

## Accountancy – Class XII

### SQP (2019-20)

#### General Instructions:

- (i) This question paper contains two parts – A and B.
- (ii) Part A is compulsory for all.
- (iii) Part B has two options – Analysis of Financial Statements and Computerised Accounting.
- (iv) Attempt only one option of Part B.
- (v) All parts of a question should be attempted at one place.

| <b>PART A</b><br><b>(Accounting for Not-for-Profit Organizations, Partnership Firms and Companies)</b>                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                             |             |           |                              |        |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-----------|------------------------------|--------|--|
| <b>1</b>                                                                                                                                                                                                                                                                                                                                   | How are the following items presented in financial statements of a Not-for-Profit organisation:-<br>(a) Tournament Fund- 80,000<br>(b) Tournament expenses-14,000                                                                                                                                                                                                                           | <b>1</b>    |           |                              |        |  |
| <b>2</b>                                                                                                                                                                                                                                                                                                                                   | At what rate is interest payable on the amount remaining unpaid to the executor of deceased partner, in absence of any agreement among partners, when (s)he opts for interest and not share of profit.<br>(a) 12% p.a.<br>(b) 8% p.a.<br>(c) 6% p.a.<br>(d) 7.5%p.a.                                                                                                                        | <b>1</b>    |           |                              |        |  |
| <b>3</b>                                                                                                                                                                                                                                                                                                                                   | State the order of payment of the following, in case of dissolution of partnership firm.<br>i. to each partner proportionately what is due to him/her from the firm for advances as distinguished from capital (i.e. partner' loan);<br>ii. to each partner proportionately what is due to him on account of capital; and<br>iii. for the debts of the firm to the third parties;           | <b>1</b>    |           |                              |        |  |
| <b>4</b>                                                                                                                                                                                                                                                                                                                                   | A and B are partners in a firm having a capital of ₹ 54,000 and ₹ 36,000 respectively. They admitted C for 1/3 <sup>rd</sup> share in the profits C brought proportionate amount of capital. The Capital brought in by C would be:<br>a) ₹ 90,000<br>b) ₹ 45,000<br>c) ₹ 5,400<br>d) ₹ 36,00                                                                                                | <b>1</b>    |           |                              |        |  |
| <b>5</b>                                                                                                                                                                                                                                                                                                                                   | Amit, a partner in a partnership firm withdrew ₹ 7,000 in the beginning of each quarter. For how many months would interest on drawings be charged?                                                                                                                                                                                                                                         | <b>1</b>    |           |                              |        |  |
| <b>6</b>                                                                                                                                                                                                                                                                                                                                   | Ankit, Unnati and Aryan are partners sharing profits in the ratio of 5:3:2. They decided to share future profits in the ratio of 2:3:5 with effect from 1 <sup>st</sup> April,2018. They had the following balance in their balance sheet, passing necessary Journal Entry:                                                                                                                 | <b>1</b>    |           |                              |        |  |
| <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">Amount(₹)</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Profit and loss Account (Dr)</td> <td style="text-align: right;">60,500</td> </tr> </tbody> </table> |                                                                                                                                                                                                                                                                                                                                                                                             | Particulars | Amount(₹) | Profit and loss Account (Dr) | 60,500 |  |
| Particulars                                                                                                                                                                                                                                                                                                                                | Amount(₹)                                                                                                                                                                                                                                                                                                                                                                                   |             |           |                              |        |  |
| Profit and loss Account (Dr)                                                                                                                                                                                                                                                                                                               | 60,500                                                                                                                                                                                                                                                                                                                                                                                      |             |           |                              |        |  |
| <b>7</b>                                                                                                                                                                                                                                                                                                                                   | A and B are partners in a firm. They admit C as a partner with 1/5 <sup>th</sup> share in the profits of the firm. C brings ₹ 4,00,000 as his share of capital. Calculate the value of C's share of Goodwill on the basis of his capital, given that the combined capital of A and B after all adjustments is ₹ 10,00,000                                                                   | <b>1</b>    |           |                              |        |  |
| <b>8</b>                                                                                                                                                                                                                                                                                                                                   | Riyansh, Garv and Kavleen were partners in a firm sharing profit and loss in the ratio of 8:7:5. On 2 <sup>nd</sup> November 2018, Kavleen died. Kalveen's share of profits till the date of her death was calculated at ₹ 9,375. Pass the necessary journal entry.                                                                                                                         | <b>1</b>    |           |                              |        |  |
| <b>9</b>                                                                                                                                                                                                                                                                                                                                   | A and B are partners in a firm sharing profits and losses in the ratio of 3:2. On 1 <sup>st</sup> April, 2019 they decided to admit C their new ratio is decided to be equal. Pass the necessary journal entry to distribute Investment Fluctuation Reserve of ₹ 60,000 at the time of C's admission, when Investment appear in the books at ₹ 2,10,000 and its market value is ₹ 1,90,000. | <b>1</b>    |           |                              |        |  |
| <b>10</b>                                                                                                                                                                                                                                                                                                                                  | 'Complete the following statement'<br>When a liability is discharged by a partner, at the time of dissolution, Capital Account is credited because _____.                                                                                                                                                                                                                                   | <b>1</b>    |           |                              |        |  |

| 11                                        | A and B are in partnership sharing profits and losses in the ratio of 3:2. They admit C into partnership with 1/5 <sup>th</sup> share which he acquires equally from A and B. Accountant has calculated new profit sharing ratio as 5:3:2. Is accountant correct?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 1           |            |                            |        |                            |                                |                                           |          |                   |        |                   |                          |   |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------|----------------------------|--------|----------------------------|--------------------------------|-------------------------------------------|----------|-------------------|--------|-------------------|--------------------------|---|
| 12                                        | Wellness Co. Ltd. has issued 20,000, 9% Debentures of ₹ 100 each at a premium of 10% on 1 <sup>st</sup> April, 2018 redeemable as follows:<br>31 <sup>st</sup> March, 2021 – 10,000 debentures<br>31 <sup>st</sup> March, 2022 – 4,000 debentures<br>31 <sup>st</sup> March, 2023 – balance debentures.<br>It transferred to Debentures Redemption Reserve the required amount as applicable rules of the Companies Act and Rules, 2014 on due date. How much amount will be transferred to General Reserve on 31 <sup>st</sup> March, 2021<br>a) ₹ 1,00,000<br>b) ₹ 2,50,000<br>c) ₹ 5,00,000<br>d) ₹ 20,00,000                                                                                                                                                                                                                                                                                                            | 1           |            |                            |        |                            |                                |                                           |          |                   |        |                   |                          |   |
| 13                                        | A portion of share capital that is reserved by the company and will be utilized only on the happening of winding up of the company is called _____.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 1           |            |                            |        |                            |                                |                                           |          |                   |        |                   |                          |   |
| 14                                        | <p>a) Calculate the amount of medicines consumed during the year ended 31<sup>st</sup> March, 2019</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>Opening Stock of Medicines</td> <td>50,000</td> </tr> <tr> <td>Closing stock of Medicines</td> <td>45,000 more than opening stock</td> </tr> <tr> <td>Amount paid for medicines during the year</td> <td>2,00,000</td> </tr> <tr> <td>Opening Creditors</td> <td>20,000</td> </tr> <tr> <td>Closing Creditors</td> <td>50% of opening creditors</td> </tr> </tbody> </table> <p style="text-align: center;">Or</p> <p>Distinguish between Income and Expenditure Account and Receipt and payment Account on basis of :-</p> <ol style="list-style-type: none"> <li>i. Nature</li> <li>ii. Nature of items</li> <li>iii. Period</li> </ol>                                                                   | Particulars | Amount (₹) | Opening Stock of Medicines | 50,000 | Closing stock of Medicines | 45,000 more than opening stock | Amount paid for medicines during the year | 2,00,000 | Opening Creditors | 20,000 | Closing Creditors | 50% of opening creditors | 3 |
| Particulars                               | Amount (₹)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |            |                            |        |                            |                                |                                           |          |                   |        |                   |                          |   |
| Opening Stock of Medicines                | 50,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |             |            |                            |        |                            |                                |                                           |          |                   |        |                   |                          |   |
| Closing stock of Medicines                | 45,000 more than opening stock                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |             |            |                            |        |                            |                                |                                           |          |                   |        |                   |                          |   |
| Amount paid for medicines during the year | 2,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |             |            |                            |        |                            |                                |                                           |          |                   |        |                   |                          |   |
| Opening Creditors                         | 20,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |             |            |                            |        |                            |                                |                                           |          |                   |        |                   |                          |   |
| Closing Creditors                         | 50% of opening creditors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |             |            |                            |        |                            |                                |                                           |          |                   |        |                   |                          |   |
| 15                                        | <p>Danish, Ana and Pranjal are partners in a firm sharing profits and losses in the ratio of 5:3:2. Their books are closed on March 31<sup>st</sup> every year.<br/>Danish died on September 30<sup>th</sup>, 2019, The executors of Danish are entitled to:-</p> <ol style="list-style-type: none"> <li>i. His share of Capital i.e. ₹ 5,00,000 along-with his share of goodwill. The total goodwill of the firm was valued at ₹ 60,000.</li> <li>ii. His share of profit up to his date of death on the basis of sales till date of death. Sales for the year ended March 31, 2019 was ₹ 2,00,000 and profit for the same year was 10% on sales. Sales shows a growth trend of 20% and percentage of profit earning is reduced by 1%.</li> <li>iii. Amount payable to Danish was transferred to his executors.</li> </ol> <p>Pass necessary Journal Entries and show the workings clearly.</p>                            | 4           |            |                            |        |                            |                                |                                           |          |                   |        |                   |                          |   |
| 16                                        | <p>Maanika, Bhavi and Komal are partners sharing profits in the ratio of 6:4:1. Komal is guaranteed a minimum profit of ₹ 2,00,000. The firm incurred a loss of ₹ 22,00,000 for the year ended 31<sup>st</sup> March, 2018. Pass necessary journal entry regarding deficiency borne by Maanika and Bhavi and prepare Profit and Loss Appropriation Account.</p> <p style="text-align: center;"><b>OR</b></p> <p>The partners of a firm, Alia, Bhanu and Chand distributed the profits for the year ended 31<sup>st</sup> March, 2017, ₹ 80,000 in the ratio of 3:3:2 without providing for the following adjustments:</p> <ol style="list-style-type: none"> <li>a) Alia and Chand were entitled to a salary of ₹ 1,500 each p.m.</li> <li>b) Bhanu was entitled for a salary of ₹ 4,000 p.a.</li> </ol> <p>Pass the necessary Journal entry for the above adjustments in the books of the firm. Show workings clearly.</p> | 4           |            |                            |        |                            |                                |                                           |          |                   |        |                   |                          |   |

