

MALHOTRA COMMERCE CLASSES



For: XI & XII B.Com C.A (C.P.T.) NOU VAT & INDUSTRIAL ACCOUNTING

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Class-XII

(PARTNERSHIP BASIC CONCEPTS)

Objective Question

B.S.E.B (SET-A)

- The interest on partner's capital A/c is to be credited:**
(a) Profit-loss A/c (b) Interest A/c
(c) Partner's capital A/c (d) None of these
- The current A/c balance always:**
(a) Debit balance (b) Credit balance
(c) Either (a) and (b) (d) None of these
- Interest on partner's capital A/c calculated**
(a) On beginning capital (b) On end capital
(c) On average capital (d) None of these
- In the absence of partnership deed the advance amount given to the firm by the partner the interest will be given**
(a) 4% p.a (b) 5% p.a (c) 6% p.a (d) 8% p.a
- Interest on partner capital A/c debited to :**
(a) In profit & loss A/c (b) In realization A/c
(c) In profit & loss appropriate A/c (d) none of these
- Following are the essential elements of a partnership firm except:**
(a) At least two persons. (b) There is an agreement between all partners.
(c) Equal share of profits and losses. (d) Partnership agreement is for some business.
- If a fixed amount is withdrawn on the last day of every month of a calendar year, the interest on total amount of drawings will e calculated for:**
(a) 4.5 months (b) 5.5 months (c) 6 months (d) 6.5 months (e) 7.5 months
- If a fixed amount is withdrawn on the middle day of every month of a calendar year, the interest on total amount of drawings will e calculated for:**
(a) 4.5 months (b) 5.5 months (c) 6 months (d) 6.5 months (e) 7.5 months
- A, B and C were capitals of Rs. 50000; Rs. 40000 and Rs. 30000 respectively carrying on business in partnership. The firm's reported profit for the year was Rs. 79200. As per provisions of the Indian Partnership Act, 1932, find out the share of each partner in the above amount after taking into account that no interest has been provided on an advance by A of Rs. 20000, in addition to his capital contribution.**
(a) Rs. 26000 for Partner B and C & Rs. 27200 for partner A.
(b) Rs. 26400 each partner
(c) Rs. 33000 for A, Rs. 26400 and Rs. 19800 for C. (d) None of these
- Interest on capital will be paid to the partners if provided for in the agreement but only from.....**

- (a) Profits (b) Reserves (c) Accumulated Profits (d) Goodwill

11. In the absence of any agreement, partners are liable to receive interest on their Loan @:

- (a) 12% Simple Interest (b) 12% Compounded Annually
(c) 6% Compound Interest (d) 6% p.a. Simple Interest

12. Realisation Account is a

- (a) Personal Account (b) Real Account (c) Nominal Account (d) None of these
(b)

13. Sweeta and Geeta are partners sharing profits and losses in the ratio 4:1. Meeta was manager who received the salary of Rs. 4,000 p.m. in addition to a commission of 5% on net profits after charging such commission. Profits for the year is Rs. 6,78,000 before charging salary. Find the total remuneration of Meeta.

- (a) Rs. 78,000. (b) Rs. 88,000. (c) Rs. 87,000. (d) Rs. 76,000.

14. What balance does a Partner's Current Account has:

- (a) Debit balance (b) Credit balance
(c) Either 'a' and 'b' (d) None of the above

15. The relationship between persons who have agreed to share the profit of a business carried on by all or any of them acting for all is known as:

- (a) Partnership. (b) Joint Venture. (c) Association of Persons. (d) Body of Individuals.

16. Firm has earned exceptionally high profits from a contract which will not, In such a case the profit from this contract will not be included in.....

- (a) Profit share of the partners. (b) Calculation of the goodwill
(c) Both. (d) None.

17. When Profit & Loss Appropriation Account is prepared:

- (a) For Proprietorship firm (b) for partnership firm.
(c) Both (a) and (b) (d) None of the above

18. Following is the difference between partnership deed and partnership agreement.

- (a) Partnership deed is in writing and partnership agreement is oral.
(b) Partnership deed is signed by all the partners but partnership agreement is signed by majority of the partners.
(c) Partnership deed is registered in the court of law whereas partnership agreement is not registered.
(d) Partnership deed is not subject to changes unless all partners agree to it. Partnership agreement can be amended with the consent of more than 50% partners.

19. Following are the difference between Account Current and Current Account except.

- (a) Account Current is prepared by a creditor to his, debtor. Current Account is prepared for the partners of a firm.
(b) Account Current records all the transactions between the supplier and customer. Current Account records all the transactions between the firm and partners.
(c) Account Current is a statement. Current Account is an -account.
(d) Account Current is not the part of the books of accounts. Current Account is part of the books of accounts.
(e)

20. What time would be taken into consideration if equal monthly amount is drawn as drawing at the beginning of each month:

- (a) 7 months. (b) 6 months. (c) 5 months. (d) 6.5 months.
(b)

21. What would be the profit sharing ration if the partnership act is complied with?

- (a) As per Agreement (b) Equally
(c) In Capital Ratio (d) None of the above

22. In the absence of any provision in the partnership deed, interest on capital –

- (a) Will not be allowed (b) Will be allowed @ 6% p.a.

(c) Will be allowed only out of profit (d) will be allowed even if there are no profits.

