

**QUESTION PAPER 1****[Board's Sample Question Paper For Annual Exam]****Time : 3 Hours ]****[ Total Marks : 100****Instructions :** (1) This question paper contains **six** sections.

(2) Use of scale and pencil necessary.

(3) Use of simple calculator is allowed.

**SECTION A****Answer the following questions by selecting the correct option from the given options : [Questions 1 to 20 - 1 mark each] 20**

- What percentage of interest will be paid, when no provision is made pertaining to interest on capital in the partnership deed ?  
(a) 6 % (b) 9 % (c) 12 % (d) No interest
- How would you consider the interest on debit balance of partner's current account for the firm ?  
(a) An expense (b) Liability (c) An income (d) Loss
- Goodwill is ..... where individual skill is important.  
(a) more (b) less (c) zero (d) negative
- Super profit means .....  
(a) Capital employed - Expected profit (b) Expected profit - Capital employed  
(c) Average profit - Expected profit (d) Expected profit - Average profit
- In which ratio profit or loss of revaluation account is distributed between the partners ?  
(a) In sacrifice ratio (b) In gain ratio  
(c) In new profit-loss ratio (d) In old profit-loss ratio
- At the time of reconstruction of a partnership firm ..... is prepared.  
(a) trading account (b) revaluation account  
(c) realisation account (d) profit-loss appropriation account
- As per Accounting Standard 26, ..... goodwill cannot be shown in the books.  
(a) goodwill for which some amount is paid for consideration  
(b) internally generated  
(c) Both (a) and (b)  
(d) Neither of (a) and (b)
- When only old profit-loss sharing ratio is given; sacrificing ratio of partners = .....  
(a) equal (b) old ratio (c) old share - new share (d) cannot be calculated
- Sweta, Geeta and Jyoti are equal partners. Geeta retires. Geeta's share is gained by Sweta and Jyoti equally. New profit and loss sharing ratio of Sweta and Jyoti will be .....  
(a) 3 : 1 (b) 2 : 1 (c) 1 : 2 (d) 1 : 1
- Which is the first payment made from the realisation of assets, at the time of the dissolution of a firm ?  
(a) Dissolution expense (b) Loan of partner's wife  
(c) Liabilities towards third parties (d) Partners' loan

11. Which of the following account is opened to incorporate the accounting effect of assets and liabilities of the partnership firm at the time of dissolution?  
 (a) Profit and Loss account (b) Profit and Loss Appropriation account  
 (c) Revaluation account (d) Realisation account
12. In which year SEBI was established in India?  
 (a) 1947 (b) 1932 (c) 1956 (d) 1991
13. If the company does not receive subscription for at least ..... of the public issue then share issue would be cancelled.  
 (a) 50 % (b) 75 % (c) 90 % (d) 100 %
14. Debenture is ..... for a company.  
 (a) capital (b) receivable (c) liability (d) asset
15. Which of the following analysis shows stakeholder-based classification?  
 (a) External analysis (b) Horizontal analysis  
 (c) Short-term analysis (d) Vertical analysis
16. The analysis of the financial statements .....  
 (a) presents only results (b) provides historical information  
 (c) makes interpretation (d) None of the given
17. In which terms ratios are presented?  
 (a) Proportion (b) Percentage (c) Time (d) All of the given
18. Which of the following ratios are included in traditional classification?  
 (a) Composite ratios (b) Liquidity ratios  
 (c) Profitability ratios (d) Solvency ratios
19. How many activities are there in cash flow statement?  
 (a) Five (b) Four (c) Three (d) Two
20. Which of the following transaction is always transaction of operating activity?  
 (a) Interest paid on loan (b) Dividend received  
 (c) Dividend paid (d) Salary expense

### SECTION B

**Answer the following questions in one sentence each:**

**[Questions 21 to 30 - 1 mark each]**

21. What is Goodwill?
22. Which is the other name known for the revaluation account?
23. State the circumstances of the retirement of a partner.
24. What is the dissolution of a partnership firm?
25. How would you deal with bad debts return, which is written off earlier?
26. According to Companies Act, 2013, for what duration can a company issue debentures?
27. What is ratio?
28. What is the cost of goods sold?
29. What is cash flow statement?
30. What is cash and cash equivalent?

## QUESTION PAPER 2

Time : 3 Hours ]

[ Total Marks : 100

Instructions : As per Question Paper 1.