| 17                                                               | <p>Bliss Products Ltd. registered with capital of ₹ 90,00,000 divided into 90,000 equity shares of ₹ 100 each. The company issued prospectus inviting applications for 50,000 equity shares of ₹ 100 each payable as ₹ 20 on application, ₹ 30 on allotment, ₹ 20 on first call and balance on second call.</p> <p>Applications were received for ₹40,000 shares. Raman to whom 1600 shares were allotted failed to pay final call money and these shares were forfeited. Of the forfeited shares, 600 shares were reissued to Sukhman, credited as fully paid for ₹ 90 per share.</p> <p>Present the Share Capital as per Schedule III of Companies Act, 2013</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 4                                                      |                 |          |            |                |  |                  |        |              |        |                         |        |                       |        |            |        |              |        |                            |        |                               |        |                     |       |                 |        |                       |       |                         |       |                                                        |        |                  |       |                |  |                                              |       |              |       |  |  |              |       |  |                 |  |                 |                                                          |       |                                                          |       |                                                                  |       |                                                                  |       |   |
|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|-----------------|----------|------------|----------------|--|------------------|--------|--------------|--------|-------------------------|--------|-----------------------|--------|------------|--------|--------------|--------|----------------------------|--------|-------------------------------|--------|---------------------|-------|-----------------|--------|-----------------------|-------|-------------------------|-------|--------------------------------------------------------|--------|------------------|-------|----------------|--|----------------------------------------------|-------|--------------|-------|--|--|--------------|-------|--|-----------------|--|-----------------|----------------------------------------------------------|-------|----------------------------------------------------------|-------|------------------------------------------------------------------|-------|------------------------------------------------------------------|-------|---|
| 18                                                               | <p>The firm of R, K and S was dissolved on 31.3.2019. Pass necessary journal entries for the following after various assets (other than cash and Bank) and the third party liabilities had been transferred to realisation account.</p> <p>(i) K agreed to pay off his wife's loan of ₹ 6,000.</p> <p>(ii) Total Creditors of the firm were ₹ 40,000. Creditors worth ₹10,000 were given a piece of furniture costing ₹8,000 in full and final settlement. Remaining creditors allowed a discount of 10%.</p> <p>(iii) A machine that was not recorded in the books was taken over by K at ₹ 3,000 whereas its expected value was ₹ 5,000.</p> <p>(iv) The firm had a debit balance of ₹ 15,000 in the profit and loss A/c on the date of dissolution.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 4                                                      |                 |          |            |                |  |                  |        |              |        |                         |        |                       |        |            |        |              |        |                            |        |                               |        |                     |       |                 |        |                       |       |                         |       |                                                        |        |                  |       |                |  |                                              |       |              |       |  |  |              |       |  |                 |  |                 |                                                          |       |                                                          |       |                                                                  |       |                                                                  |       |   |
| 19                                                               | <p>From the following Receipts and Payments Accounts of Rolaxe Club, for the year ended 31<sup>st</sup> March, 2019. Prepare Income and Expenditure Account for the year ended 31<sup>st</sup> March, 2019.</p> <p style="text-align: center;"><b>Receipts and Payments Account for the year ended 31<sup>st</sup> March, 2019</b></p> <table border="1" data-bbox="240 909 1386 1425"> <thead> <tr> <th>Receipts</th> <th>Amount (₹)</th> <th>Payments</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>To Balance b/d</td> <td></td> <td>By Advertisement</td> <td>13,100</td> </tr> <tr> <td>    Cash in hand</td> <td>17,050</td> <td>By Rent rates and Taxes</td> <td>14,000</td> </tr> <tr> <td>    Current a/c with bank</td> <td>18,570</td> <td>By Repairs</td> <td>15,000</td> </tr> <tr> <td>To Donations</td> <td>20,000</td> <td>By Printing and Stationery</td> <td>16,000</td> </tr> <tr> <td>To Proceeds from charity Show</td> <td>16,200</td> <td>By Government Bonds</td> <td>5,000</td> </tr> <tr> <td>To Subscription</td> <td>52,000</td> <td>By Telephone Expenses</td> <td>1,000</td> </tr> <tr> <td>To Life membership fees</td> <td>5,250</td> <td>By Furniture (purchased on 1<sup>st</sup> July, 2018)</td> <td>70,000</td> </tr> <tr> <td>To Entrance Fees</td> <td>6,000</td> <td>By Balance c/d</td> <td></td> </tr> <tr> <td>To Interest on investment @ 7% for the year.</td> <td>7,200</td> <td>    Cash in hand</td> <td>3,170</td> </tr> <tr> <td></td> <td></td> <td>    Cash at Bank</td> <td>5,000</td> </tr> <tr> <td></td> <td><b>1,42,270</b></td> <td></td> <td><b>1,42,270</b></td> </tr> </tbody> </table> <p>Additional Information :-</p> <p>i) Depreciate furniture by 15% p.a.</p> <p>ii) There were 416 Life Members on 31.3.2018 the subscription payable by each member, to be a life time member is ₹ 125</p> <p>iii)</p> <table border="1" data-bbox="375 1602 1386 1745"> <tbody> <tr> <td>Subscription outstanding on 31<sup>st</sup> March, 2018</td> <td>6,000</td> </tr> <tr> <td>Subscription outstanding on 31<sup>st</sup> March, 2019</td> <td>7,000</td> </tr> <tr> <td>Subscription received in advance on 31<sup>st</sup> March, 2018</td> <td>4,000</td> </tr> <tr> <td>Subscription received in advance on 31<sup>st</sup> March, 2019</td> <td>5,000</td> </tr> </tbody> </table> | Receipts                                               | Amount (₹)      | Payments | Amount (₹) | To Balance b/d |  | By Advertisement | 13,100 | Cash in hand | 17,050 | By Rent rates and Taxes | 14,000 | Current a/c with bank | 18,570 | By Repairs | 15,000 | To Donations | 20,000 | By Printing and Stationery | 16,000 | To Proceeds from charity Show | 16,200 | By Government Bonds | 5,000 | To Subscription | 52,000 | By Telephone Expenses | 1,000 | To Life membership fees | 5,250 | By Furniture (purchased on 1 <sup>st</sup> July, 2018) | 70,000 | To Entrance Fees | 6,000 | By Balance c/d |  | To Interest on investment @ 7% for the year. | 7,200 | Cash in hand | 3,170 |  |  | Cash at Bank | 5,000 |  | <b>1,42,270</b> |  | <b>1,42,270</b> | Subscription outstanding on 31 <sup>st</sup> March, 2018 | 6,000 | Subscription outstanding on 31 <sup>st</sup> March, 2019 | 7,000 | Subscription received in advance on 31 <sup>st</sup> March, 2018 | 4,000 | Subscription received in advance on 31 <sup>st</sup> March, 2019 | 5,000 | 6 |
| Receipts                                                         | Amount (₹)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Payments                                               | Amount (₹)      |          |            |                |  |                  |        |              |        |                         |        |                       |        |            |        |              |        |                            |        |                               |        |                     |       |                 |        |                       |       |                         |       |                                                        |        |                  |       |                |  |                                              |       |              |       |  |  |              |       |  |                 |  |                 |                                                          |       |                                                          |       |                                                                  |       |                                                                  |       |   |
| To Balance b/d                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | By Advertisement                                       | 13,100          |          |            |                |  |                  |        |              |        |                         |        |                       |        |            |        |              |        |                            |        |                               |        |                     |       |                 |        |                       |       |                         |       |                                                        |        |                  |       |                |  |                                              |       |              |       |  |  |              |       |  |                 |  |                 |                                                          |       |                                                          |       |                                                                  |       |                                                                  |       |   |
| Cash in hand                                                     | 17,050                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | By Rent rates and Taxes                                | 14,000          |          |            |                |  |                  |        |              |        |                         |        |                       |        |            |        |              |        |                            |        |                               |        |                     |       |                 |        |                       |       |                         |       |                                                        |        |                  |       |                |  |                                              |       |              |       |  |  |              |       |  |                 |  |                 |                                                          |       |                                                          |       |                                                                  |       |                                                                  |       |   |
| Current a/c with bank                                            | 18,570                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | By Repairs                                             | 15,000          |          |            |                |  |                  |        |              |        |                         |        |                       |        |            |        |              |        |                            |        |                               |        |                     |       |                 |        |                       |       |                         |       |                                                        |        |                  |       |                |  |                                              |       |              |       |  |  |              |       |  |                 |  |                 |                                                          |       |                                                          |       |                                                                  |       |                                                                  |       |   |
| To Donations                                                     | 20,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | By Printing and Stationery                             | 16,000          |          |            |                |  |                  |        |              |        |                         |        |                       |        |            |        |              |        |                            |        |                               |        |                     |       |                 |        |                       |       |                         |       |                                                        |        |                  |       |                |  |                                              |       |              |       |  |  |              |       |  |                 |  |                 |                                                          |       |                                                          |       |                                                                  |       |                                                                  |       |   |
| To Proceeds from charity Show                                    | 16,200                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | By Government Bonds                                    | 5,000           |          |            |                |  |                  |        |              |        |                         |        |                       |        |            |        |              |        |                            |        |                               |        |                     |       |                 |        |                       |       |                         |       |                                                        |        |                  |       |                |  |                                              |       |              |       |  |  |              |       |  |                 |  |                 |                                                          |       |                                                          |       |                                                                  |       |                                                                  |       |   |
| To Subscription                                                  | 52,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | By Telephone Expenses                                  | 1,000           |          |            |                |  |                  |        |              |        |                         |        |                       |        |            |        |              |        |                            |        |                               |        |                     |       |                 |        |                       |       |                         |       |                                                        |        |                  |       |                |  |                                              |       |              |       |  |  |              |       |  |                 |  |                 |                                                          |       |                                                          |       |                                                                  |       |                                                                  |       |   |
| To Life membership fees                                          | 5,250                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | By Furniture (purchased on 1 <sup>st</sup> July, 2018) | 70,000          |          |            |                |  |                  |        |              |        |                         |        |                       |        |            |        |              |        |                            |        |                               |        |                     |       |                 |        |                       |       |                         |       |                                                        |        |                  |       |                |  |                                              |       |              |       |  |  |              |       |  |                 |  |                 |                                                          |       |                                                          |       |                                                                  |       |                                                                  |       |   |
| To Entrance Fees                                                 | 6,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | By Balance c/d                                         |                 |          |            |                |  |                  |        |              |        |                         |        |                       |        |            |        |              |        |                            |        |                               |        |                     |       |                 |        |                       |       |                         |       |                                                        |        |                  |       |                |  |                                              |       |              |       |  |  |              |       |  |                 |  |                 |                                                          |       |                                                          |       |                                                                  |       |                                                                  |       |   |
| To Interest on investment @ 7% for the year.                     | 7,200                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Cash in hand                                           | 3,170           |          |            |                |  |                  |        |              |        |                         |        |                       |        |            |        |              |        |                            |        |                               |        |                     |       |                 |        |                       |       |                         |       |                                                        |        |                  |       |                |  |                                              |       |              |       |  |  |              |       |  |                 |  |                 |                                                          |       |                                                          |       |                                                                  |       |                                                                  |       |   |
|                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Cash at Bank                                           | 5,000           |          |            |                |  |                  |        |              |        |                         |        |                       |        |            |        |              |        |                            |        |                               |        |                     |       |                 |        |                       |       |                         |       |                                                        |        |                  |       |                |  |                                              |       |              |       |  |  |              |       |  |                 |  |                 |                                                          |       |                                                          |       |                                                                  |       |                                                                  |       |   |
|                                                                  | <b>1,42,270</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                        | <b>1,42,270</b> |          |            |                |  |                  |        |              |        |                         |        |                       |        |            |        |              |        |                            |        |                               |        |                     |       |                 |        |                       |       |                         |       |                                                        |        |                  |       |                |  |                                              |       |              |       |  |  |              |       |  |                 |  |                 |                                                          |       |                                                          |       |                                                                  |       |                                                                  |       |   |
| Subscription outstanding on 31 <sup>st</sup> March, 2018         | 6,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                        |                 |          |            |                |  |                  |        |              |        |                         |        |                       |        |            |        |              |        |                            |        |                               |        |                     |       |                 |        |                       |       |                         |       |                                                        |        |                  |       |                |  |                                              |       |              |       |  |  |              |       |  |                 |  |                 |                                                          |       |                                                          |       |                                                                  |       |                                                                  |       |   |
| Subscription outstanding on 31 <sup>st</sup> March, 2019         | 7,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                        |                 |          |            |                |  |                  |        |              |        |                         |        |                       |        |            |        |              |        |                            |        |                               |        |                     |       |                 |        |                       |       |                         |       |                                                        |        |                  |       |                |  |                                              |       |              |       |  |  |              |       |  |                 |  |                 |                                                          |       |                                                          |       |                                                                  |       |                                                                  |       |   |
| Subscription received in advance on 31 <sup>st</sup> March, 2018 | 4,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                        |                 |          |            |                |  |                  |        |              |        |                         |        |                       |        |            |        |              |        |                            |        |                               |        |                     |       |                 |        |                       |       |                         |       |                                                        |        |                  |       |                |  |                                              |       |              |       |  |  |              |       |  |                 |  |                 |                                                          |       |                                                          |       |                                                                  |       |                                                                  |       |   |
| Subscription received in advance on 31 <sup>st</sup> March, 2019 | 5,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                        |                 |          |            |                |  |                  |        |              |        |                         |        |                       |        |            |        |              |        |                            |        |                               |        |                     |       |                 |        |                       |       |                         |       |                                                        |        |                  |       |                |  |                                              |       |              |       |  |  |              |       |  |                 |  |                 |                                                          |       |                                                          |       |                                                                  |       |                                                                  |       |   |
| 20                                                               | <p>Journalise the following transactions</p> <p>a) Mehar Ltd. issued ₹ 1,00,000, 12% Debentures of ₹ 100 each at a premium of 5% redeemable at a premium of 2%</p> <p>b) 12 % Debentures were issued at a discount of 10% to a vendor of machinery for payment of ₹ 9,00,000</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 6                                                      |                 |          |            |                |  |                  |        |              |        |                         |        |                       |        |            |        |              |        |                            |        |                               |        |                     |       |                 |        |                       |       |                         |       |                                                        |        |                  |       |                |  |                                              |       |              |       |  |  |              |       |  |                 |  |                 |                                                          |       |                                                          |       |                                                                  |       |                                                                  |       |   |

c) Issue of 10,000 11% debentures of ₹ 100 each as collateral in favour of State Bank of India. Company opted to pass necessary entry for issue of debentures.

