BLOOM | BSO Bloom School Olympiad

CLASS 12

Bloom Accountancy Olympiad
Sample Paper

Maximum Time : 60 Minutes **Maximum Marks : 60**

INSTRUCTIONS

1. There are 50 Multiple Choice Questions in this paper divided into two sections :

   Section A 40 MCQs; 1 Mark each

   Section B 10 MCQs; 2 Marks each

2. Each question has Four Options out of which **ONLY ONE** is correct.
3. All questions are compulsory.
4. There is no negative marking.
5. No electric device capable of storing and displaying visual information such as calculator and mobile is allowed during the course of the exam.

Roll No.

Student's Name

Section-A (1 Mark each)

1. If there is a 'sports fund', then sports expenses and incomes are transferred to

(a) assets side of balance sheet

(b) liabilities side of balance sheet

(c) debit side of income and expenditure account

(d) Both (b) and (c)

2. Which of the following is a revenue receipt for a non-profit organisation?

(a) Donation
(b) Life membership fees
(c) Donation for match
(d) Endowment fund

3. Which one of the following items cannot be recorded in the profit and loss appropriation account?

(a) Rent paid to partners
(b) Interest on drawings
(c) Partner's salary
(d) Interest on capital

4. At the time of reconstitution of a partnership firm, revaluation of assets and liabilities is necessary because their present value may be different from their

(a) cost
(b) net value
(c) book value
(d) market value

5. On dissolution of the firm, a partner undertook firm's liability at ₹ 23,000. In this case, the account that will be credited is

(a) realisation account
(b) unrecorded liability account
(c) partner's capital account
(d) cash account

6. Interest accrued but not due on loans appear in a company's balance sheet under the sub-head ....

(a) short-term provisions
(b) contingent liability
(c) commitments
(d) other current liabilities

7. Expenses allowed on issue of shares appears in a company's balance sheet under

(a) contingent liability
(b) unamortised expenditure
(c) share capital
(d) shareholder's funds

8. Which analysis is based only one year's data?

(a) Horizontal analysis
(b) Vertical analysis
(c) Cash flow statement
(d) Dividend analysis

9. Which of the following is not an object of common size statement of profit and loss?

(a) Establish relationship between revenue from operations and other items of statement of profit and loss

(b) Present changes in various items of incomes and expenses

(c) Judge the cost items

(d) Judge the relative financial soundness for different enterprises

10. Which of the following analysis is considered as more dynamic analysis?

(a) Internal analysis (b) External analysis

(c) Horizontal analysis (d) Vertical analysis

11. Proprietary ratio indicates the relationship between proprietor's funds and ....

(a) total debts (b) total assets

(c) short-term and long-term debts (d) debentures

12. A company's current ratio is 2 : 1. After making cash payment of bills payable, current ratio will

(a) remain as before (b) decrease

(c) increase (d) Either (b) or (c)

13. When a company purchases its own debentures not for cancellation purpose, they will be shown in the balance sheet as

(a) under the debentures heading on the equity and liabilities side

(b) under the intangible assets heading on the assets side

(c) under the non-current investment heading on assets side

(d) under the long-term borrowings heading on equity and liabilities side

14. How a company will record interest on own debentures?

(a) Credited to capital reserve account

(b) Credited to general reserve account

(c) Credited to statement of profit and loss

(d) No entry required

15. Interest on debentures issued as a collateral security is paid on

(a) face value of debentures

(b) nominal value of debentures

(c) no interest is to be paid

(d) paid-up value of debentures

16. Which of the following item is debited to the realisation account on dissolution of firm?

(a) Balance of reserve fund

(b) Unrecorded assets

(c) Creditor's balance shown in the balance sheet

(d) Realisation expenses paid by partner

17. Proposed dividend of the current year is a/an ....

(a) operating activity (b) financing activity

(c) investing activity (d) None of these

18. Which of the following items is not considered as cash equivalents?

(a) Treasury bills (b) Debit balance

(c) Credit balance (d) Cash balance

19. It's .... that it is not necessary to have a partnership agreement in written form and also it's .... that registration of a partnership firm is compulsory.