### SECTION A

Answer the following questions by selecting the correct option from the given options : [Questions 1 to 20 - 1 mark each] 20

- Under which method, the interest on capital keeps on changing during the year due to the changes in the capital?  
(a) Fluctuating Capital Account Method  
(b) Fixed Capital Account Method  
(c) Current Account Method  
(d) None of the given
- The capital proportion of A, B and C is 3 : 2 : 1 respectively. The divisible profit is ₹ 66,000. What will be the amount of profit of C?  
(a) ₹ 11,000    (b) ₹ 22,000    (c) ₹ 33,000    (d) ₹ 66,000
- Goodwill is which type of asset?  
(a) Tangible asset    (b) Intangible asset    (c) Current asset    (d) Fictitious asset

4. Expected profit = .....
- Capital employed  $\times$  Expected rate of return
  - Average profit  $\times$  Expected rate of return
  - Weighted average profit  $\times$  Expected rate of return
  - Assets  $\times$  Expected rate of return
5. Revaluation account is also known as .....
- Capital Reserve account
  - Profit-loss Appropriation account
  - Profit-loss Adjustment account
  - Profit-loss account
6. At the time of the reconstruction of a partnership firm, investments are shown at ..... in the balance sheet after the revaluation.
- Book value - market value
  - Cost value
  - Market value
  - Face value
7. Nisha and Nima are equal partners. They admitted Nita as partner for  $\frac{1}{4}$ th share of profit. Determine the sacrifice ratio of Nisha and Nima.
- 1 : 4
  - 4 : 1
  - 1 : 1
  - 1 : 3
8. How is employee's profit sharing fund shown in the balance sheet after retirement of a partner ?
- As receivable
  - As payable
  - As reserve
  - As asset
9. Illa, Shila and Nila are partners sharing profit and loss in the ratio of 2 : 2 : 1. 'Nila' retires. Find out new profit-loss sharing ratio of Illa and Shila.
- 2 : 1
  - 3 : 2
  - 1 : 1
  - 1 : 2
10. When all partners agree to dissolve the firm, partnership firm can be dissolved at any point of time, it is called...
- voluntary dissolution.
  - compulsory dissolution.
  - dissolution by court.
  - dissolution as per contract.
11. To which account balance of general reserve account is transferred at the time of the dissolution of a firm ?
- To Realisation A/c
  - To Cash A/c
  - To Profit and Loss A/c
  - To Partners' Capital A/cs
12. Where does the difference of realisation account go ?
- To Revaluation A/c
  - To Profit & Loss A/c
  - To Capital A/c
  - To Cash/Bank A/c
13. What is the amount of share premium for a company ?
- Revenue profit
  - Revenue expense
  - Capital profit
  - Capital expense
14. In which type of debenture, the interest coupons are to be attached with debenture certificate ?
- Registered debentures
  - Bearer debentures
  - Convertible debentures
  - Perpetual debentures
15. Which accounts are known as financial accounts ?
- Political
  - Social
  - Historical
  - Qualitative
16. From the following which analysis is classified on the basis of duration ?
- External analysis
  - Horizontal analysis
  - Vertical analysis
  - Long-term analysis
17. Which of the following is not included to compute current ratio ?
- Debtors
  - Stock
  - Bills receivables
  - Furniture

18. Which of the following is not included in operating expense?  
 (a) Loss on sale of asset (b) Loss due to fire  
 (c) Interest paid (d) All of the given
19. Which of the following is included in financial expense?  
 (a) Factory expenses (b) Administrative expenses  
 (c) Sales expenses (d) Interest expenses
20. Purchase of patent, purchase of furniture, etc. transactions are always ...  
 (a) operating activities. (b) investing activities.  
 (c) financing activities. (d) All of the given

### SECTION B

**Answer the following questions in one sentence each :**

**[Questions 21 to 30 - 1 mark each]**

21. What is capitalised profit?
22. At which value assets-liabilities are shown in the Balance Sheet after revaluation?
23. Who gives the share in goodwill to the retiring or deceased partner?
24. What is reconstruction of a partnership?
25. Describe the methods of dissolution of a partnership firm.
26. Which company does not need to raise debenture redemption reserve?
27. Mention the solvency ratios.
28. In order to arrive at trade receivables is bad debts reserve deducted from debtors?
29. What is operating activities?
30. For which activity 'Amount received from debtors' is considered? Why?