**Or**

Faith and Belief Ltd has total redeemable debentures of ₹ 5,00,000. It decides to redeem these debentures in two instalments of ₹ 3,00,000 and ₹ 2,00,000 on December 31<sup>st</sup> 2018 and March 31<sup>st</sup> 2020 respectively. Assuming that the Company has sufficient funds in Debenture Redemption Reserve Account, pass necessary journal entries for the year ending March 31<sup>st</sup> 2020.

**21** Gautam and Yashica are partners in a firm, sharing profits and losses in 3:1 respectively. The balance sheet of the firm as on 31<sup>st</sup> March 2018 was as follows:

**Balance Sheet**

**As at 31.3.2018**

| <b>Liabilities</b> | <b>Amt(₹)</b>   | <b>Assets</b> | <b>Amt(₹)</b>   |
|--------------------|-----------------|---------------|-----------------|
| Sundry creditors   | 50,000          | Furniture     | 60,000          |
| Bills payable      | 30,000          | Stock         | 1,40,000        |
| Capitals           |                 | Debtors       | 80,000          |
| Gautam 4,00,000    |                 | Cash in hand  | 90,000          |
| Yashica 1,00,000   |                 | Machinery     | 2,10,000        |
|                    | 5,00,000        |               |                 |
|                    | <b>5,80,000</b> |               | <b>5,80,000</b> |

Asma is admitted as a partner for 3/8<sup>th</sup> share in the profits with a capital of ₹2,10,000 and ₹50,000 for her share of goodwill. It was decided that:

- New profit sharing ratio will be 3:2:3
- Machinery will depreciated by 10% and Furniture by ₹5,000.
- Stock was re-valued at ₹ 2,10,000.
- Provision for doubtful debts is to be created at 10% of debtors.
- The capitals of all the partners were to be in the new profit sharing ratio on basis of capital of new partner any adjustment to be done through current accounts.

Prepare Revaluation Account, Partners Capital Account and the Balance Sheet of the new firm.

**Or**

X,Y and Z were in partnership sharing profits in proportion to their capitals. Their Balance Sheet as on 31st March, 2018 was as follows:

| <b>Liabilities</b>          | <b>Amount (₹)</b> | <b>Particulars</b>                                    | <b>Amount (₹)</b> |
|-----------------------------|-------------------|-------------------------------------------------------|-------------------|
| Sundry Creditors            | 16,600            | Cash                                                  | 15,000            |
| Workmen's Compensation Fund | 9,000             | Debtors 21,000<br>Less-Prov for Doubtful Debts (1400) | 19,600            |
| General Reserve             | 6,000             | Stock                                                 | 19,000            |
| Capitals :                  |                   | Machinery                                             | 58,000            |
| X 90,000                    |                   | Building                                              | 1,00,000          |
| Y 60,000                    | 1,80,000          |                                                       |                   |
| Z 30,000                    |                   |                                                       |                   |
|                             | <b>2,11,600</b>   |                                                       | <b>2,11,600</b>   |

On the above date, Y retired owing to ill health. The following adjustments were agreed upon for calculation of amount due to Y.

- Provision for Doubtful Debts to be increased to 10% of Debtors.
- Goodwill of the firm be valued at ₹ 36,000 and be adjusted into the Capital Accounts of X and Z, who will share profits in future in the ratio of 3:1.
- Included in the value of Sundry Creditors was ₹ 2,500 for an outstanding legal claim, which will not arise.
- X and Z also decided that the total capital of the new firm will be ₹ 1,20,000 in their profit

|                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                 |                       |                          |                       |                                             |                       |   |
|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------|--------------------------|-----------------------|---------------------------------------------|-----------------------|---|
|                                                                 | <p>sharing ratio. Actual cash to be brought in or to be paid off as the case may be.</p> <p>e) Y to be paid ₹ 9,000 immediately and balance to be transferred to his Loan Account. Prepare Revaluation Account, Partner's Capital Accounts and Balance Sheet of the new firm after Y's retirement.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                 |                       |                          |                       |                                             |                       |   |
| 22                                                              | <p>Saregama Ltd invited applications for issuing 80,000 equity shares of ₹ 100 each at a premium of ₹ 10. The amount was payable as follows</p> <p>On Application – ₹ 30<br/> On allotment – ₹ 30 (including a premium of ₹ 10)<br/> On 1<sup>st</sup> call – ₹ 30<br/> On Final Call Balance</p> <p>Applications of 1,20,000 shares were received. Allotment was made on pro rata basis to all applicants. Excess money received on application was adjusted on sums due on allotment. Dhvani, who was allotted 1,600 shares, failed to pay allotment money and Sargam who applied of 6,000 shares did not pay 1<sup>st</sup> call money. These shares were forfeited immediately after 1<sup>st</sup> call. 2,000 of these shares (including all shares of Dhvani were issued to Tarang for ₹ 95 per share as 80 paid up. Pass necessary journal entries in books of Saregama Ltd. by opening call in arrear, call in advance account, if final call has not been made.</p> <p style="text-align: center;"><b>Or</b></p> <p>a. X Ltd. forfeited 10 shares of ₹ 10 each, ₹ 7 called up on which the shareholder had paid application and allotment money of ₹ 5 per share. Out of these, 8 shares were re-issued to Y for ₹ 8 per share at ₹ 8 per paid up per share. Record the journal entries for forfeiture and reissue of shares by opening call in arrear, call in advance account.</p> <p>b. L Ltd forfeited Mr M's shares who has applied for 600 shares and was allotted 400 shares failed to pay allotment money of ₹ 4 per share including premium of ₹ 2 on which he had paid application money of ₹ 2 only. Pass necessary journal entries for forfeiture of shares by opening call in arrear, call in advance account.</p> <p>c. Crown Ltd forfeited 50 shares of ₹ 10 each, for non- payment of final call money of ₹ 3 per share. Out of these 20 shares were reissued to Taj at ₹ 8 per share. Record the journal entries for forfeiture and reissue of shares assuming that the company maintains call in arrear, call in advance account.</p> | 8                                                               |                       |                          |                       |                                             |                       |   |
|                                                                 | <p><b>PART B</b><br/> <b>OPTION 1</b><br/> <b>(Analysis of Financial Statements)</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                 |                       |                          |                       |                                             |                       |   |
| 23                                                              | What will be the effect on current ratio if a bills payable is discharged on maturity?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 1                                                               |                       |                          |                       |                                             |                       |   |
| 24                                                              | <p>The two basic measures of operational efficiency of a company are</p> <p>a) Inventory Turnover Ratio and Working Capital Turnover Ratio<br/> b) Liquid Ratio and Operating Ratio<br/> c) Liquid Ratio and Current Ratio<br/> d) Gross Profit Margin and Net Profit Margin</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 1                                                               |                       |                          |                       |                                             |                       |   |
| 25                                                              | Debt Equity Ratio of a company is 1:2. Purchase of a Fixed asset for ₹ 5,00,000 on long term deferred payment basis will increase, decrease or not change the ratio?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 1                                                               |                       |                          |                       |                                             |                       |   |
| 26                                                              | State the importance of financial analysis for labour unions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 1                                                               |                       |                          |                       |                                             |                       |   |
| 27                                                              | M/s Mevo and Sons.; a bamboo pens producing company, purchased a machinery for ₹ 9,00,000. It received dividend of ₹ 70,000 on investment in shares. The company also sold an old machine of the book value of ₹ 79,000 at a loss of ₹ 10,000. Compute Cash flow from Investing Activities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 1                                                               |                       |                          |                       |                                             |                       |   |
| 28                                                              | Whether the following statement is True or False.<br>'Patents purchased by a company will be an operating activity.'                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 1                                                               |                       |                          |                       |                                             |                       |   |
| 29                                                              | <p>While preparing Cash Flow Statement, match the following activities</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">I. Payment of cash to acquire Debenture by an Investing Company</td> <td style="width: 50%;">a. Financing activity</td> </tr> <tr> <td>II. Purchase of Goodwill</td> <td>b. Investing Activity</td> </tr> <tr> <td>III. Dividend paid by manufacturing company</td> <td>c. Operating activity</td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | I. Payment of cash to acquire Debenture by an Investing Company | a. Financing activity | II. Purchase of Goodwill | b. Investing Activity | III. Dividend paid by manufacturing company | c. Operating activity | 1 |
| I. Payment of cash to acquire Debenture by an Investing Company | a. Financing activity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                 |                       |                          |                       |                                             |                       |   |
| II. Purchase of Goodwill                                        | b. Investing Activity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                 |                       |                          |                       |                                             |                       |   |
| III. Dividend paid by manufacturing company                     | c. Operating activity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                 |                       |                          |                       |                                             |                       |   |
| 30                                                              | From the following details calculate Interest Coverage Ratio:<br>Net profit after tax - ₹ 7,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 3                                                               |                       |                          |                       |                                             |                       |   |

6% debentures of ₹ 20,00,000  
Tax Rate 30%

**Or**

Under which major heads and sub-heads will the following items be placed in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013?

- (i) Debentures with maturity period in current financial year
- (ii) Securities Premium Reserve
- (iii) Provident Fund

**31** Following information is extracted from the Statement of Profit and Loss of Crypto Finance Ltd. For the year ended 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2018. Fill in the missing figures

**4**

**Comparative Statement of Profit and Loss  
for the years ended 31st March 2017 and 31st March 2018**

| Particulars                    | 2016-17 (₹) | 2017-18 (₹) | Absolute Increase/Decrease (₹) | Percentage Increase/Decrease (%) |
|--------------------------------|-------------|-------------|--------------------------------|----------------------------------|
| Revenue from Operations        | 10,00,000   | ?           | 2,00,000                       | 20%                              |
| Add other Income               | ?           | 60,000      | ?                              | 20%                              |
| Total Revenue                  | ?           | 12,60,000   | ?                              | 20%                              |
| Less Employee Benefit Expenses | 50,000      | 60,000      | 10,000                         | ?                                |
| Profit before tax              | 10,00,000   | 12,00,000   | 2,00,000                       | ?                                |
| Less Tax (50%)                 | 5,00,000    | 6,00,000    | 1,00,000                       | ?                                |
| Profit after tax               | 5,00,000    | 6,00,000    | 1,00,000                       | 20%                              |

**Or**

From the following Balance Sheet of R Ltd., Prepare a Common Size Statement  
Balance Sheet As at 31<sup>st</sup> March, 2019.

| Particulars                     | Note no. | 31.3.2019 (₹)   | 31.3.2018 (₹)   |
|---------------------------------|----------|-----------------|-----------------|
| <b>I EQUITY AND LIABILITIES</b> |          |                 |                 |
| 1. Shareholder's Funds:         |          |                 |                 |
| a. Share Capital                |          | 5,00,000        | 4,00,000        |
| b. Reserve and Surplus          |          | 1,60,000        | 1,20,000        |
| 2. Current Liabilities:         |          |                 |                 |
| a. Trade Payable                |          | 1,40,000        | 80,000          |
| <b>Total</b>                    |          | <b>8,00,000</b> | <b>6,00,000</b> |
| <b>II ASSETS</b>                |          |                 |                 |
| 1. Non-Current Assets:          |          |                 |                 |
| a. Fixed Assets:                |          |                 |                 |
| i. Tangible Assets              |          | 3,20,000        | 2,40,000        |
| ii. Intangible Assets           |          | 40,000          | 60,000          |
| 2. Current Assets               |          |                 |                 |
| a. Inventories                  |          | 1,60,000        | 60,000          |
| b. Trade Receivables            |          | 2,40,000        | 2,00,000        |
| c. Cash and Cash Equivalents    |          | 40,000          | 40,000          |
| <b>Total</b>                    |          | <b>8,00,000</b> | <b>6,00,000</b> |