- 23. Which of the following is provided even if there is no provision in the partnership deed and there are no profits:**
(a) Interest on partner's capital (b) Interest on partner's loan/advance
(c) Interest on partner's drawings (d) Remuneration to a partner
- 24. Partners are suppose to pay interest on drawing only when..... by the.....**
(a) Provided, Agreement. (b) Permitted, Investors
(c) Agreed, Partners. (d) 'a' & 'c' above.
- 25. When a partner is given Guarantee by the other partners, loss on such guarantee will be borne by:**
(a) Partnership firm. (b) All the other partners.
(c) Partners who gave the guarantee. (d) Partner will highest profit sharing ratio.
- 26. Bill and Monica are partners sharing profits and losses in the ratio- of 3:2 having the capital of Rs. 80,000 and Rs. 50,000 respectively. They are entitled to 9% p.a. interest on capital before distribution the profits. During the year firm earned Rs. 7,800 before allowing any interest on capital. Profits apportioned among Bill and Monica is:**
(a) 4,680 and 3,120. (b) 4,800 and 3,000 (c) 5,000 and 2,800 (d) None of the above.
(b)
- 27. When Profit & Loss Appropriation Account is prepared:**
(a) For Proprietorship (b) For Partnership Firm (c) Both 'a' and 'b' (d) None of the above
- 28. How would you close the Partner's Drawing Account?**
(a) By transfer to Capital or Current Account debit side. (b) By transfer to Capital Account credit side.
(c) By transfer to Current Account credit side (d) Either 'b' or 'c'.
- 29. Would interest on loan be allowed in the absence of any agreement partnership deed is silent?**
(a) No interest allowed.
(b) Allowed only agreed by all the other partners.
(c) Will be paid only when there are sufficient profits.
(d) Allowed at 6% simple interest p.a.
- 30. X, Y and Z are partners in a firm. At the time of division of profit for the year there was dispute between the partners. Profits before interest on partner's capital 6,000 and Y determined interest @ 24 % p.a. on his loan of Rs. 80,000. There was no agreement on this point. Calculate the amount payable to X, Y and Z respectively:**
(a) Rs. 2,000 to each partner.
(b) Loss of Rs 4,400 for X and Z & Y will take home Rs. 14,800.
(c) Rs. 400 for X, R. 5,200 for Y and Rs. 400 for Z.
(d) Rs. 2,400 to each partner
- 31. X, Y and Z are partners in a firm. At the time of division of profit for the year there was dispute between the partners. Profits before interest on partner's capital was Rs. 6,000 and Z demand minimum profit of Rs. 5,000 as his financial position was not good. However, there was no written agreement on this profit.**
(a) Other partners will pay Z the minimum profit and will suffer loss equally.
(b) Other partners will pay Z the minimum profit and will suffer loss in capital ratio.
(c) X & Y will take Es. 500 each and Z will take Rs. 5000.
(d) Rs. 2,000 to each of the partners.
- 32. Following are the differences between Capital Account and Current Account except:**
(a) Capital Account is prepared under fixed capital method whereas current account is prepared under fluctuating capital method.
(b) In capital account only capital introduced and withdrawn is recorded, all other transactions between the firm and partner is recorded in the current a/c
(c) Interest is sometimes paid on capital account balance but no such interest is payable on current account balances.
(d) 'b' and 'c' above.

33. X, Y and Z are partners in a firm. At the time of division of profit for the year there was dispute between the partners. Profits before interest on partner's loan were Rs. 12000 and Y determined interest @ 24% p.a. on his loan of Rs. 160000. There was no agreement on this point. Calculate the amount payable to X, Y and Z respectively.
- (a) Rs. 4000 to each partner
 (b) Loss of Rs. 8800 for X and Z & Y will take home Rs. 25600
 (c) Rs. 800 for X, Rs. 10,400 for Y and Rs. 800 for Z
 (d) Rs. 4800 to each partner.
34. X and Y are partners of profits into 3:2. Z become partner for $\frac{1}{5}$ th share, Z takes for X $\frac{3}{20}$ and from Y $\frac{1}{20}$. The new profit ratio is :-
- (a) 9:7:4 (b) 8:8:4 (c) 6:10:4 (d) 10:6:4
35. In the absence of an agreement, partners are entitled to:
- (a) Salary. (b) Commission. (c) Interest on Loan and Advances. (d) Profit share in capital ratio.
36. Is rent paid to a partner is appropriation of profits?
- (a) Yes. (b) No.
 (c) If partner's contribution as capital is maximum. (d) If partner is a working partner.
37. Where will you record interest on drawings?
- (a) Debit side of Capital/Current Account only.
 (b) Credit side of Profit & Loss Appropriation Account.
 (c) Debit side of Profit & Loss Appropriation Account.
 (d) Both "a" and "b".
38. Features of a partnership firm are: -
- (a) Two or more persons carrying common business under an agreement.
 (b) Sharing profits and losses in the fixed ratio.
 (c) Business carried by all or any of them acting for all.
 (d) All of the above.
39. When the interest on Loan/Advance is allowed to partners
- (a) Capital Account is credited (b) Current Account is credited
 (c) Loan Account is debited (d) Loan Account is credited
40. A partner acts as for a firm. -
- (a) Agent. (b) Third Party. (c) Employee. (d) None of the Above.