### SECTION C

**Answer the following questions as asked :**

**[Any four from questions 31 to 36 - 3 marks each]**

31. The profit-loss sharing ratio to Rima, Rina and Riya is 6:2:3. A manager received his commission of ₹ 13,200 at 5% after deduction of such commission from profit. Ascertain distribution of profit amongst all three partners.
32. Aarchi, Aarvi and Aanya are the partners in a firm sharing profits and losses in the ratio of 3:3:2. All partners have decided to change their profit and loss ratio to 1:1:1. Calculate gain by the partners.

(Without narration):

## QUESTION PAPER 3

Time : 3 Hours ]

[ Total Marks : 100

Instructions : As per Question Paper 1.

### SECTION A

Answer the following questions by selecting the correct option from the given options : [Questions 1 to 20 - 1 mark each] 20

1. What is the interest on partner's capital for a partner?  
(a) An expense    (b) Liability    (c) An income    (d) Loss
2. How many number of partners are there in partnership business according to the Rule 10 of the Companies (miscellaneous) Rules, 2014?  
(a) 10    (b) 20    (c) 50    (d) 100
3. Goodwill is a financial value of .....  
(a) investment    (b) prestige of business enterprise    (c) fixed assets    (d) competition
4. At the time of valuation of goodwill, capitalised profit is compared with which point?  
(a) Receivables of business    (b) Payables of business  
(c) Capital employed in business    (d) Total assets of business
5. What is worker's profit sharing fund for the partnership firm?  
(a) Receivables    (b) Reserve    (c) Assets    (d) Payables

6. Debit balance of Revaluation Account means .....
- (a) profit (b) loss (c) payable (d) receivable
7. When new partner brings his share of goodwill in cash, which account is credited?
- (a) Cash A/c (b) Goodwill A/c  
(c) Premium for goodwill A/c (d) His Capital A/c
8. If partnership deed is silent, interest is payable at ..... on unpaid amount payable to the retiring partner.
- (a) 10 % p.a. (b) 12 % p.a. (c) 6 % p.a. (d) zero %
9. How long does a retired partner claim for profit in the partnership firm?
- (a) Lifetime (b) Till final account  
(c) Till retirement from final account (d) Till majority of partner's wish
10. By what other name is Realisation Account known?
- (a) Profit and Loss Adjustment account  
(b) Accomplishment account  
(c) Revaluation account  
(d) Trial Revaluation account
11. How many methods are there for dissolution of a partnership firm?
- (a) One (b) Three (c) Two (d) Four
12. For public issue of shares company has to take a permission from whom?
- (a) Central government (b) SEBI (c) State government (d) Reserve Bank
13. At what minimum price per share company can issue shares according to current provisions of Companies Act?
- (a) ₹ 100 (b) ₹ 1,000 (c) ₹ 1 (d) ₹ 0.50
14. At what rate debenture would be issued at discount?
- (a) 10 % (b) 5 % (c) 20 % (d) Rates as decided by board of directors
15. On which basis is Profit and loss account prepared?
- (a) On sales (b) On purchase (c) On dues (d) On total of profit-loss
16. The comparison of financial statements of different years is known as .....
- (a) Horizontal analysis (b) Vertical analysis  
(c) Short-term analysis (d) External analysis
17. Operating profit = .....
- (a) Sales - Operating cost (b) Sales + Operating cost  
(c) Operating cost - Sales (d) Sales ÷ Operating cost
18. To arrive at liquid assets which of the following is deducted from current assets?
- (a) Stock (b) Cash and bank balance (c) Debtors (d) Bills receivables
19. Reduction in goodwill in current year as compared to previous year is called .....
- (a) sale of goodwill. (b) purchase of goodwill.  
(c) written off goodwill. (d) All of the given
20. Cash equivalent has .....
- (a) higher liquidity. (b) higher solvency.  
(c) higher profitability. (d) All of the given

**SECTION B**

Answer the following questions in one sentence each :

[Questions 21 to 30 - 1 mark each]

- ✓ 21. What is revaluation of goodwill?
- ✓ 22. When is partner's gain ratio found?
- ✓ 23. Explain accounting treatment of old goodwill appearing in the balance sheet of the firm at the time of the retirement of a partner.
24. What effect does the dissolution of the partnership firm have on the existence of the firm?
- ✓ 25. What is voluntary dissolution?
26. Under which heading debentures are shown in the Balance Sheet of the company?
- ✓ 27. By which ratios is efficiency measured?
28. What is disclosed by debt to equity ratio?
- ✓ 29. In which activity is the paid dividend recorded?
- ✓ 30. Where are the self-constructed assets recorded?