**32** From the following Balance Sheet of Dreams Converge Ltd as at 31.3.2018 and 31.3.2017; Calculate Cash from operating activities. Showing your workings clearly

| Particulars                      | Note No. | 31.3.2018 (₹) | 31.3.2017 (₹) |
|----------------------------------|----------|---------------|---------------|
| <b>I. EQUITY AND LIABILITY :</b> |          |               |               |
| 1. Shareholder's Fund:           |          |               |               |
| a. Share Capital                 |          | 7,00,000      | 5,00,000      |

|  |                                              |   |                  |                 |
|--|----------------------------------------------|---|------------------|-----------------|
|  | b. Reserve and Surplus                       |   | 3,50,000         | 2,00,000        |
|  | 2. Non-Current Liabilities:                  |   |                  |                 |
|  | Long Term Borrowings                         |   | 50,000           | 1,00,000        |
|  | 3. Current Liabilities:                      |   |                  |                 |
|  | a. Trade Payables                            |   | 1,22,000         | 1,05,000        |
|  | b. Short term Provisions (Provision for tax) |   | 50,000           | 30,000          |
|  | <b>TOTAL</b>                                 |   | <b>12,72,000</b> | <b>9,35,000</b> |
|  |                                              |   | =====            | =====           |
|  | II. ASSETS :                                 |   |                  |                 |
|  | 1. Non Current Assets:                       |   |                  |                 |
|  | a. Fixed Assets:                             |   |                  |                 |
|  | i. Tangible Assets                           | 1 | 5,00,000         | 5,00,000        |
|  | ii. Intangible Assets                        | 2 | 95,000           | 1,00,000        |
|  | b. Non-current Investments                   |   | 1,00,000         | Nil             |
|  | 2. Current Assets:                           |   |                  |                 |
|  | a. Inventory                                 |   | 1,30,000         | 55,000          |
|  | b. Trade Receivable                          |   | 1,47,000         | 80,000          |
|  | c. Cash and Cash Equivalentents              |   | 3,00,000         | 2,00,000        |
|  | <b>TOTAL</b>                                 |   | <b>12,72,000</b> | <b>9,35,000</b> |
|  |                                              |   | =====            | =====           |

#### Notes

| Note Number | Particulars                | 31.3.2018<br>(₹) | 31.3.2017<br>(₹) |
|-------------|----------------------------|------------------|------------------|
| 1           | <b>Tangible Assets:</b>    |                  |                  |
|             | Machinery                  | 2,80,000         | 2,00,000         |
|             | Accumulated depreciation   | (1,00,000)       | (80,000)         |
|             |                            | <b>1,80,000</b>  | <b>1,20,000</b>  |
|             | Equipment                  | 3,20,000         | 3,80,000         |
|             |                            | <b>5,00,000</b>  | <b>5,00,000</b>  |
| 2           | <b>Intangible Assets :</b> |                  |                  |
|             | Goodwill                   | 95,000           | 1,00,000         |

#### Additional Information:

- i. Machinery of the book value of 80,000 (accumulated depreciation ₹ 20,000 ) was sold at a loss of ₹ 18,000

### PART B OPTION 2 (Computerised Accounting)

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |   |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| 23 | List any two attributes of information to be stored in Payroll data base.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1 |
| 24 | Which of the following is not an advantage of computerised accounting system<br>a) Efficient record keeping<br>b) Ensures effective control over the system.<br>c) Generation of reports and information in fixed format<br>d) Economy in the processing of accounting data.                                                                                                                                                                                                                                                                                          | 1 |
| 25 | Arrange the following steps of constructing Bank Reconciliation Statements in Tally in chronological sequence<br>a) Bringing up the monthly summary of Bank Book. Bringing the cursor to the first month and pressing enter.<br>b) The display becomes Edit Screen in Reconciliation mode. The primary components are A column for the 'Bankers Date' Amounts not reflected in banks and balance as per banks<br>c) This Brings up the vouchers for the month. Since this is a bank account, an additional button F5: reconcile will be visible on the right Press F5 | 1 |

|           |                                                                                                                                                                                                                                                                                                                                |      |                                                                                                                     |          |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|---------------------------------------------------------------------------------------------------------------------|----------|
| <b>26</b> | Match the following                                                                                                                                                                                                                                                                                                            |      |                                                                                                                     | <b>1</b> |
|           | a) Single valued attributes                                                                                                                                                                                                                                                                                                    | i)   | Attributes that can be divided in smaller sub parts to represent some more basic attribute with independent meaning |          |
|           | b) Composite attribute                                                                                                                                                                                                                                                                                                         | ii)  | Attributes that cannot be further sub divided in smaller parts.                                                     |          |
|           | c) Atomic attributes                                                                                                                                                                                                                                                                                                           | iii) | Attributes with single value for an entity                                                                          |          |
| <b>27</b> | What is the activity sequence of the basic information processing mode                                                                                                                                                                                                                                                         |      |                                                                                                                     | <b>1</b> |
| <b>28</b> | Differentiate between Generic software and Specific Software on basis of cost of installation and maintenance                                                                                                                                                                                                                  |      |                                                                                                                     | <b>1</b> |
| <b>29</b> | Which of the following situations may not require the use of null value<br>a) When a particular attribute does not apply to an entity.<br>b) Value of an attribute is unknown, although it exist;<br>c) Unknown because it does not exist.<br>d) Multi value attributes may be nested (or grouped) to constitute complex ones. |      |                                                                                                                     | <b>1</b> |
| <b>30</b> | Explain adjusting entries.<br><br><b>Or</b><br>Explain 'Transparency control' and 'Scalability' as features of Computerized Accounting System.                                                                                                                                                                                 |      |                                                                                                                     | <b>3</b> |
| <b>31</b> | Name and explain the function which returns the future value of an investment which has constant payment and interest.                                                                                                                                                                                                         |      |                                                                                                                     | <b>4</b> |
| <b>32</b> | What is meant by conditional formatting? Give its two uses and three benefits.                                                                                                                                                                                                                                                 |      |                                                                                                                     | <b>6</b> |



**Accountancy – Class XII**  
**Marking Scheme (2019-20)**

**PART A**  
**(Accounting for Not-for-Profit Organizations, Partnership Firms and Companies)**

| 1                         | <b>Balance Sheet of ___ NPO. as on ___ Date</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | (1)         |               |               |               |                 |                 |                                             |  |                           |       |  |                                            |  |        |       |  |                                                                                                  |  |        |  |     |                        |  |  |        |  |                                                                                             |  |  |  |     |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------|---------------|---------------|-----------------|-----------------|---------------------------------------------|--|---------------------------|-------|--|--------------------------------------------|--|--------|-------|--|--------------------------------------------------------------------------------------------------|--|--------|--|-----|------------------------|--|--|--------|--|---------------------------------------------------------------------------------------------|--|--|--|-----|
|                           | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Liabilities</th> <th style="width: 15%;">Amount (₹)</th> <th style="width: 30%;">Assets</th> <th style="width: 25%;">Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>Tournament Fund</td> <td style="text-align: right;">80,000</td> <td></td> <td></td> </tr> <tr> <td>Less: Tournament expenses</td> <td style="text-align: right;">14000</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">66,000</td> <td></td> <td></td> </tr> </tbody> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                | Liabilities | Amount (₹)    | Assets        | Amount (₹)    | Tournament Fund | 80,000          |                                             |  | Less: Tournament expenses | 14000 |  |                                            |  | 66,000 |       |  |                                                                                                  |  |        |  |     |                        |  |  |        |  |                                                                                             |  |  |  |     |
| Liabilities               | Amount (₹)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Assets      | Amount (₹)    |               |               |                 |                 |                                             |  |                           |       |  |                                            |  |        |       |  |                                                                                                  |  |        |  |     |                        |  |  |        |  |                                                                                             |  |  |  |     |
| Tournament Fund           | 80,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |             |               |               |               |                 |                 |                                             |  |                           |       |  |                                            |  |        |       |  |                                                                                                  |  |        |  |     |                        |  |  |        |  |                                                                                             |  |  |  |     |
| Less: Tournament expenses | 14000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             |               |               |               |                 |                 |                                             |  |                           |       |  |                                            |  |        |       |  |                                                                                                  |  |        |  |     |                        |  |  |        |  |                                                                                             |  |  |  |     |
|                           | 66,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |             |               |               |               |                 |                 |                                             |  |                           |       |  |                                            |  |        |       |  |                                                                                                  |  |        |  |     |                        |  |  |        |  |                                                                                             |  |  |  |     |
| 2                         | (c) 6% p.a.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | (1)         |               |               |               |                 |                 |                                             |  |                           |       |  |                                            |  |        |       |  |                                                                                                  |  |        |  |     |                        |  |  |        |  |                                                                                             |  |  |  |     |
| 3                         | iii. for the debts of the firm to the third parties;<br>i. to each partner proportionately what is due to him/her from the firm for advances as distinguished from capital (i.e. partner' loan);<br>ii. to each partner proportionately what is due to him on account of capital                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | (1)         |               |               |               |                 |                 |                                             |  |                           |       |  |                                            |  |        |       |  |                                                                                                  |  |        |  |     |                        |  |  |        |  |                                                                                             |  |  |  |     |
| 4                         | b) ₹ 45,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | (1)         |               |               |               |                 |                 |                                             |  |                           |       |  |                                            |  |        |       |  |                                                                                                  |  |        |  |     |                        |  |  |        |  |                                                                                             |  |  |  |     |
| 5                         | 7 ½ months                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (1)         |               |               |               |                 |                 |                                             |  |                           |       |  |                                            |  |        |       |  |                                                                                                  |  |        |  |     |                        |  |  |        |  |                                                                                             |  |  |  |     |
| 6                         | <b>Journal</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |             |               |               |               |                 |                 |                                             |  |                           |       |  |                                            |  |        |       |  |                                                                                                  |  |        |  |     |                        |  |  |        |  |                                                                                             |  |  |  |     |
|                           | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 40%;">Particulars</th> <th style="width: 5%;">L.F.</th> <th style="width: 20%;">Debit (₹)</th> <th style="width: 25%;">Credit (₹)</th> </tr> </thead> <tbody> <tr> <td>2018<br/>April,1</td> <td>Ankit's capital A/c                      Dr</td> <td></td> <td style="text-align: right;">30,250</td> <td></td> </tr> <tr> <td></td> <td>Unnati Capital A/c                      Dr</td> <td></td> <td style="text-align: right;">18,150</td> <td></td> </tr> <tr> <td></td> <td>Aryan's Capital A/c                      Dr</td> <td></td> <td style="text-align: right;">12,100</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">To Profit and Loss A/c</td> <td></td> <td></td> <td style="text-align: right;">60,500</td> </tr> <tr> <td></td> <td>(Being Profit and Loss debit balance distributed at time of change in profit sharing ratio)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> | Date        | Particulars   | L.F.          | Debit (₹)     | Credit (₹)      | 2018<br>April,1 | Ankit's capital A/c                      Dr |  | 30,250                    |       |  | Unnati Capital A/c                      Dr |  | 18,150 |       |  | Aryan's Capital A/c                      Dr                                                      |  | 12,100 |  |     | To Profit and Loss A/c |  |  | 60,500 |  | (Being Profit and Loss debit balance distributed at time of change in profit sharing ratio) |  |  |  | (1) |
| Date                      | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | L.F.        | Debit (₹)     | Credit (₹)    |               |                 |                 |                                             |  |                           |       |  |                                            |  |        |       |  |                                                                                                  |  |        |  |     |                        |  |  |        |  |                                                                                             |  |  |  |     |
| 2018<br>April,1           | Ankit's capital A/c                      Dr                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |             | 30,250        |               |               |                 |                 |                                             |  |                           |       |  |                                            |  |        |       |  |                                                                                                  |  |        |  |     |                        |  |  |        |  |                                                                                             |  |  |  |     |
|                           | Unnati Capital A/c                      Dr                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |             | 18,150        |               |               |                 |                 |                                             |  |                           |       |  |                                            |  |        |       |  |                                                                                                  |  |        |  |     |                        |  |  |        |  |                                                                                             |  |  |  |     |
|                           | Aryan's Capital A/c                      Dr                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |             | 12,100        |               |               |                 |                 |                                             |  |                           |       |  |                                            |  |        |       |  |                                                                                                  |  |        |  |     |                        |  |  |        |  |                                                                                             |  |  |  |     |
|                           | To Profit and Loss A/c                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |             |               | 60,500        |               |                 |                 |                                             |  |                           |       |  |                                            |  |        |       |  |                                                                                                  |  |        |  |     |                        |  |  |        |  |                                                                                             |  |  |  |     |
|                           | (Being Profit and Loss debit balance distributed at time of change in profit sharing ratio)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |             |               |               |               |                 |                 |                                             |  |                           |       |  |                                            |  |        |       |  |                                                                                                  |  |        |  |     |                        |  |  |        |  |                                                                                             |  |  |  |     |
| 7                         | Total Capital as per C's Share (4,00,000 X (5/1))                      20,00,000<br>Less Actual capital of A,B,C ( 10,00,000 + 4,00,000)                      14,00,000<br><br>Value of firm's Goodwill                      6,00,000<br><span style="border-top: 1px solid black; display: block; margin-left: 100px; width: 100px;"></span> C's share of Goodwill = 6,00,000X (1/5) = ₹ 1,20,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | (1/2)       |               |               |               |                 |                 |                                             |  |                           |       |  |                                            |  |        |       |  |                                                                                                  |  |        |  |     |                        |  |  |        |  |                                                                                             |  |  |  |     |
|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | (1/2)       |               |               |               |                 |                 |                                             |  |                           |       |  |                                            |  |        |       |  |                                                                                                  |  |        |  |     |                        |  |  |        |  |                                                                                             |  |  |  |     |
| 8                         | <b>Journal</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |             |               |               |               |                 |                 |                                             |  |                           |       |  |                                            |  |        |       |  |                                                                                                  |  |        |  |     |                        |  |  |        |  |                                                                                             |  |  |  |     |
|                           | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 40%;">Particulars</th> <th style="width: 5%;">L.F.</th> <th style="width: 20%;">Dr Amount (₹)</th> <th style="width: 25%;">Dr Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>2018<br/>Nov,2</td> <td>Profit and Loss Suspense A/c      Dr.</td> <td></td> <td style="text-align: right;">9,375</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">To Kavleen's Capital A/c</td> <td></td> <td></td> <td style="text-align: right;">9,375</td> </tr> <tr> <td></td> <td>(Being Kavleen's share of profit up to the date of her death transferred to her capital account)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>                                                                                                                                                                                                                                                                              | Date        | Particulars   | L.F.          | Dr Amount (₹) | Dr Amount (₹)   | 2018<br>Nov,2   | Profit and Loss Suspense A/c      Dr.       |  | 9,375                     |       |  | To Kavleen's Capital A/c                   |  |        | 9,375 |  | (Being Kavleen's share of profit up to the date of her death transferred to her capital account) |  |        |  | (1) |                        |  |  |        |  |                                                                                             |  |  |  |     |
| Date                      | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | L.F.        | Dr Amount (₹) | Dr Amount (₹) |               |                 |                 |                                             |  |                           |       |  |                                            |  |        |       |  |                                                                                                  |  |        |  |     |                        |  |  |        |  |                                                                                             |  |  |  |     |
| 2018<br>Nov,2             | Profit and Loss Suspense A/c      Dr.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             | 9,375         |               |               |                 |                 |                                             |  |                           |       |  |                                            |  |        |       |  |                                                                                                  |  |        |  |     |                        |  |  |        |  |                                                                                             |  |  |  |     |
|                           | To Kavleen's Capital A/c                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |             |               | 9,375         |               |                 |                 |                                             |  |                           |       |  |                                            |  |        |       |  |                                                                                                  |  |        |  |     |                        |  |  |        |  |                                                                                             |  |  |  |     |
|                           | (Being Kavleen's share of profit up to the date of her death transferred to her capital account)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |             |               |               |               |                 |                 |                                             |  |                           |       |  |                                            |  |        |       |  |                                                                                                  |  |        |  |     |                        |  |  |        |  |                                                                                             |  |  |  |     |
| 9                         | <b>Journal</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |             |               |               |               |                 |                 |                                             |  |                           |       |  |                                            |  |        |       |  |                                                                                                  |  |        |  |     |                        |  |  |        |  |                                                                                             |  |  |  |     |