(a) true, false
(b) false, true
(c) true, true
(d) false, false

20. It's ...... that in the event of death, profit or loss on revaluation is transferred to the continuing partners in the old profit sharing ratio and also it's .... that entire share of retiring partner may be acquired by one partner.

(a) true, false (b) false, true (c) true, true (d) false, false

21. Its .... that for creation of reserve capital, resolution is not required and also its .... that for creation of capital reserve, resolution is required.

(a) true, false (b) false, true (c) true, true (d) false, false

22. If new partner is unable to bring his share of goodwill in cash, what entry will be passed in the books of partnership firm?

(a) New Partners' Capital A/c Dr
To Sacrificing Partners' Capital A/c

(b) Sacrificing Partner's Capital A/c Dr
To New Partner's Capital A/c

(c) New Partners' Current A/c Dr
To Sacrificing Partner's Capital A/c

(d) Sacrificing Partner's Capital A/c Dr
To New Partners' Current A/c

23. On dissolution of a partnership firm, a creditor worth ₹ 86,500 took away stock worth ₹ 72,225 in full settlement. Which of the following will be the accounting entry for the same?

(a) Debit Realisation Account and Credit Bank Account with ₹ 86,500
(b) Debit Realisation Account and Credit Bank Account with ₹ 72,225
(c) Debit Creditors Account and Credit Bank Account with ₹ 72,225
(d) No Entry

24. Which of the following is the correct journal entry when interest is due to debentureholders and tax deducted at source?

(a) Debit Debentureholders A/c and Income Tax Payable A/c; Credit Interest on Debenture A/c
(b) Debit Interest on Debenture A/c; Credit Debentureholders A/c and Income Tax Payable A/c
(c) Debit Debentureholders A/c; Credit Income Tax Payable A/c and Interest on Debenture A/c
(d) None of the above

25. On the basis of the information given, calculate the amount of medicine to be debited to the 'Income and Expenditure Account' of Good Life Health Club for the year ended 31st March, 2022.

Particulars	**1st April, 2021** (₹)	**31st March, 2022** (₹)
Stock of Medicines	1,80,000	2,10,000
Creditors for Medicines	90,000	54,000

Amount paid for medicines during the year 2021-22 is ₹ 6,40,000.

(a) ₹ 7,06,000
(b) ₹ 5,74,000
(c) ₹ 5,68,000
(d) ₹ 6,04,000

26. Amit and Dev were partners in a firm sharing profits in 5 : 3 ratio. They admitted Vijay as a new partner for 20% of share in the profits. Vijay acquired his share of profits in the ratio of 2 : 1 from Amit and Dev. Calculate the new profit sharing ratio of Amit, Dev and Vijay.

(a) 5 : 3 : 5
(b) 2 : 1 : 5
(c) 59 : 37 : 24
(d) 43 : 27 : 59

27. L, M and N are partners sharing profits in the ratio of 5 : 3 : 2. L retires from the firm and it is decided that profit sharing ratio between M and N will be same as existing between L and M. Calculate new ratio and gaining ratio.

(a) 5 : 3; 7 : 13
(b) 13 : 7; 4 : 3
(c) 5 : 3; 13 : 7
(d) 7 : 13; 4 : 3

28. Piyush, Tushar and Rajat and were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Rajat died on 30th November, 2021. According to the partnership agreement, his share of profits from the closure of last accounting year till the date of his death was to be calculated on the basis of aggregate profits of two completed years before death. Profits of the firm for the year ending 31st March, 2020 and 2021 were ₹ 72,000 and ₹ 78,000 respectively. The firm closes its books on 31st March every year. Rajat's share of profit till the date of his death will be

(a) ₹ 15,000
(b) ₹ 25,000
(c) ₹ 20,000
(d) ₹ 10,000

29. On dissolution of a firm, a partner's capital account has a credit balance of ₹ 48,000. His share of profit in realisation account is ₹ 12,000. He has paid firm's realisation expenses ₹ 5,000. He will finally get a payment of