**SECTION C**

Answer the following questions as asked :

[Any four from questions 31 to 36 - 3 marks each]

- ✓ 31. Vinu, Minu and Chinu are partners sharing profit-loss in the proportion of 3 : 2 : 1. Vinu and Minu have given assurance to Chinu to give minimum ₹ 36,000 from profit. If for the year ending of 31-3-'23 total profit of the firm was ₹ 1,80,000; how



## QUESTION PAPER 4

Time : 3 Hours ]

[ Total Marks : 100

Instructions : As per Question Paper 1.

### SECTION A

Answer the following questions by selecting the correct option from the given options : [Questions 1 to 20 - 1 mark each] 20

1. In which account and on which side, the share of partners' share profit is recorded under the fluctuating capital account method?  
(a) Debit to Capital Account (b) Credit to Capital Account  
(c) Debit to Current Account (d) Credit to Current Account
2. What is the interest on drawings of partners for a partner?  
(a) An expense (b) Liability (c) An income (d) Loss
3. Goodwill depends on which aspect?  
(a) On employee of business enterprise (b) On management of business enterprise  
(c) On assets of business enterprise (d) On future maintainable profit
4. If weighted average profit for last four years is ₹ 44,000 and number of years of purchase of goodwill is two years of weighted average profit, find the value of goodwill?  
(a) ₹ 8,800 (b) ₹ 11,000 (c) ₹ 22,000 (d) ₹ 88,000
5. Which of the following balance is of accumulated profit?  
(a) Workers' profit sharing fund (b) Reserve fund  
(c) Bills payable (d) Provident fund

6. Changes in partnership due to several reasons means .....
- (a) reconstruction of partnership (b) dissolution of partnership  
(c) combination of partnership (d) None of these given
7. If a new partner brings his share of goodwill in cash, in which proportion is the goodwill distributed between the old partners?
- (a) In equal ratio (b) In capital ratio (c) In gain ratio (d) In sacrifice ratio
8. Mit and Jit are partners sharing profit and loss in the proportion of 3 : 2. They have admitted Hit as a partner on the condition that he will be given  $\frac{1}{5}$  th share. What is a new profit-loss sharing ratio?
- (a) 12 : 8 : 5 (b) 8 : 12 : 5 (c) 12 : 5 : 8 (d) 8 : 5 : 12
9. To give public notice of retirement of an active partner is .....
- (a) advisable (b) optional (c) compulsory (d) imperative
10. What is the type of Realisation Account?
- (a) Balance Sheet (b) Personal (c) Real (d) Nominal
11. Which balance of account is not transferred to Realisation A/c on date of dissolution?
- (a) Furniture A/c (b) Bank A/c (c) Investment A/c (d) Debtor A/c
12. Which of the following is not shown under the heading 'Share Capital' in a balance sheet?
- (a) Authorised capital (b) Issued capital (c) Reserve capital (d) Subscribed capital
13. How many minimum members must be there in a public company?
- (a) Two (b) Seven (c) Ten (d) Fifty
14. As per voting right, how many votes can be given by debenture holder in the election of board of directors?
- (a) 1 Debenture = 1 vote (b) 100 Debentures = 1 vote  
(c) Per person (d) No voting right
15. Trading Account and Profit and loss account are also known as .....
- (a) Income statement (b) Payment statement  
(c) Cash flow statement (d) Fund flow statement
16. When financial statements are analysed by the management for their decisions, then what is this analysis called?
- (a) External analysis (b) Internal analysis  
(c) Vertical analysis (d) Horizontal analysis
17. Generally, in what proportion is liquid ratio desirable?
- (a) 2 : 1 (b) 1 : 2 (c) 1 : 3 (d) 1 : 1
18. Ratios help to make ..... judgement about firm's financial performance.
- (a) qualitative (b) social (c) political (d) primary
19. Short-term bank deposit is .....
- (a) cash inflow (b) cash outflow (c) cash equivalent (d) None of the given
20. Cash flow statement means ...
- (a) cash inflow statement  
(b) cash outflow statement  
(c) cash inflow and cash outflow statement  
(d) None of the given

**SECTION B**

Answer the following questions in one sentence each :

[Questions 21 to 30 - 1 mark each]

21. What is taken as the basis for determining future profits?
22. What will the journal entry be if there is an increase in the amount of liability at the time of reconstruction?
23. What is called premium for goodwill?
24. In which type of partnership, the partnership firm is dissolved by notice?
25. What is called bonus share?
26. Is it mandatory for the company to pay interest on debentures?
27. What is gross profit?
28. Which ratio is used to know the short-term solvency?
29. Where is addition in general reserve recorded?
30. Give illustration of such transaction, which is cash transaction but not cash flow.