|                                           | <table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>L.F</th> <th>Dr Amount (₹)</th> <th>Dr Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>2019 April, 1</td> <td>Investment Fluctuation Reserve A/c Dr.<br/>To Investment A/c<br/>To A's capital A/c<br/>To B's Capital A/c<br/>(Being the transfer of excess Investment Fluctuation reserve to partner's capital account in old profit sharing ratio)</td> <td></td> <td>60,000</td> <td>20,000<br/>24,000<br/>16,000</td> </tr> </tbody> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Date                                                                        | Particulars   | L.F                                       | Dr Amount (₹) | Dr Amount (₹)                   | 2019 April, 1 | Investment Fluctuation Reserve A/c Dr.<br>To Investment A/c<br>To A's capital A/c<br>To B's Capital A/c<br>(Being the transfer of excess Investment Fluctuation reserve to partner's capital account in old profit sharing ratio) |          | 60,000                  | 20,000<br>24,000<br>16,000 | (1)                    |        |                                   |                          |                      |                        |                             |        |                                                                    |                                                           |                 |                                                      |                                                   |        |                                                                       |                                                                             |                                         |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|---------------|-------------------------------------------|---------------|---------------------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-------------------------|----------------------------|------------------------|--------|-----------------------------------|--------------------------|----------------------|------------------------|-----------------------------|--------|--------------------------------------------------------------------|-----------------------------------------------------------|-----------------|------------------------------------------------------|---------------------------------------------------|--------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------|
| Date                                      | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | L.F                                                                         | Dr Amount (₹) | Dr Amount (₹)                             |               |                                 |               |                                                                                                                                                                                                                                   |          |                         |                            |                        |        |                                   |                          |                      |                        |                             |        |                                                                    |                                                           |                 |                                                      |                                                   |        |                                                                       |                                                                             |                                         |
| 2019 April, 1                             | Investment Fluctuation Reserve A/c Dr.<br>To Investment A/c<br>To A's capital A/c<br>To B's Capital A/c<br>(Being the transfer of excess Investment Fluctuation reserve to partner's capital account in old profit sharing ratio)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                             | 60,000        | 20,000<br>24,000<br>16,000                |               |                                 |               |                                                                                                                                                                                                                                   |          |                         |                            |                        |        |                                   |                          |                      |                        |                             |        |                                                                    |                                                           |                 |                                                      |                                                   |        |                                                                       |                                                                             |                                         |
| 10                                        | because the claim of the partner against the firm is increased by the amount of liability assumed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (1)                                                                         |               |                                           |               |                                 |               |                                                                                                                                                                                                                                   |          |                         |                            |                        |        |                                   |                          |                      |                        |                             |        |                                                                    |                                                           |                 |                                                      |                                                   |        |                                                                       |                                                                             |                                         |
| 11                                        | <p>C's Share acquired from A and B each = <math>\frac{1}{5} \times \frac{1}{2} = \frac{1}{10}</math></p> <p>A's Share = <math>\frac{3}{5} - \frac{1}{10} = \frac{5}{10}</math></p> <p>B's Share = <math>\frac{2}{5} - \frac{1}{10} = \frac{3}{10}</math></p> <p>New Profit Sharing ratio of A: B: C is 5:3:2</p> <p>Yes, new profit sharing ratio is 5:3:2</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 1                                                                           |               |                                           |               |                                 |               |                                                                                                                                                                                                                                   |          |                         |                            |                        |        |                                   |                          |                      |                        |                             |        |                                                                    |                                                           |                 |                                                      |                                                   |        |                                                                       |                                                                             |                                         |
| 12                                        | b) ₹ 2,50,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | (1)                                                                         |               |                                           |               |                                 |               |                                                                                                                                                                                                                                   |          |                         |                            |                        |        |                                   |                          |                      |                        |                             |        |                                                                    |                                                           |                 |                                                      |                                                   |        |                                                                       |                                                                             |                                         |
| 13                                        | Reserve Capital                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | (1)                                                                         |               |                                           |               |                                 |               |                                                                                                                                                                                                                                   |          |                         |                            |                        |        |                                   |                          |                      |                        |                             |        |                                                                    |                                                           |                 |                                                      |                                                   |        |                                                                       |                                                                             |                                         |
| 14                                        | <p><b>a) Statement Showing Expenditure on Medicine consumed during the year ending 31<sup>st</sup> March,2019:-</b></p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>Amount paid for medicines during the year</td> <td>2,00,000</td> </tr> <tr> <td>Add: Opening Stock of medicines</td> <td>50,000</td> </tr> <tr> <td>Less: Closing stock of medicines</td> <td>(95,000)</td> </tr> <tr> <td>Less: Opening Creditors</td> <td>(20,000)</td> </tr> <tr> <td>Add: Closing creditors</td> <td>10,000</td> </tr> <tr> <td>Medicine consumed during the year</td> <td><u>1,45,000</u><br/>-----</td> </tr> </tbody> </table> <p style="text-align: center;">Or</p> <table border="1"> <thead> <tr> <th>Basis of distinction</th> <th>Income and Expenditure</th> <th>Receipt and Payment Account</th> </tr> </thead> <tbody> <tr> <td>Nature</td> <td>It is like as profit and loss account, hence is a nominal account.</td> <td>It is the summary of the cash book, hence a real account.</td> </tr> <tr> <td>Nature of Items</td> <td>It records items of Revenue and expense nature only.</td> <td>It records receipts and payment of cash and bank.</td> </tr> <tr> <td>Period</td> <td>Items in Income and Expenditure account relate to the current period.</td> <td>Receipts and payments items may relate to preceding and succeeding periods.</td> </tr> </tbody> </table> | Particulars                                                                 | Amount (₹)    | Amount paid for medicines during the year | 2,00,000      | Add: Opening Stock of medicines | 50,000        | Less: Closing stock of medicines                                                                                                                                                                                                  | (95,000) | Less: Opening Creditors | (20,000)                   | Add: Closing creditors | 10,000 | Medicine consumed during the year | <u>1,45,000</u><br>----- | Basis of distinction | Income and Expenditure | Receipt and Payment Account | Nature | It is like as profit and loss account, hence is a nominal account. | It is the summary of the cash book, hence a real account. | Nature of Items | It records items of Revenue and expense nature only. | It records receipts and payment of cash and bank. | Period | Items in Income and Expenditure account relate to the current period. | Receipts and payments items may relate to preceding and succeeding periods. | <p>½ X 6</p> <p>1</p> <p>1</p> <p>1</p> |
| Particulars                               | Amount (₹)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                             |               |                                           |               |                                 |               |                                                                                                                                                                                                                                   |          |                         |                            |                        |        |                                   |                          |                      |                        |                             |        |                                                                    |                                                           |                 |                                                      |                                                   |        |                                                                       |                                                                             |                                         |
| Amount paid for medicines during the year | 2,00,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                             |               |                                           |               |                                 |               |                                                                                                                                                                                                                                   |          |                         |                            |                        |        |                                   |                          |                      |                        |                             |        |                                                                    |                                                           |                 |                                                      |                                                   |        |                                                                       |                                                                             |                                         |
| Add: Opening Stock of medicines           | 50,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                             |               |                                           |               |                                 |               |                                                                                                                                                                                                                                   |          |                         |                            |                        |        |                                   |                          |                      |                        |                             |        |                                                                    |                                                           |                 |                                                      |                                                   |        |                                                                       |                                                                             |                                         |
| Less: Closing stock of medicines          | (95,000)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                             |               |                                           |               |                                 |               |                                                                                                                                                                                                                                   |          |                         |                            |                        |        |                                   |                          |                      |                        |                             |        |                                                                    |                                                           |                 |                                                      |                                                   |        |                                                                       |                                                                             |                                         |
| Less: Opening Creditors                   | (20,000)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                             |               |                                           |               |                                 |               |                                                                                                                                                                                                                                   |          |                         |                            |                        |        |                                   |                          |                      |                        |                             |        |                                                                    |                                                           |                 |                                                      |                                                   |        |                                                                       |                                                                             |                                         |
| Add: Closing creditors                    | 10,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                             |               |                                           |               |                                 |               |                                                                                                                                                                                                                                   |          |                         |                            |                        |        |                                   |                          |                      |                        |                             |        |                                                                    |                                                           |                 |                                                      |                                                   |        |                                                                       |                                                                             |                                         |
| Medicine consumed during the year         | <u>1,45,000</u><br>-----                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                             |               |                                           |               |                                 |               |                                                                                                                                                                                                                                   |          |                         |                            |                        |        |                                   |                          |                      |                        |                             |        |                                                                    |                                                           |                 |                                                      |                                                   |        |                                                                       |                                                                             |                                         |
| Basis of distinction                      | Income and Expenditure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Receipt and Payment Account                                                 |               |                                           |               |                                 |               |                                                                                                                                                                                                                                   |          |                         |                            |                        |        |                                   |                          |                      |                        |                             |        |                                                                    |                                                           |                 |                                                      |                                                   |        |                                                                       |                                                                             |                                         |
| Nature                                    | It is like as profit and loss account, hence is a nominal account.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | It is the summary of the cash book, hence a real account.                   |               |                                           |               |                                 |               |                                                                                                                                                                                                                                   |          |                         |                            |                        |        |                                   |                          |                      |                        |                             |        |                                                                    |                                                           |                 |                                                      |                                                   |        |                                                                       |                                                                             |                                         |
| Nature of Items                           | It records items of Revenue and expense nature only.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | It records receipts and payment of cash and bank.                           |               |                                           |               |                                 |               |                                                                                                                                                                                                                                   |          |                         |                            |                        |        |                                   |                          |                      |                        |                             |        |                                                                    |                                                           |                 |                                                      |                                                   |        |                                                                       |                                                                             |                                         |
| Period                                    | Items in Income and Expenditure account relate to the current period.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Receipts and payments items may relate to preceding and succeeding periods. |               |                                           |               |                                 |               |                                                                                                                                                                                                                                   |          |                         |                            |                        |        |                                   |                          |                      |                        |                             |        |                                                                    |                                                           |                 |                                                      |                                                   |        |                                                                       |                                                                             |                                         |

