HERAMB PROFESSIONAL INSTITUTE

DATE:25/05/17

CA-CPT / ACCOUNTS MARKS: 60 DURATION: 1HOUR

1. Partnership is the relation between two or more persons:
a) Who are sharing the profits & losses equally of a business carried on by all or any of them acting for all
b) Who have agreed to share the profits of a business carried on by all.
c) Who have agreed to share the profits of a business carried on by any of them acting for all
d) None of these

2. Unless otherwise agreed:
a) A working partner is entitled to receive remuneration for taking part in the conduct of the business.
b) Where a partner is entitled to the interest on capital, such interest shall be payable as a charge against the profits
c) A partner is entitled to claim interest on firm advances made by him to the firm @ 6% p.m.
d) A partner is not entitled to interest on loan @ 6% p.a. after the date of dissolving of firm

3. In the absence of any agreement, the partners are entitled to share profits
a) Equally b) In the ratio of capital
c) In the ratio of time spent d) None of these

4. A and B are partners sharing profits in the ratio of 2:2. C is admitted as a new partner and the new profit sharing ratio among A, B and C is 1:1:1. Sacrificing ratio will be
(a) 2 : 1 (b) 2 : 2 (c) 1 : 2 (d) None of these

5. A and B are partners sharing profits in the ratio of 3:2 , C is admitted into the firm for $1/5^{th}$ share in the Profit which he acquires equally from A and B The new profit sharing ratio will be :
a) 3:5:2 b) 4:4:2 c) 5:3:2 d) 6:2:2

6. P and Q are partners sharing profits in the ratio of 3:2. They admit R for 1/5 share of profit which he takes from A and B in the ratio 2:1 Calculate new profit sharing ratio.
(a) 7 : 5 : 3 (b) 3 : 2 : 1 (c) 35 : 25 : 10 (d) None of these

7. Goodwill bought in by incoming partner in cash for joining in a partnership firm is taken away by the old partners in:
a) Old Profit sharing Ratio. b) New Profit Sharing Ratio.
c) Sacrificing Ratio. d) Capital Ratio

8. A and B are partners with capitals of Rs 10,000 and Rs 20,000 respectively and sharing profits equally. They admitted C as their third partner with one-fourth profits of the firm on the payment of Rs 12,000 as capital. The amount of hidden goodwill is:
(a) 6,000 (b) 10,000 (c) 8,000 (d) None of these

9. A, B and C were equal partners of a firm with goodwill Rs 1,20,000 shown in the balance sheet and they agreed to take D as an equal partner on the term that he should bring Rs 3,20,000 as his capital and goodwill., his share of goodwill was evaluated at Rs 1,20,000 and the goodwill account is to be written off before admission. What will be the treatment for goodwill?
a) Writer off the goodwill of Rs 1,20,000 in old ratio.
b) Cash bought in by D for goodwill will be distributed amount old partners in sacrificing ratio.
c) Both (a) & (b)   d) None of these

10. A and B are partners with capitals of Rs 20,000 and Rs 30,000 respectively and sharing profits equally. They admitted C as their third partner with one-fourth profits of the firm. C brings Rs 25,000 in cash & stock of Rs 5,000 as capital. The amount of hidden goodwill is:
(a) 49,000   (b) 60,000   (c) 45,000   (d) 40,000

11. X and Y are partner of a partnership firm sharing profits in the ratio of 5:3 respectively . Z was admitted on the following terms :Z would pay Rs 1,00,000 as capital and Rs 32,000 as Goodwill , for 1/5th share of profit . Machinery would be appreciated by 10% (book value Rs 1,60,000) and building would be depreciate by 20% (Rs4,00,000) . Unrecorded debtors of Rs 2,500 would be bought into books note and a creditors amounting to Rs5,500 died and need not to pay anything to its estate. Find the distribution of profit/loss on revaluation between X,Y and Z.
a) Loss – 35,000:21,000-0 b) Loss – 28,000:16,800:11,200
c) Profits – 35,000:21,000:0 d) Profit – 28,000:16,800:8,667

12. P and Q are partnership sharing profit in the ratio of 2:1 . Rs is admitted to the partnership with effect from 1st April, on the term that he will bring Rs40,000 as his capital for 1/4th share and pays Rs18,000 for goodwill , half of which is to be withdrawn by P and Q. If profit on revaluation is Rs 12,000 and the opening Capital of P is Rs 80,000 and of Q is Rs60,000 , the closing balance of capital accounts will be in the ratio of :
a) 94,000:67,000:40,000   b) 1,00,000:70,000:40,000
c) 80,000:60,000:20,000   d) 82,000:61,000;58,000

13. C was admitted in a firm with 1/4th share of the profit of the firm. C contributes Rs30,000 as his capital . A and B are other partners with the profit sharing ratio as 3:2 . Find the required capital of A and B , if capital should be in profit sharing ratio taking C's as base capital ;
a) Rs54,000 and Rs 1,32,000 for A and B respectively.
b) Rs54,000 and Rs 36,000 for A and B respectively.
c) Rs 64,000 and Rs 42,000 for A and B respectively.
d) Rs 62,000 and Rs 52,000 for A and B respectively