**SECTION C**

Answer the following questions as asked :

[Any four from questions 31 to 36 - 3 marks each]

31. Harsh, Yash and Ravi are partners of a firm. On 1-4-'22 their capital was ₹ 40,000; ₹ 30,000 and ₹ 80,000 respectively. At the end of the year after distribution of profit it was realised that charging of interest on capital at 12% is missed out. Write journal entry for rectification.

## QUESTION PAPER 5

**Time : 3 Hours ]**

**[ Total Marks : 100**

**Instructions :** As per Question Paper 1.

### SECTION A

**Answer the following questions by selecting the correct option from the given options : [Questions 1 to 20 – 1 mark each] 20**

1. Debit balance of profit and loss appropriation account means .....  
(a) gross profit    (b) gross loss    (c) divisible profit    (d) divisible loss
2. How would you consider the interest on credit balance of partners' current account for firm?  
(a) Expense    (b) Liability    (c) Income    (d) Loss
3. .... is an intangible asset which shows the reputation of a firm in the market.  
(a) Patent    (b) Trademark    (c) Copyright    (d) Goodwill
4. Which method is appropriate for the computation of goodwill when every year profit is increasing?  
(a) Simple average    (b) Weighted average  
(c) Annual growth rate    (d) Compound growth rate
5. After making changes in the profit and loss sharing ratio, gain of X is  $\frac{1}{10}$  and gain of Y is  $\frac{1}{10}$ , then find out the sacrifice of Z.  
(a)  $\frac{1}{10}$     (b)  $\frac{2}{20}$     (c)  $\frac{2}{10}$     (d) Zero

6. To whom does the accumulated profit or reserve fund belong?  
 (a) To the new partners  
 (b) To the existing partners  
 (c) To the employees  
 (d) None of the given
7. Where do we show the amount of discount reserve on debtors at the time of admission of a new partner?  
 (a) To debit side of Revaluation account  
 (b) To credit side of Revaluation account  
 (c) In capital-liabilities side of balance sheet  
 (d) To debit side of capital/current accounts' of partners
8. At the time of admission of a new partner, which ratio is used to distribute the amount of goodwill shown in the book between old partners?  
 (a) In old ratio  
 (b) In new ratio  
 (c) In sacrificing ratio  
 (d) In gaining ratio
9. At the time of final settlement, what is to be deducted from payable amount of retired or deceased partner?  
 (a) Interest on capital  
 (b) Loan given to the firm  
 (c) Interest on loan given to the firm  
 (d) Interest on debit balance of current account
10. Who has to bear dissolution expenses, at the time of dissolution of a firm?  
 (a) Government  
 (b) Bank  
 (c) Partnership firm  
 (d) Creditors
11. At the time of dissolution, which payment is to be paid lastly from the realisation of the firm's assets?  
 (a) Loan of partner's wife  
 (b) Excess of capital account  
 (c) Loan of partner  
 (d) Dissolution expense
12. At what maximum rate of percentage for premium on the face value of shares can be declared by the company on their issue shares?  
 (a) 10 %  
 (b) 100 %  
 (c) 25 %  
 (d) No limit
13. 'Board of Control for Cricket in India' (BCCI) company is an example of what kind of company?  
 (a) Statutory companies  
 (b) Registered companies  
 (c) Company limited by share  
 (d) Company limited by guarantee
14. Under which heading mortgage debentures are shown in the Balance Sheet of the company?  
 (a) Secured loan  
 (b) Current assets  
 (c) Current liabilities  
 (d) Capital fund
15. Which statement is prepared to know the profit or loss of any specific period of the business entity?  
 (a) Cash flow statement  
 (b) Balance sheet  
 (c) Income statement  
 (d) Fund flow statement
16. Which of the following is included in non-operating income?  
 (a) Rent received income on assets  
 (b) Depreciation  
 (c) Commission received  
 (d) Income tax refunded
17. Which of the following ratio is liquid ratio?  
 (a) Proprietary ratio  
 (b) Interest coverage ratio  
 (c) Current ratio  
 (d) Operating ratio
18. Which of the following ratio is expressed in proportion form?  
 (a) Stock turnover  
 (b) Gross profit ratio  
 (c) Operating ratio  
 (d) Current ratio