| Journal            |                                                                                                                                                                   |     |                  |               |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|------------------|---------------|
| Date               | Particulars                                                                                                                                                       | L.F | Dr Amount (₹)    | Dr Amount (₹) |
| September 30, 2019 | Ana's Capital A/c Dr<br>Pranjal's Capital A/c Dr<br>To Danish's Capital A/c<br>(Being Danish's share of goodwill adjusted in capital Accounts of Ana and Pranjal) |     | 18,000<br>12,000 | 30,000        |
| September 30, 2019 | Profit and Loss Suspense A/c Dr<br>To Danish's Capital A/c<br>(Being Danish's share of profit up to date of his death transferred to his capital account)         |     | 5,400            | 5,400         |
| September 30, 2019 | Danish's Capital A/c Dr<br>To Danish's Executor's A/c<br>(Being amount due to Danish transferred to his executor's account)                                       |     | 5,35,400         | 5,35,400      |

Working Notes:-  
Sales = 2,00,000 + 20% of 2,00,000  
= 2,00,000 +40,000  
Profit % = 10% - 1% = 9%  
Danish's Share of Profit = ₹ 2,40,000 X 9/100 X 5/10 X 6/12 = ₹ 5,400

| Journal          |                                                                                                                                            |      |                      |               |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------|------|----------------------|---------------|
| Date             | Particulars                                                                                                                                | L.F. | Dr Amount (₹)        | Dr Amount (₹) |
| 2018<br>March,31 | Maanika's capital A/c Dr.<br>Bhavi's Capital A/c Dr.<br>To Komal's Capital A/c<br>(Being the deficiency of komal met by Maanika and Bhavi) |      | 2,40,000<br>1,60,000 | 4,00,000      |

**Dr** **Profit and Loss Appropriation A/c** **Cr**  
**For the year ended 31<sup>st</sup> March, 2018**

| Particulars                       | Amount (₹)                | Particulars                                                                                   | Amount (₹)                        |
|-----------------------------------|---------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------|
| To Net Loss (Profit and Loss A/c) | 22,00,000                 | By Loss transferred to<br>Maanika's capital a/c<br>Bhavi's capital a/c<br>Komal's Capital a/c | 12,00,000<br>8,00,000<br>2,00,000 |
|                                   | <u>22,00,000</u><br>===== |                                                                                               | <u>22,00,000</u><br>=====         |

Working note:  
Loss of the firm : 22,00,000  
Komal's share of loss =22,00,000 X1/11 = 2,00,000  
Guaranteed minimum profit=2,00,000

**OR**

| Firm's |        | Particular's          | Alia's |        | Bhanu's |        | Chand's |        |
|--------|--------|-----------------------|--------|--------|---------|--------|---------|--------|
| Dr     | Cr     |                       | Dr     | Cr     | Dr      | Cr     | Dr      | Cr     |
|        | 80,000 | Profits Given         | 30,000 |        | 30,000  |        | 20,000  |        |
| 40,000 |        | Salary                |        | 18,000 |         | 4,000  |         | 18,000 |
| 40,000 |        | Profit to be credited |        | 15,000 |         | 15,000 |         | 10,000 |

|  |  |  |        |        |        |        |        |        |
|--|--|--|--------|--------|--------|--------|--------|--------|
|  |  |  | 30,000 | 33,000 | 30,000 | 19,000 | 20,000 | 28,000 |
|--|--|--|--------|--------|--------|--------|--------|--------|

**RECTIFYING JOURNAL ENTRY**

| Date                         | Particulars                                                                                                                                     | L.F. | Amount (₹) | Amount (₹)     |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|------|------------|----------------|
| 31 <sup>st</sup> March, 2017 | Bhanu's Capital A/c Dr<br>To Chand's Capital A/c<br>To Alia's Capital A/c<br>(Being Salary, profit share incorrectly distributed, now adjusted) |      | 11,000     | 3,000<br>8,000 |

17

**Extract of Balance Sheet of Bliss Products Ltd.**

As at

| Particulars                      | Note No. | Amount Current Year | Amount Previous Year |
|----------------------------------|----------|---------------------|----------------------|
| <b>I. EQUITY AND LIABILITIES</b> |          |                     |                      |
| <b>1. Shareholder's Fund</b>     |          |                     |                      |
| a. Share Capital                 | 1        | 39,70,000           |                      |

Notes to Accounts:

| Note No. | Particulars                                       | Amount (₹) |
|----------|---------------------------------------------------|------------|
| 1        | <b>Share Capital</b>                              |            |
|          | <b>Authorized Capital</b>                         | 90,00,000  |
|          | 90,000 Equity shares of ₹ 100 each                |            |
|          | <b>Issued Capital</b>                             | 50,00,000  |
|          | 50,000 Equity shares of ₹ 100 each                |            |
|          | <b>Subscribed Capital</b>                         |            |
|          | <b>Subscribed and Fully Paid Capital</b>          |            |
|          | 39,000 Equity shares of ₹ 100 each                | 39,00,000  |
|          | <b>Add:</b> Forfeited Shares (1,000 of ₹ 70 each) | 70,000     |
|          |                                                   | 39,70,000  |

18

Journal

| Date | Particulars                                                                                                                    | L.F. | Amount (₹) | Amount (₹) |
|------|--------------------------------------------------------------------------------------------------------------------------------|------|------------|------------|
|      | Realization A/c Dr<br>To K's Capital A/c<br>(Being wife's loan discharged by the partner)                                      |      | 6,000      | 6,000      |
|      | Realization A/c Dr<br>To Bank A/c<br>(Being balance creditor's paid at a discount of 10% after part payment through furniture) |      | 27,000     | 27,000     |

(4)

|  |                                                                                                                                                           |                |  |                         |  |        |  |
|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--|-------------------------|--|--------|--|
|  | K's Capital Account<br>To Realization A/c<br>(Being unrecorded machine taken over by a partner)                                                           | Dr             |  | 3,000                   |  | 3,000  |  |
|  | R's Capital A/c<br>K's Capital A/c<br>S's Capital A/c<br>To Profit and Loss A/c<br>( being debit balance of Profit and Loss distributed amongst partners) | Dr<br>Dr<br>Dr |  | 5,000<br>5,000<br>5,000 |  | 15,000 |  |

19

**Dr. Income and Expenditure Account Cr**  
**For the year ended 31<sup>st</sup> March, 2019**

| Expenditure                                         | Amount (₹) | Income                           | Amount (₹) |
|-----------------------------------------------------|------------|----------------------------------|------------|
| To Advertisement                                    | 13,100     | By Donations                     | 20,000     |
| To Rent, Rates and Taxes                            | 14,000     | By Proceeds from<br>Charity show | 16,200     |
| To Repairs                                          | 15,000     | By Subscription                  | 52,000     |
| To Printing and Stationery                          | 16,000     | By Entrance fees                 | 6,000      |
| To Telephone expenses                               | 1,000      | By Interest on<br>investments    | 7,200      |
| To Depreciation on furniture<br>(70000x15/100x9/12) | 7,875      |                                  |            |
| To excess of Income over<br>expenditure             | 34,425     |                                  |            |
|                                                     | 1,01,400   |                                  | 1,01,400   |
|                                                     | 1,01,400   |                                  | 1,01,400   |

(½ X  
10) = 5  
+ 1  
(subs)

**Dr Subscription Account Cr**

| Particulars                                 | Amount (₹)    | Particulars                       | Amount (₹)    |
|---------------------------------------------|---------------|-----------------------------------|---------------|
| To Subscription in arrears in the beginning | 6,000         | By Subscription in advance at end | 4,000         |
| To Income and Expenditure                   | 52,000        | By Receipts and Payments          | 52,000        |
| To Subscription in advance at end           | 5,000         | By Subscription in arrears at end | 7,000         |
|                                             | <b>63,000</b> |                                   | <b>63,000</b> |

20

**Journal**

| Date | Particulars                                                                                                                                                                                                                                         | L.F      | Amount (₹)           | Amount (₹)             |     |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------------|------------------------|-----|
|      | Bank A/c<br>To Deb Application and Allotment A/c<br>(Being the application money received)                                                                                                                                                          | Dr.      | 1,05,000             | 1,05,000               | [2] |
|      | Debenture Application and Allotment A/c<br>Loss on Issue of Debenture A/c<br>To 12% Debenture A/c<br>To Security Premium Reserve<br>To Premium on Redemption A/c<br>(Being 1,000 debentures issued at a premium of 5% and redeemable at 2% premium) | Dr<br>Dr | 1,05,000<br>2,000    | 100000<br>5000<br>2000 | [2] |
|      | Vendor A/c<br>Discount on issue of Debenture A/c<br>To 12% Debenture<br>(Being Debentures issued to vendors at a                                                                                                                                    | Dr       | 9,00,000<br>1,00,000 | 10,00,000              | [2] |

|           |                                                                                                                           |                                                                                                                                                                                |                    |                       |                       |          |
|-----------|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------------------|-----------------------|----------|
| b)        | discount of 10% )                                                                                                         |                                                                                                                                                                                |                    |                       |                       |          |
|           | Debenture Suspense A/c<br>To 11% Debenture A/c<br>(Being 10,000 11% debentures of ₹ 100 issued<br>as collateral security) | Dr                                                                                                                                                                             |                    | 1000000               |                       | 1000000  |
| <b>Or</b> |                                                                                                                           |                                                                                                                                                                                |                    |                       |                       |          |
| c)        | <b>Date</b>                                                                                                               | <b>Particulars</b>                                                                                                                                                             | <b>L.F</b>         | <b>Amount<br/>(₹)</b> | <b>Amount<br/>(₹)</b> |          |
|           |                                                                                                                           | Debenture Redemption Investment A/c Dr<br>To Bank A/c<br>(being specified investments purchased)                                                                               |                    | 30,000                |                       | 30,000   |
|           |                                                                                                                           | 10% Debenture A/c Dr<br>To Debenture Holder A/c<br>(being debenture due for redemption)                                                                                        |                    | 2,00,000              |                       | 2,00,000 |
|           |                                                                                                                           | Debenture Holder A/c Dr<br>To Bank A/c<br>(Being payment made to debenture holders)                                                                                            |                    | 2,00,000              |                       | 2,00,000 |
|           |                                                                                                                           | Debenture Redemption Reserve A/c Dr<br>To General Reserve A/c<br>(Being the transfer of Debenture Redemption<br>Reserve to General Reserve on the<br>redemption of debentures) |                    | 50,000                |                       | 50,000   |
| 21        | <b>Dr. Revaluation Account Cr.</b>                                                                                        |                                                                                                                                                                                |                    |                       |                       |          |
|           | <b>Particulars</b>                                                                                                        | <b>Amount (₹)</b>                                                                                                                                                              | <b>Particulars</b> | <b>Amount (₹)</b>     |                       |          |
|           | To Machinery A/c                                                                                                          | 21,000                                                                                                                                                                         | By Stock A/c       | 70,000                |                       |          |
|           | To Furniture A/c                                                                                                          |                                                                                                                                                                                |                    |                       |                       |          |
|           | To Provision for<br>doubtful debts                                                                                        | 5,000<br>8,000                                                                                                                                                                 |                    |                       |                       |          |
|           | To partner's<br>Capital A/c- Gain<br>on revaluation                                                                       | 36,000                                                                                                                                                                         |                    |                       |                       |          |
|           | Gautam's Capital<br>A/c 27,000                                                                                            |                                                                                                                                                                                |                    |                       |                       |          |
|           | Yashica's Capital<br>A/c 9,000                                                                                            |                                                                                                                                                                                |                    |                       |                       |          |
|           |                                                                                                                           | 70,000<br>=====                                                                                                                                                                |                    | 70,000<br>=====       |                       |          |

