spreadsheet	I. Vertical Vectors
B. Columns in Spreadsheet	II. A file in Excel
C. Ribbon in Spreadsheet	III. Horizontal Vectors
D. Workbook	IV. Series of Horizontal Tabs

Choose the correct option:

1. A-III, B-I, C-IV and D-II
2. A-I, B-III, C-IV and D-II
3. A-IV, B-III, C-I and D-II
4. A-III, B-I, C-II and D-IV

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48. Arrange the following in the correct sequence to define the order of mathematical expression in Excel:

- A. Addition
- B. Division
- C. Brackets
- D. Exponents

Choose the correct option:

- 1. C, D, B and A
- 2. C, B, A and D
- 3. D, C, A and B
- 4. A, B, C and D

49. 'Record' in a database table is a

- 1. Size of the table.
- 2. Horizontal row of table.
- 3. Vertical column of table.
- 4. Name of the table.

50. What is the end product of accounting process?

- 1. Grouping of Accounts
- 2. Implementation of CAS
- 3. Producing financial statements
- 4. Analysing transactions to record them