19. Cash equivalent means ...
- (a) short-term investments.
  - (b) long-term investments.
  - (c) such investments which cannot be quickly converted into cash.
  - (d) Government securities.
20. Dividend or interest received on investment is .....
- (a) added to cash flow of operating activity
  - (b) deducted from cash flow of financing activity
  - (c) added to cash flow of investing activity
  - (d) deducted from cash flow of investing activity

**SECTION B**

Answer the following questions in one sentence each:

10

[Questions 21 to 30 – 1 mark each]

21. Give the formula of capitalised profit.
22. What is basis for sacrifice ratio?
23. Explain accounting treatment of the new goodwill of the firm valued at the time of the retirement or death of a partner.
24. Which specific events can take place for the automatically dissolution of a partnership firm?
25. How would you deal with the provident fund balance shown in the balance sheet at the time of dissolution?
26. State the types of debentures as per negotiability.
27. Mention the formula of interest coverage ratio.
28. Mention the traditional classification of ratios.
29. In which activity are the received dividend and interest recorded?
30. What is investing activities?

**SECTION C**



7. At the time of admission of a new partner, if old goodwill is shown in the books of old firm, then in which ratio is it written off among old partners?  
 (a) In old ratio (b) In new ratio (c) In sacrificing ratio (d) In gain ratio
8. How can a new partner be admitted in the existing partnership firm?  
 (a) All existing partners decide unanimously to admit a new partner.  
 (b) In absence of agreement, according 1932 Act.  
 (c) As per provision in the partnership deed (agreement) for admission of a new partner.  
 (d) In absence of agreement, according 1956 Act.
9. When only old profit-loss sharing ratio is given at the time of the retirement of a partner, gaining ratio of remaining partners will be .....  
 (a) 1 : 1 (b) old ratio (c) capital ratio (d) cannot be calculated
10. When is the loan given by a partner's wife from her personal wealth to the firm repaid?  
 (a) Before normal debts (b) After normal debts  
 (c) With normal debts (d) After all types of payment
11. To which account balance of workmen accident compensation fund is transferred at the time of the dissolution of a firm?  
 (a) Realisation A/c (b) Partners' Capital A/c's (c) Profit and Loss A/c (d) Cash A/c
12. Which capital is also called Nominal capital?  
 (a) Authorised capital (b) Issued capital  
 (c) Reserve capital (d) Paid up capital
13. Which amount is debited to share capital account at the time of share forfeiture?  
 (a) Called up amount (b) Face value (c) Uncalled amount (d) Received amount
14. What is 'Premium on redemption of debenture Account' for a company?  
 (a) Asset (b) Liability (c) Receivable (d) Loss
15. The expenses of the current year of a company is ₹ 6,00,000; and if it is increased by 20% compared to the previous year, what would be the expenses of the previous year?  
 (a) ₹ 1,20,000 (b) ₹ 5,00,000 (c) ₹ 7,20,000 (d) None of these
16. The information regarding the use of assets gives the analysis of .....  
 (a) profitability (b) liquidity (c) solvency (d) efficiency
17. Generally, in what proportion is current ratio desirable?  
 (a) 2 : 1 (b) 1 : 2 (c) 1 : 3 (d) 1 : 1
18. Gross profit = .....  
 (a) Cost of goods sold - Sales (b) Sales + Cost of goods sold  
 (c) Sales - Cost of goods sold (d) Sales ÷ Cost of goods sold
19. Which of the following is included in non-operating income?  
 (a) Rent received income on assets (b) Depreciation  
 (c) Commission received (d) Income tax refunded
20. Current assets and Current liabilities are result of which activity?  
 (a) Operating (b) Investing (c) Financing (d) None of the given



**SECTION B**

Answer the following questions in one sentence each:

10

[Questions 21 to 30 – 1 mark each]

21. State the limitations of simple average profit method.
22. Write journal entry for distribution of accumulated loss.
23. Why is it compulsory to give public notice about his own retirement by an active partner?
24. Explain the meaning of Dissolution of Partnership.
25. Which specific events can take place for the automatically dissolution of a partnership firm?
26. What is fixed charge?
27. What are shareholders' funds?
28. What is indicated by interest coverage ratio?
29. What is cash inflow?
30. What is cash flow from operating activities?

**SECTION C**

12

Answer the following questions as asked:

[Any four from questions 31 to 36 – 3 marks each]

31. Riya, Rima and Richa are partners of a partnership firm. The share of Richa is  $\frac{1}{2}$ th of the share of Riya and share of Riya is double of share of Richa. Determine