|                                          |                       |                        |                     |                             |                       |                        |                     |
|------------------------------------------|-----------------------|------------------------|---------------------|-----------------------------|-----------------------|------------------------|---------------------|
| <b>Dr. Partner's Capital Account Cr.</b> |                       |                        |                     |                             |                       |                        |                     |
| <b>Particulars</b>                       | <b>Gautam<br/>(₹)</b> | <b>Yashica<br/>(₹)</b> | <b>Asma<br/>(₹)</b> | <b>Particulars</b>          | <b>Gautam<br/>(₹)</b> | <b>Yashica<br/>(₹)</b> | <b>Asma<br/>(₹)</b> |
| To Gautam's<br>current A/c               | 2,67,000              | ----                   | ----                | By balance b/d              | 4,00,000              | 1,00,000               | ---                 |
|                                          |                       |                        |                     | By Revaluation A/c          | 27,000                | 9,000                  | ---                 |
|                                          |                       |                        |                     | By Bank A/c                 | ---                   | ----                   | 2,10,000            |
|                                          |                       |                        |                     | By Premium for<br>Goodwill  | 50,000                | ---                    | -----               |
| To balance<br>c/d                        | 2,10,000              | 1,40,000               | 2,10,000            | By Yashica's current<br>A/c |                       | 31,000                 |                     |
|                                          | 4,77,000<br>=====     | 1,40,000<br>=====      | 2,00,000<br>=====   |                             | 4,77,000<br>=====     | 1,40,000<br>=====      | 2,10,000<br>=====   |

**Balance sheet of Gautam, Yashica and Asma  
As at 31.3.2018**

| Liabilities          | Amount (₹)      | Assets                           | Amount (₹)      |
|----------------------|-----------------|----------------------------------|-----------------|
| Sundry Creditors     | 50,000          | Cash                             | 3,50,000        |
| Bills Payable        | 30,000          | Debtors                          | 80,000          |
| Capital Accounts:-   |                 | (-) Provision for doubtful debts | 8,000           |
| Gautam- 2,10,000     |                 | Stock                            | 2,10,000        |
| Yashica- 1,40,000    |                 | Furniture                        | 60,000          |
| Asma <u>2,10,000</u> | 5,60,000        | (-) Depreciation                 | 5,000           |
| Gautam's current A/c | 2,67,000        | Machinery                        | 2,10,000        |
|                      |                 | (-) Depreciation                 | 21,000          |
|                      |                 | Yashica's current A/c            | 31,000          |
|                      | <u>9,07,000</u> |                                  | <u>9,07,000</u> |

[2]

**Working Note:-** Total Capital of the firm = 2,10,000 x 8/3

$$= 5,60,000$$

Gautam's capital in the firm = 5,60,000 x 3/8

$$= 2,10,000$$

Yashica's capital in the firm = 5,60,000 x 2/8

$$= 1,40,000$$

**OR**

| Dr.                                            |              | Revaluation Account |            | Cr. |  |
|------------------------------------------------|--------------|---------------------|------------|-----|--|
| Particulars                                    | Amount (₹)   | Particulars         | Amount (₹) |     |  |
| To Provision for doubtful debts                | 700          | By Creditors A/c    | 2,500      |     |  |
| To Partner's Capital A/c – Gain on Revaluation |              |                     |            |     |  |
| X                                              | 900          |                     |            |     |  |
| Y                                              | 600          |                     |            |     |  |
| Z                                              | <u>300</u>   |                     |            |     |  |
|                                                | 1,800        |                     |            |     |  |
|                                                | <u>2,500</u> |                     |            |     |  |
|                                                | <u>2,500</u> |                     |            |     |  |

[3]

| Dr.                |               |               |               | Partner's Capital Account        |               |               |               | Cr. |  |  |  |
|--------------------|---------------|---------------|---------------|----------------------------------|---------------|---------------|---------------|-----|--|--|--|
| Particulars        | X (₹)         | Y (₹)         | Z (₹)         | Particulars                      | X (₹)         | Y (₹)         | Z (₹)         |     |  |  |  |
| To Z's capital A/c | 9,000         | ---           | 3,000         | By balance b/d                   | 90,000        | 60,000        | 30,000        |     |  |  |  |
| To Cash a/c        | ---           | 9,000         | ---           | By Reserve A/c                   | 3,000         | 2,000         | 1,000         |     |  |  |  |
| To Y's Loan A/c    | ---           | 68,600        | ---           | By Revaluation A/c               | 900           | 600           | 300           |     |  |  |  |
| To balance c/d     | 90,000        |               | 30,000        | By Workmen compensation Fund A/c | 4,500         | 3,000         | 1,500         |     |  |  |  |
|                    |               |               |               | By X's Capital A/c               | ---           | 9,000         | ---           |     |  |  |  |
|                    |               |               |               | By Y's Capital A/c               | ---           | 3,000         | ---           |     |  |  |  |
|                    |               |               |               | By Cash A/c                      | 600           | ---           | 200           |     |  |  |  |
|                    | <u>99,000</u> | <u>77,600</u> | <u>33,000</u> |                                  | <u>99,000</u> | <u>77,600</u> | <u>33,000</u> |     |  |  |  |

[3]

**Balance sheet of X and Z**  
As at 31st March, 2018

| Liabilities        | Amount (₹)      | Assets                           | Amount (₹)      |
|--------------------|-----------------|----------------------------------|-----------------|
| Sundry Creditors   | 14,100          | Cash                             | 6,800           |
| Y's Loan A/c       | 68,600          | Debtors                          | 21,000          |
| Capital Accounts:- |                 | (-) Provision for doubtful debts | <u>2,100</u>    |
| X- 90,000          |                 | Stock                            | 19,000          |
| Y- <u>30,000</u>   | 1,20,000        | Machinery                        | 58,000          |
|                    |                 | Building                         | 1,00,000        |
|                    | <u>2,02,700</u> |                                  | <u>2,02,700</u> |

[2]

Working note:-

1. Calculation of Gaining Ratio:

|               | X    | Y   | Z    |
|---------------|------|-----|------|
| Old Ratio     | 3/6  | 2/6 | 1/6  |
| New Ratio     | 3/4  | --  | 1/4  |
| Gaining Ratio | 3/12 | --- | 1/12 |

2. Y's share of Goodwill  $36,000 \times \frac{2}{6} = 12,000$

22

| Date | Particulars                                                                                                                                                                                                    | L.F | Amount (₹)                       | Amount (₹)             |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----------------------------------|------------------------|
|      | Bank A/c Dr<br>To Share Application A/c<br>(Being application money received)                                                                                                                                  |     | 36,00,000                        | 36,00,000              |
|      | Share Application A/c Dr<br>To Share Capital A/c<br>To Call in Advance A/c<br>(being application money transferred to share capital, securities premium reserve, calls)                                        |     | 36,00,000                        | 24,00,000<br>12,00,000 |
|      | Share Allotment A/c Dr<br>To Share Capital A/c<br>To Security Premium Reserve A/c<br>(Being allotment money due)                                                                                               |     | 24,00,000                        | 16,00,000<br>8,00,000  |
|      | Bank A/c Dr<br>Call in Advance A/c Dr<br>Call in arrear A/c Dr<br>To Share Allotment A/c<br>(Being first call money received)                                                                                  |     | 11,76,000<br>12,00,000<br>24,000 | 24,00,000              |
|      | Share First Call A/c DR<br>To Share Capital A/c<br>(Being first call money due)                                                                                                                                |     | 24,00,000                        | 24,00,000              |
|      | Bank A/c Dr<br>Call in Arrears A/c Dr<br>To Share First Call<br>(Being first call money received)                                                                                                              |     | 22,32,000<br>1,68,000            | 24,00,000              |
|      | Share Capital A/c Dr<br>Security Premium Reserve A/c Dr<br>To Call in Arrear A/c DR<br>To Share Forfeited A/c<br>(Being Dhvani and Sargam's share's forfeited for non- payment of allotment and/or call money) |     | 4,48,000<br>16,000               | 2,72,000<br>1,92,000   |
|      | Bank A/c Dr<br>To Share Capital A/c                                                                                                                                                                            |     | 19,00,000                        | 1,60,000               |

[ ½ ]

[1]

[ ½ ]

[1]

[ ½ ]

[1]