14. At the time of retirement of a partner, firm gets . . . . . from the insurance company against Joint Life Policy jointly for all the partners.
a) Policy Amount   b) Surrender Value
c) Policy Value for the retiring partner and Surrender Value for the rest
d) Surrender Value for all the partners

15. At the time of retirement of a partner, firm gets . . . . . . from the insurance company against the Joint Life Policy taken severely for each partner.
a) Policy Amount b) Surrender Value
c) Policy Value for the retiring partner and Surrender Value for the rest
d) Surrender Value for all the partners

16. A, B, C are partners sharing profits and losses in the ratio of 4/9: 1/3: 2/9. B retires and surrenders 1/9th of his share in favour of A and remaining in favour of C. The new profit sharing ratio will be:
a) 13 : 14 b) 14 : 13 c) 1 : 8 d) 8 : 1

17. A, B and C takes a Joint Life Policy, after five years. B retires from the firm. Old Profit sharing ratio is 2 : 2 : 1 After retirement A and C decides to share profits equally. They had taken a Joint Life Policy of Rs 5, 00,000 with the surrender value Rs 1, 00,000. What will be the treatment in the partner's capital account on receiving the JLP amount if joint life premium is fully charged to revenue as and when paid?
a) Rs 1, 00,000 credited to all the partners in old ratio.
b) Rs 5, 00,000 credited to all the partners in old ratio.
c) Rs 4, 00,000 credited to all the partners in old ratio.
d) No treatment is required

18. A, B and C are partners sharing profits and losses in the ratio 9: 4: 3. They took joint life policy of Rs 25,000 for A, Rs 20,000 for B and Rs 51,000 for C. What is the share of C in the JLP amount?
(a) Rs 18,000 (b) Rs 25,000 (c) Rs 51,000 (d) Rs 20,000

19. A, B and C are partners sharing profits in the ratio 3 : 2 : 1. B retired on 30th June 2006. B's share of profit up to the date of retirement be, calculated on the basis of the average of the profits for the last 3 years. Profits for last 3 years are Rs 60,000; Rs 90,000; Rs 90,000. Calculate B's share in profit.
(a) Rs 5,667 (b) Rs 6,667 (c) Rs 6,665 (d) Rs 5,666

20. A, B and C are partners with profits sharing ratio of 4 : 3 : 2. B retires and Goodwill of Rs 10, 800 was valued. If A & C share future profits in the ratio of 5 : 3, then the amount of goodwill to be shared between A and C will be:
a) Rs 1, 850 and Rs 1, 950 b) Rs 1, 650 and Rs 1, 750
c) Rs 2, 000 and Rs 1, 160 d) Rs 1, 950 and Rs 1, 650

21. X and Y shared profit and losses in the ratio of 3 : 2. With effect from 1st January 2001 they agreed to share profits equally. The goodwill of the firm was valued at Rs 30,000. The necessary single adjusting entry will involve.
a) Debit Y and Credit X by Rs 3,000 b) Debit X and Credit Y with Rs 3,000
c) Debit X and Credit Y with Rs300 d) Debit Y and Credit X with Rs 300.

22. X, Y and Z are partners sharing profits and losses in the ratio of 5 ; 3 : 2. From 1st January 2006, they decide to share profits and losses in the ratio 2 : 5 : 3. The Partnership deed provides that in the event of any change in the profit sharing ratio, the goodwill should be valued at two years purchase of the average profits of the preceding 5 years. The profits and losses of the preceding years are 2001 profit Rs39,000, 2002 Profit Rs 57,000, 2003

Profit Rs 24,000, 20X4 Profit Rs 27,000, 20X5 Loss Rs 12,000. The necessary single adjusting entry will involve :
a) Debit Y by Rs 10,800 and Z by Rs 5,400 and Credit X by Rs 16,200
b) Debit Z by Rs 10,800 by Y by Rs 5,400 and Credit X by Rs 16,200
c) Debit X by Rs 10,800 and Z by Rs 5,400 and Credit Y by Rs 16,200
d) Debit Z by Rs 10,800 and X by Rs 5,400 and Credit Y by Rs 16,200

23. X, Y & Z were partners who shared profits & losses in the ratio 3 : 2 : 1 with capital balance Rs 60,000, Rs 40,000 and Rs 20,000 respectively.
Z retired and X & Y agreed to share the profits equally after adjusting their capitals in equal ratio through bank account. Total capital of the firm should be Rs 98,000. Calculate the amount of cash to be paid off or to be brought by continuing partners.
(a) X will withdraw Rs 11,000 and Y will bring Rs 9,000
(b) X will withdraw Rs 11,000 and Y will withdraw Rs 9,000
(c) X will bring Rs 11,000 and Y will withdraw Rs 9,000
(d) None of these

24. To provide funds to pay to the retiring partner or to the representatives of a deceased partner, generally partners.
a) Create a Sinking Fund b) Take Join Life Policy
c) Create Reserve Fund d) Create a separate Bank Account

25. Every partner is:
a) Jointly liable to third parties b) Severally liable to third parties
c) Jointly and severally liable to third parties d) None of these