(a) ₹ 60,000
(b) ₹ 65,000
(c) ₹ 53,000
(d) ₹ 17,000

30. From the following information, compute cost of materials consumed

Particulars	**Amt** (₹)
Opening Inventory : Materials	8,00,000
Work-in-Progress	2,50,000
Purchase of Materials	18,00,000
Closing Inventory : Materials	6,80,000
Work-in-Progress	2,80,000

(a) ₹ 19,20,000
(b) ₹ 19,70,000
(c) ₹ 26,00,000
(d) ₹ 16,80,000

31. A company's working capital is ₹ 10 lakh (negative balance) in the year 2021. It became ₹ 20 lakh (Positive balance) in the year 2022. What is the percentage of change?

(a) 200% (b) 100% (c) 175% (d) 300%

32. Calculate working capital turnover ratio from the following information

Particulars	Amt (₹)
Current Assets	2,80,000
Current Liabilities	90,000
Cost of Revenue from Operations	15,00,000
Gross Profit	20% of Cost

(a) 9.47 times (b) 11.25 times (c) 7.89 times (d) 8.26 times

33. Avtar Ltd. issued fully paid equity shares of ₹ 60 each at a premium of 25% for the purchase of running business from Leela Group for a sum of ₹ 15,00,000. Pass the journal entry for the issue of shares.

(a)	Leela Group A/c	Dr	15,00,000	
	To Equity Share Capital A/c			12,00,000
	To Securities Premium Reserve A/c			3,00,000
(b)	Equity Share Capital A/c	Dr	12,00,000	
	Securities Premium Reserve A/c	Dr	3,00,000	
	To Leela Group A/c			15,00,000

(c) Either (a) or (b)

(d) None of the above

34. Aayush Ltd. forfeited 900 shares of ₹ 10 each, ₹ 7.50 paid, for non-payment of final call of ₹ 2.50 per share. Out of these, 700 shares were re-issued as fully paid up in such a way that ₹ 2,450 were transferred to capital reserve. Calculate the re-issue price of shares

(a) ₹ 10 (b) ₹ 8 (c) ₹ 6 (d) ₹ 4

35. A Ltd. forfeited 200 equity shares of ₹ 10 each issued at a premium of 20% for the non-payment of first and final call of ₹ 5 including premium. What will be the maximum amount of discount at which these share can be re-issued?

(a) ₹ 1,000 (b) ₹ 1,400 (c) ₹ 1,500 (d) ₹ 2,000

36. If difference between opening balance and closing balance of statement of profit and loss is ₹ 1,00,000, transfer to reserve ₹ 10,000, provision for tax ₹ 5,000, tax paid ₹ 8,000, tax refund ₹ 2,000, then net profit before tax will be

(a) ₹ 1,13,000 (b) ₹ 1,15,000 (c) ₹ 1,07,000 (d) ₹ 1,17,000

37. Consider the following statements

I. Unless otherwise stated, the ratio of sacrifice is equal to old profit sharing ratio.

II. All accumulated profits and losses are transferred to the revaluation account at the time of admission of a partner.

Codes

(a) Only I is correct
(b) Only II is correct
(c) Both are correct
(d) Both are incorrect

38. Consider the following statements

I. Interest accrued on investments is shown in a company's balance sheet under non-current investment.

II. Balance sheet and statement of financial position are synonymous.

Codes

(a) Only I is correct
(b) Only II is correct
(c) Both are correct
(d) Both are incorrect

39. Which of the following statements is/are correct?

(a) Preliminary expenses are to be written-off in the year in which they are incurred.

(b) Preliminary expenses should be written-off first from statement of profit and loss and in its absence from securities premium reserve account in the same year.

(c) Both (a) and (b)

(d) None of the above

40. Which of the following is/are not correct distinction between charge against profit and appropriation out of profit?

(a) Charge against profit indicates expenses to be deducted from profits while calculating net profit or loss, whereas appropriation out of profit indicates distribution of net profit to various heads.

