Viva Questions - Class 12 Accountancy

Most of the questions are from your project file. Any formulas you have used specially from Ratio Analysis, or any tool used from Cash Flow Statement in the project file has most probability of being asked. So, ensure that you know about the formula or tool written in your project file. Apart from this following are commonly asked questions in VIVA for Accountancy Practical.

Partnership (Ch 1-7)

1. What is a partnership deed?
2. State any two rights of a partner in the absence of an agreement.
3. How are profits shared among partners if the deed is silent?
4. Is interest on loan by a partner charge or appropriation?
5. What is the difference between fixed and fluctuating capital accounts?
6. Why is interest on drawings charged from partners?
7. State two situations when a partner's capital account shows a debit balance.

Goodwill: Nature and Valuation

8. Define goodwill.
9. Why is goodwill considered an intangible asset?
10. Write one circumstance when goodwill is valued in partnership.
11. Name any two methods of valuation of goodwill.
12. What is super profit?
13. Give the formula of Average Profit Method of valuing goodwill.
14. Why is goodwill not recorded in the books of a partnership firm normally?

Change in Profit-Sharing Ratio

15. What is gaining ratio?
16. State two circumstances when partners may change their profit-sharing ratio.
17. If goodwill is raised at the time of change in ratio, how is it treated?
18. Who compensates whom in case of change in profit-sharing ratio?
19. What is the journal entry when a gaining partner compensates a sacrificing partner?

Admission of a Partner

20. Why is revaluation of assets and liabilities done on admission of a partner?
21. What is the sacrificing ratio?
22. State one adjustment made at the time of admission of a partner regarding reserves.
23. How is goodwill treated when a new partner brings it in cash?
24. If a new partner does not bring goodwill in cash, how is it adjusted?
25. Why are accumulated profits and reserves distributed on admission?

Retirement of a Partner

26. What is the gaining ratio in case of retirement?
27. State one adjustment relating to goodwill at the time of retirement.
28. How is the retiring partner's share of goodwill adjusted?
29. Why is the balance of retiring partner's capital account transferred to loan account?
30. What is revaluation account?
31. State one method of settlement of the retiring partner's dues.

Death of a Partner

32. Name two amounts payable to the legal heirs of a deceased partner.
33. How is the deceased partner's share of profit calculated, if the exact profit cannot be ascertained?
34. Why are reserves and accumulated profits distributed at the time of a partner's death?
35. Which account is prepared to ascertain the deceased partner's share of profit?

Dissolution of Partnership Firm

36. Define dissolution of a partnership firm.
37. Name two cases when a firm may be dissolved by the court.
38. Distinguish between dissolution of partnership and dissolution of firm.
39. What is Realisation Account?
40. State the order of payment of liabilities at the time of dissolution.
41. How are partners' loan accounts treated at the time of dissolution?
42. What is the treatment of partner's private assets and firm's private liabilities at dissolution?

Company Accounts - Issue of Debentures

43. What is a debenture?
44. State two differences between shares and debentures.
45. What is meant by 'debentures issued at a discount'?
46. What is meant by 'debentures issued as collateral security'?
47. Why is discount on issue of debentures considered a capital loss?
48. What is meant by 'debentures issued for consideration other than cash'?
49. State one difference between redemption of shares and redemption of debentures.
50. What is the purpose of creating Debenture Redemption Reserve (DRR)?