26. X of Kolkata sends out goods costing 300,000 to Y of Mumbai at cost + 25%. Consignor's
expenses Rs 5000. 1/10th of the goods were lost in transit. Insurance claim received Rs 3000. The net loss on account of abnormal loss is
a) Rs 27,500 b) Rs 25,500 c) Rs 30,500 d) Rs 27,000

27. P of Faridabad sent out goods costing Rs 45,000 to Y of Delhi at cost + 331/3 %. 1/10th of goods were lost in transit. 2/3rd of the remaining goods are sold at 20% above IP. The amount of sale value will be:
a) Rs 54,000 b) Rs 43,200 c) Rs 60,000 d) Rs 36,000

28. Rahim of Kolkata sends out 1000 boxes to Ram of Delhi costing Rs 100 each at an Invoice Price of Rs 120 each. Goods send out on consignment to be credited in general trading account will be:
a) Rs 1,00,000 b) Rs 1,20,000 c) Rs 20,000 d) None

29. Goods sent out on consignment Rs 2,00,000. Consignor's expenses Rs 5,000. Consignee's expenses Rs 2000. Cash sales Rs 1,00,000, credit sales Rs 1,10,000. Consignment stock Rs 40,000. Ordinary commission payable to consignee Rs 3,000. Del-credere commission Rs 2000. The amount irrecoverable from customer Rs 2,000.
What will be the profit on consignment?
a) Rs 38,000 b) Rs 40,000 c) Rs 36,000 d) Rs 43,000

30. A of Kolkata sends out 500 boxes to B of Delhi costing Rs 200 each. Consignor's expenses Rs 5000. 1/5th of the boxes were still in transit. 3/4th of the goods received by consignee, were sold. The amount of goods still in transit will be:
a) Rs 20,000 b) Rs 21,000 c) Rs 21,200 d) None

31. A proforma invoice is sent by ________
a) Consignee to Consignor b) Consignor to Consignee
c) Debtors to Consignee d) Debtors to Consignor

32. X sent out certain goods to Y of Delhi. 1/10 of the goods were lost in transit. Invoice value of goods lost Rs 12,500. Invoice value of goods sent out on consignment will be:
a) Rs 120,000 b) Rs 125,000 c) Rs 140,000 d) Rs 100,000

33. Goods costing Rs 2,00,000 sent out to consignee at Cost + 20%. Invoice value of the goods will be
a) Rs 250,000 b) Rs 2,40,000 c) Rs300,000 d) None of these

34. X of Kolkata sends out certain goods at cost + 25%. Invoice value of goods sends out Rs 200,000. 4/5th of the goods were sold by consignee at Rs1,76,000. Commission 2% upto invoice value and 10% of any surplus above invoice value. The amount of commission will be:
a) Rs 4800 b) Rs 5200 c) Rs 3200 d) Rs 1600

35. _________ is unavoidable and should be spread over the entire consignment while valuing consignment stock.
a) Abnormal loss b) Normal loss
c) Extra-ordinary loss d) None of the three

36. A consignee sold goods costing Rs 50,000 at a profit of Rs 10,000. Out of total sale 30% was credit sale. As per the agreement the consignee will get 5% ordinary commission, 2% delcredere commission on credit sale and 3% over-riding commission on amount in excess of cost price. The amount of commission will be
a) Rs 3,540 b) Rs 3,840 c) Rs 4,500 d) Rs 3,000

37. Abnormal loss on consignment is credited to ________
a) Profit and loss account. b) Consignee's account.
c) Consignment account d) None of the three.

38. Deepak consigned 100 sets of TVs to Sudeep @ Rs 10,000 each. 5 TVs were damaged in transit due to unavoidable reason whose price was adjusted in the remaining TVs. The new price of each TV will be
a) Rs 10,000 b) Rs 10,200 c) Rs 15,000 d) Rs 10,526

39. Proforma invoice is a statement of information in the firm of invoice prepared by the ________ to appraise the _______ about certain essential particulars of the goods.
a) Consignee, Consignor b) Buyer/Seller
c) Consignor, consignee d) None of the three

40. Mr. Yatharth consigned to Mr. Ramesh 100 cases of tea costing Rs100 per case. He paid Rs1,000/- as freight and cartage. Mr. Ramesh could take delivery of only 90 cases since 10 cases were loss in transit. The amount of abnormal loss will be
a) Rs 1,000/- b) Rs 1,100/- c) Rs 1,050/- d) None of these

41. Mr. A sent 250 units costing Rs10,000 each to Mr. B. The goods were to be sold as to yield a gross profit of 20% on sales. Mr. B sold 150 units @ Rs14,200 per unit on credit and 75 units @ Rs 14,000 for cash. Mr. B is entitled to a commission Rs500 per unit. The amount of commission will be:
a) Rs 75,000 b) Rs 37,500 c) Rs 1,12,500 d) Rs 85,000

42. Goods costing Rs 1,20,000 were sent on consignment basis. These goods are invoiced to give a gross margin of 20% on invoice price. The amount of loading is:
a) Rs 24,000 b) Rs 30,000 c) Rs 20,000 d) None of these