(b) It is not necessary to create charges against profits even if there is loss, whereas appropriations are made whether there is profit or loss.

(c) Both (a) and (b)

(d) None of the above

Section-B (2 Marks each)

41. Match the following

	Column I		Column II
A.	Purchase of Book	(i)	Capital Receipts for the NPOs
B.	Sale of Newspapers	(ii)	Revenue Receipts for the NPOs
C.	Legacy	(iii)	Revenue Income for the NPOs
D.	Donation Received	(iv)	Capital Expenditure for the NPOs

Codes

	A	B	C	D
(a)	(iv)	(iii)	(i)	(ii)
(b)	(iv)	(iii)	(ii)	(i)
(c)	(i)	(ii)	(iii)	(iv)
(d)	(ii)	(iv)	(iii)	(i)

42. Match the following

	Column I		Column II
A.	Proprietary Ratio	(i)	Liquidity Ratio
B.	Working Capital Turnover Ratio	(ii)	Solvency Ratio
C.	Return on Investment	(iii)	Profitability Ratio
D.	Acid Test Ratio	(iv)	Activity Ratio

Codes

	A	B	C	D		A	B	C	D
(a)	(ii)	(iv)	(i)	(iii)	(b)	(i)	(ii)	(iii)	(iv)
(c)	(ii)	(iii)	(iv)	(i)	(d)	(ii)	(iv)	(iii)	(i)

Direction (*Q. No. 43 to 46*) *There are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the appropriate option from the options given below*

Alternatives

(a) Assertion (A) is correct, but Reason (R) is incorrect
(b) Both Assertion (A) and Reason (R) are correct
(c) Assertion (A) is incorrect but Reason (R) is correct
(d) Both Assertion (A) and Reason (R) are incorrect

43. **Assertion** (A) A statement of profit and loss is known as historical document.

Reason (R) Statement of profit and loss is prepared for a past period.

44. **Assertion** (A) Cash flow statement is a historical statement which is prepared after the completion of an accounting period.

Reason (R) It uses the data of financial statement, thus any error in the data of financial statement will reflect the error in the cash flow statement.

45. **Assertion** (A) The current ratio of a company is 2 : 5 : 1, it will improve if the company purchases the goods on credit of 2 months.

Reason (R) Both the current assets and current liabilities are increased by the same amount.

46. **Assertion** (A) A minor cannot be admitted in a firm as a partner.

Reason (R) A minor can participate in the profits of a firm.

Direction *Read the following case study and answer the Q. No. 47 to 50 on the basis of the same*

Riya and King are in partnership with capitals of ₹ 40,00,000 and ₹ 50,00,000 respectively. Business is being carried from the property owned by King on a monthly rent of ₹ 20,000. Raja is entitled to a salary of ₹ 18,000 per quarter and King to a salary of ₹ 6,000 per month. Manager is entitled to a commission of 10% of profit before charging such commission. Net profit for the year ended 31st March, 2022 before any of the above adjustments was ₹ 20,00,000.

47. Rent payable to King is

(a) debited to profit and loss account

(b) debited to profit and loss appropriation account

(c) credited to profit and loss account

(d) credited to profit and loss appropriation account

48. Salary payable to Raja and King is

(a) appropriation of profit

(b) charge against profit

(c) Both (a) and (b)

(d) None of the above

49. Net profit for the year will be

(a) ₹ 17,60,000

(b) ₹ 16,00,000

(c) ₹ 15,84,000

(d) ₹ 18,48,000

50. Share of profits of the partners will be

(a) Raja ₹ 7,92,000 and King ₹ 7,92,000

(b) Raja ₹ 8,80,000 and King ₹ 8,80,000

(c) Raja ₹ 7,20,000 and King ₹ 7,20,000

(d) Raja ₹ 10,00,000 and King ₹ 10,00,000

OMR SHEET

1	a	b	c	d	2	a	b	c	d	3	a	b	c	d	4	a	b	c	d
5	a	b	c	d	6	a	b	c	d	7	a	b	c	d	8	a	b	c	d
9	a	b	c	d	10	a	b	c	d	11	a	b	c	d	12	a	b	c	d
13	a	b	c	d	14	a	b	c	d	15	a	b	c	d	16	a	b	c	d
17	a	b	c	d	18	a	b	c	d	19	a	b	c	d	20	a	b	c	d
21	a	b	c	d	22	a	b	c	d	23	a	b	c	d	24	a	b	c	d
25	a	b	c	d	26	a	b	c	d	27	a	b	c	d	28	a	b	c	d
29	a	b	c	d	30	a	b	c	d	31	a	b	c	d	32	a	b	c	d
33	a	b	c	d	34	a	b	c	d	35	a	b	c	d	36	a	b	c	d
37	a	b	c	d	38	a	b	c	d	39	a	b	c	d	40	a	b	c	d
41	a	b	c	d	42	a	b	c	d	43	a	b	c	d	44	a	b	c	d
45	a	b	c	d	46	a	b	c	d	47	a	b	c	d	48	a	b	c	d
49	a	b	c	d	50	a	b	c	d										

Hints and Answers

1. (b) liabilities side of balance sheet
2. (a) Donation
3. (a) Rent paid to partners
4. (c) book value
5. (c) partner's capital account
6. (d) other current liabilities
7. (b) unamortised expenditure
8. (d) Dividend analysis
9. (d) Judge the relative financial soundness for different enterprises
10. (c) Horizontal analysis
11. (b) total assets
12. (c) increase
13. (c) under the non-current investment heading on assets side
14. (c) Credited to statement of profit and loss
15. (c) no interest is to be paid
16. (d) Realisation expenses paid by partner
17. (d) None of these
18. (c) Credit balance
19. (a) true, false
20. (b) false, true
21. (d) false, false
22. (c) New Partners' Current A/c Dr

To Sacrificing Partners' Capital A/c

23. (d) No Entry
24. (b) Debit Interest on Debenture A/c; Credit Debentureholders A/c and Income Tax Payable A/c.
25. (b) Calculation of Amount Debited (Medicine Consumed) During the Year

Particulars	Amt (₹)
Payment made for Medicine	6,40,000
(+) Creditors at the End	54,000
Stock in the Beginning	1,80,000
(–) Creditors in the Beginning	(90,000)
Stock at the End	(2,10,000)
	5,74,000

26. (c) Vijay acquired his share of profit $\left(20\% \text{ or } \frac{1}{5}\right)$ from Amit and Dev in the ratio of 2 : 1. This means

Vijay gets $\frac{2}{3}$ of $\frac{1}{5} = \frac{2}{15}$ from Amit ; Vijay gets $\frac{1}{3}$ of $\frac{1}{5} = \frac{1}{15}$ from Dev

Hence, the new ratio of Amit $= \frac{5}{8} - \frac{2}{15} = \frac{75 - 16}{120} = \frac{59}{120}$

The new ratio of Dev $= \frac{3}{8} - \frac{1}{15} = \frac{45 - 8}{120} = \frac{37}{120}$

Thus, the new profit sharing ratio of Amit, Dev and Vijay will be

$$\frac{59}{120} : \frac{37}{120} : \frac{1}{5} = 59 : 37 : 24$$

27. (c) Ratio between L and M = 5 : 3

Hence, New ratio between M and N will be = 5 : 3

Calculation of Gaining Ratio

Gaining Ratio = New Share – Old Share

M Gain = $\frac{5}{8} - \frac{3}{10} = \frac{50 - 24}{80} = \frac{26}{80}$;   N Gain = $\frac{3}{8} - \frac{2}{10} = \frac{30 - 16}{80} = \frac{14}{80}$

Hence, Gaining Ratio of M and N = $\frac{26}{80} : \frac{14}{80}$ = 26 : 14 or 13 : 7

28. (d) Aggregate of Profits = $\frac{72{,}000 + 78{,}000}{2}$ = ₹ 75,000

Rajat's Share in Profit till the = 75,000 × $\frac{2}{10} \times \frac{8}{12}$

Date of Death (i.e 30th November, 2021)= ₹ 10,000

29. (b) 48,000 + 12,000 + 5,000 = ₹ 65,000

30. (a) Cost of Materials Consumed

Particulars	Amt (₹)
Opening Inventory of Materials	8,00,000
(+) Purchase of Materials	18,00,000
	26,00,000
(–) Closing Inventory of Materials	(6,80,000)
	19,20,000

31. (d) % of Change

$$= \frac{\text{Total Changes in Working Capital}}{\text{Previous / Base Year Working Capital}} \times 100 = \frac{30}{10} \times 100 = 300\%$$

32. (a) Working Capital Turnover Ratio

$$= \frac{\text{Revenue from Operations}}{\text{Working Capital}}$$

Revenue from Operations = Cost of Revenue from Operations + Gross Profit

= 15,00,000 + 20% of 15,00,000 = ₹ 18,00,000

Working Capital = Current Assets – Current Liabilities = 2,80,000 – 90,000 = ₹ 1,90,000

Working Capital Turnover Ratio = $\frac{18{,}00{,}000}{1{,}90{,}000}$ = 9.47 times

33. (a) Number of shares to be issued = $\frac{15{,}00{,}000}{75}$ = 20,000 shares

34. (c) Profit on 900 shares $(900 \times 7.5) = ₹\ 6{,}750$

	Amt (₹)
$\therefore$ Profit on 700 shares $= \left(\frac{6{,}750}{900} \times 700\right) =$	5,250
(−) Transferred to Capital Reserve $=$	(2,450)
Loss on Re-issue	2,800

Per share loss on re-issue $= \frac{2{,}800}{700} = ₹\ 4$ per share

Hence, shares are re-issued at $10 - 4 = ₹\ 6$ per share

35. (b) Shares can be reissued at a maximum discount of ₹ 7 per share (i.e. $7 \times 200 = ₹\ 1{,}400$).
Discount on re-issue of share cannot exceed the amount of share forfeiture on original issue of shares.

36. (a)

Particulars	Amt (₹)
Difference in Statement of Profit and Loss	1,00,000
(+) Transfer to Reserve	10,000
Provision for Tax	5,000
	1,15,000
(−) Tax Refund	(2,000)
Net Profit before Tax	1,13,000

37. (a) Only I is correct

38. (b) Only II is correct

39. (a) Preliminary expenses are to be written-off in the year in which they are incurred

40. (b) It is not necessary to create charges against profits even if there is loss, whereas appropriations are made whether there is profit or loss.

41. (a) (iv) (iii) (i) (ii)

42. (d) (ii) (iv) (iii) (i)

43. (b) Both Assertion (A) and Reason (R) are correct.

44. (b) Both Assertion (A) and Reason (R) are correct.

45. (c) Assertion (A) is incorrect, but Reason (R) is correct.

46. (c) Assertion (A) is incorrect, but Reason (R) is correct.

47. (a) debited to profit and loss account

48. (a) appropriation of profit

49. (c)

Particulars	Amt (₹)
Profit before Adjustment	20,00,000
(–) Rent (20,000 × 12)	(2,40,000)
	17,60,000
(–) Manager's Commission (10% of 17,60,000)	(1,76,000)
Net Profit (Transferred to P and L Appropriation A/c)	15,84,000

50. (c) Dr **Profit and Loss Appropriation Account** Cr

Particulars		Amt (₹)	Particulars	Amt (₹)
To Salary A/c			By Profit and Loss A/c	15,84,000
Raja (18,000 × 4)	72,000			
King (6,000 × 12)	72,000	1,44,000		
To Profit Transferred to				
Raja's Capital A/c	7,20,000			
King's Capital A/c	7,20,000	14,40,000		
		15,84,000		15,84,000