|                                                                                                                                | <table border="1"> <tr> <td>To Security Premium Reserve A/c<br/>(Being forfeited share's reissued for 95 per share ₹ 80 paid up)</td> <td></td> <td></td> <td>30,000</td> <td></td> <td>[1½]</td> </tr> <tr> <td>Share Forfeited A/c Dr<br/>To Capital Reserve A/c<br/>(Being balance in share forfeiture account transferred to capital reserve)</td> <td></td> <td>92,000</td> <td></td> <td>92,000</td> <td>[1]</td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                         | To Security Premium Reserve A/c<br>(Being forfeited share's reissued for 95 per share ₹ 80 paid up) |               |                | 30,000        |               | [1½] | Share Forfeited A/c Dr<br>To Capital Reserve A/c<br>(Being balance in share forfeiture account transferred to capital reserve) |                                                                                                                                                         | 92,000 |              | 92,000         | [1]        |  |                                                                                                                      |  |           |     |     |  |                                                                                                                                        |  |     |     |     |
|--------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|---------------|----------------|---------------|---------------|------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------------|----------------|------------|--|----------------------------------------------------------------------------------------------------------------------|--|-----------|-----|-----|--|----------------------------------------------------------------------------------------------------------------------------------------|--|-----|-----|-----|
| To Security Premium Reserve A/c<br>(Being forfeited share's reissued for 95 per share ₹ 80 paid up)                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                     | 30,000        |                | [1½]          |               |      |                                                                                                                                |                                                                                                                                                         |        |              |                |            |  |                                                                                                                      |  |           |     |     |  |                                                                                                                                        |  |     |     |     |
| Share Forfeited A/c Dr<br>To Capital Reserve A/c<br>(Being balance in share forfeiture account transferred to capital reserve) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 92,000                                                                                              |               | 92,000         | [1]           |               |      |                                                                                                                                |                                                                                                                                                         |        |              |                |            |  |                                                                                                                      |  |           |     |     |  |                                                                                                                                        |  |     |     |     |
|                                                                                                                                | <b>Or</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                     |               |                | [1]           |               |      |                                                                                                                                |                                                                                                                                                         |        |              |                |            |  |                                                                                                                      |  |           |     |     |  |                                                                                                                                        |  |     |     |     |
| a)                                                                                                                             | <table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>L.F</th> <th>Amount<br/>(₹)</th> <th>Amount<br/>(₹)</th> <th></th> </tr> </thead> <tbody> <tr> <td></td> <td>Equity Share Capital A/c Dr<br/>To Equity Share Forfeited A/c<br/>To Calls in Arrears A/c<br/>( Being forfeiture of 10 shares executed)</td> <td></td> <td>70</td> <td>50<br/>20</td> <td></td> </tr> <tr> <td></td> <td>Bank A/c Dr<br/>To Share Capital A/c<br/>(Being eight shares reissued to Y as ₹ 8 per share paid up for ₹ 8 per share)</td> <td></td> <td>64</td> <td>64</td> <td>[1]</td> </tr> <tr> <td></td> <td>Equity Share Forfeited A/c Dr.<br/>To Capital Reserve A/c<br/>(Being gain on reissue of forfeited shares transferred to Capital Reserve)</td> <td></td> <td>40</td> <td>40</td> <td>[1]</td> </tr> </tbody> </table>          | Date                                                                                                | Particulars   | L.F            | Amount<br>(₹) | Amount<br>(₹) |      |                                                                                                                                | Equity Share Capital A/c Dr<br>To Equity Share Forfeited A/c<br>To Calls in Arrears A/c<br>( Being forfeiture of 10 shares executed)                    |        | 70           | 50<br>20       |            |  | Bank A/c Dr<br>To Share Capital A/c<br>(Being eight shares reissued to Y as ₹ 8 per share paid up for ₹ 8 per share) |  | 64        | 64  | [1] |  | Equity Share Forfeited A/c Dr.<br>To Capital Reserve A/c<br>(Being gain on reissue of forfeited shares transferred to Capital Reserve) |  | 40  | 40  | [1] |
| Date                                                                                                                           | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | L.F                                                                                                 | Amount<br>(₹) | Amount<br>(₹)  |               |               |      |                                                                                                                                |                                                                                                                                                         |        |              |                |            |  |                                                                                                                      |  |           |     |     |  |                                                                                                                                        |  |     |     |     |
|                                                                                                                                | Equity Share Capital A/c Dr<br>To Equity Share Forfeited A/c<br>To Calls in Arrears A/c<br>( Being forfeiture of 10 shares executed)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                     | 70            | 50<br>20       |               |               |      |                                                                                                                                |                                                                                                                                                         |        |              |                |            |  |                                                                                                                      |  |           |     |     |  |                                                                                                                                        |  |     |     |     |
|                                                                                                                                | Bank A/c Dr<br>To Share Capital A/c<br>(Being eight shares reissued to Y as ₹ 8 per share paid up for ₹ 8 per share)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                     | 64            | 64             | [1]           |               |      |                                                                                                                                |                                                                                                                                                         |        |              |                |            |  |                                                                                                                      |  |           |     |     |  |                                                                                                                                        |  |     |     |     |
|                                                                                                                                | Equity Share Forfeited A/c Dr.<br>To Capital Reserve A/c<br>(Being gain on reissue of forfeited shares transferred to Capital Reserve)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                     | 40            | 40             | [1]           |               |      |                                                                                                                                |                                                                                                                                                         |        |              |                |            |  |                                                                                                                      |  |           |     |     |  |                                                                                                                                        |  |     |     |     |
| b)                                                                                                                             | <table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>L.F</th> <th>Amount<br/>(₹)</th> <th>Amount<br/>(₹)</th> <th></th> </tr> </thead> <tbody> <tr> <td></td> <td>Equity Share Capital A/c Dr<br/>Security Premium A/c Dr<br/>To Equity Share Forfeited A/c<br/>To Calls in Arrears A/c<br/>( Being Mr. M's shares forfeited)</td> <td></td> <td>1,600<br/>800</td> <td>1,200<br/>1,200</td> <td>[1]<br/>[2]</td> </tr> </tbody> </table>                                                                                                                                                                                                                                                                                                                                                                                    | Date                                                                                                | Particulars   | L.F            | Amount<br>(₹) | Amount<br>(₹) |      |                                                                                                                                | Equity Share Capital A/c Dr<br>Security Premium A/c Dr<br>To Equity Share Forfeited A/c<br>To Calls in Arrears A/c<br>( Being Mr. M's shares forfeited) |        | 1,600<br>800 | 1,200<br>1,200 | [1]<br>[2] |  |                                                                                                                      |  |           |     |     |  |                                                                                                                                        |  |     |     |     |
| Date                                                                                                                           | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | L.F                                                                                                 | Amount<br>(₹) | Amount<br>(₹)  |               |               |      |                                                                                                                                |                                                                                                                                                         |        |              |                |            |  |                                                                                                                      |  |           |     |     |  |                                                                                                                                        |  |     |     |     |
|                                                                                                                                | Equity Share Capital A/c Dr<br>Security Premium A/c Dr<br>To Equity Share Forfeited A/c<br>To Calls in Arrears A/c<br>( Being Mr. M's shares forfeited)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                     | 1,600<br>800  | 1,200<br>1,200 | [1]<br>[2]    |               |      |                                                                                                                                |                                                                                                                                                         |        |              |                |            |  |                                                                                                                      |  |           |     |     |  |                                                                                                                                        |  |     |     |     |
| c)                                                                                                                             | <table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>L.F</th> <th>Amount<br/>(₹)</th> <th>Amount<br/>(₹)</th> <th></th> </tr> </thead> <tbody> <tr> <td></td> <td>Equity Share Capital A/c Dr<br/>To Share Forfeited A/c<br/>To Calls in Arrears A/c<br/>( Being 50 shares forfeited for non-payment of calls)</td> <td></td> <td>500</td> <td>350<br/>150</td> <td>[1]</td> </tr> <tr> <td></td> <td>Bank A/c Dr<br/>Share Forfeited A/c Dr<br/>To Share Capital A/c<br/>(Being 20 shares reissued for ₹ 8 per share)</td> <td></td> <td>160<br/>40</td> <td>200</td> <td>[1]</td> </tr> <tr> <td></td> <td>Share Forfeited A/c Dr.<br/>To Capital Reserve A/c<br/>(Being gain on reissue of forfeited shares transferred to Capital Reserve)</td> <td></td> <td>100</td> <td>100</td> <td>[1]</td> </tr> </tbody> </table> | Date                                                                                                | Particulars   | L.F            | Amount<br>(₹) | Amount<br>(₹) |      |                                                                                                                                | Equity Share Capital A/c Dr<br>To Share Forfeited A/c<br>To Calls in Arrears A/c<br>( Being 50 shares forfeited for non-payment of calls)               |        | 500          | 350<br>150     | [1]        |  | Bank A/c Dr<br>Share Forfeited A/c Dr<br>To Share Capital A/c<br>(Being 20 shares reissued for ₹ 8 per share)        |  | 160<br>40 | 200 | [1] |  | Share Forfeited A/c Dr.<br>To Capital Reserve A/c<br>(Being gain on reissue of forfeited shares transferred to Capital Reserve)        |  | 100 | 100 | [1] |
| Date                                                                                                                           | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | L.F                                                                                                 | Amount<br>(₹) | Amount<br>(₹)  |               |               |      |                                                                                                                                |                                                                                                                                                         |        |              |                |            |  |                                                                                                                      |  |           |     |     |  |                                                                                                                                        |  |     |     |     |
|                                                                                                                                | Equity Share Capital A/c Dr<br>To Share Forfeited A/c<br>To Calls in Arrears A/c<br>( Being 50 shares forfeited for non-payment of calls)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                     | 500           | 350<br>150     | [1]           |               |      |                                                                                                                                |                                                                                                                                                         |        |              |                |            |  |                                                                                                                      |  |           |     |     |  |                                                                                                                                        |  |     |     |     |
|                                                                                                                                | Bank A/c Dr<br>Share Forfeited A/c Dr<br>To Share Capital A/c<br>(Being 20 shares reissued for ₹ 8 per share)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                     | 160<br>40     | 200            | [1]           |               |      |                                                                                                                                |                                                                                                                                                         |        |              |                |            |  |                                                                                                                      |  |           |     |     |  |                                                                                                                                        |  |     |     |     |
|                                                                                                                                | Share Forfeited A/c Dr.<br>To Capital Reserve A/c<br>(Being gain on reissue of forfeited shares transferred to Capital Reserve)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                     | 100           | 100            | [1]           |               |      |                                                                                                                                |                                                                                                                                                         |        |              |                |            |  |                                                                                                                      |  |           |     |     |  |                                                                                                                                        |  |     |     |     |
| 23                                                                                                                             | The current ratio will increase                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                     |               |                | 1             |               |      |                                                                                                                                |                                                                                                                                                         |        |              |                |            |  |                                                                                                                      |  |           |     |     |  |                                                                                                                                        |  |     |     |     |
| 24                                                                                                                             | a) Inventory Turnover Ratio and Working Capital Turnover Ratio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                     |               |                | [1]           |               |      |                                                                                                                                |                                                                                                                                                         |        |              |                |            |  |                                                                                                                      |  |           |     |     |  |                                                                                                                                        |  |     |     |     |
| 25                                                                                                                             | Increased                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                     |               |                | [1]           |               |      |                                                                                                                                |                                                                                                                                                         |        |              |                |            |  |                                                                                                                      |  |           |     |     |  |                                                                                                                                        |  |     |     |     |
| 26                                                                                                                             | Labor unions analyze the financial statements:<br>a) To assess whether an enterprise can increase their pay.<br>b) To check whether an enterprise can increase productivity or raise the prices of products/ services to absorb a wage increase.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                     |               |                | [½]<br>[½]    |               |      |                                                                                                                                |                                                                                                                                                         |        |              |                |            |  |                                                                                                                      |  |           |     |     |  |                                                                                                                                        |  |     |     |     |

| (any other relevant point to be marked)           |                                                                                                    |                                                           |                         |                                        |                                          |           |  |
|---------------------------------------------------|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-------------------------|----------------------------------------|------------------------------------------|-----------|--|
| 27                                                | Cash flow from Investing Activities                                                                |                                                           | [ ½ ]                   |                                        |                                          |           |  |
|                                                   | <b>Inflows</b>                                                                                     | <b>Amount (₹)</b>                                         |                         |                                        |                                          |           |  |
|                                                   | Dividend Received                                                                                  | 70,000                                                    |                         |                                        |                                          |           |  |
|                                                   | Sale of Old Machinery                                                                              | 69,000                                                    |                         |                                        |                                          |           |  |
|                                                   | <b>Outflows</b>                                                                                    |                                                           |                         |                                        |                                          |           |  |
|                                                   | Purchase of Machinery                                                                              | (9,00,000)                                                |                         |                                        |                                          |           |  |
|                                                   | Net Cash outflow from Investing Activities                                                         | (7,61,000)                                                | [ ½ ]                   |                                        |                                          |           |  |
| 28                                                | False.                                                                                             |                                                           | [1]                     |                                        |                                          |           |  |
| 29                                                | Answer – I-c; II- b; III- a                                                                        |                                                           | [1]                     |                                        |                                          |           |  |
| 30                                                | Net Profit Before Tax – Tax paid = Net Profit After Tax                                            |                                                           | [1]                     |                                        |                                          |           |  |
|                                                   | $x - 30/100 (x) = ₹ 7,00,000$                                                                      |                                                           |                         |                                        |                                          |           |  |
|                                                   | $x = ₹ 7,00,000 (100/70)$                                                                          |                                                           |                         |                                        |                                          |           |  |
|                                                   | $x = ₹ 10,00,000$                                                                                  |                                                           |                         |                                        |                                          |           |  |
|                                                   | Net Profit Before Tax = ₹ 10,00,000                                                                |                                                           |                         |                                        |                                          |           |  |
|                                                   | Interest Payment = $6/100 (₹ 20,00,000) = ₹ 1,20,000$                                              |                                                           |                         |                                        |                                          |           |  |
|                                                   | Earning Before Interest and Tax = Net Profit Before Tax + Interest Payment                         |                                                           |                         |                                        |                                          |           |  |
|                                                   | $= ₹ 10,00,000 + ₹ 1,20,000$                                                                       |                                                           |                         |                                        |                                          |           |  |
|                                                   | $= ₹ 11,20,000$                                                                                    |                                                           |                         |                                        |                                          |           |  |
|                                                   | Interest Coverage ratio = $\frac{\text{Earning Before Interest and Tax}}{\text{Interest Expense}}$ |                                                           |                         | [1]                                    |                                          |           |  |
| Interest Coverage Ratio = ₹ 11,20,000/ ₹ 1,20,000 |                                                                                                    | [1]                                                       |                         |                                        |                                          |           |  |
| Interest Coverage Ratio = 9.33 times              |                                                                                                    | [1]                                                       |                         |                                        |                                          |           |  |
| <b>Or</b>                                         |                                                                                                    |                                                           |                         |                                        |                                          |           |  |
|                                                   | S. No                                                                                              | Item                                                      | Major Head              | Sub Head                               | [1]                                      |           |  |
|                                                   | i.                                                                                                 | Debentures with maturity period in current financial year | Current Liabilities     | Other Current Liabilities              | [1]                                      |           |  |
|                                                   | ii)                                                                                                | Securities Premium Reserve                                | Shareholder's Fund      | Reserves and Surplus                   | [1]                                      |           |  |
|                                                   | iii)                                                                                               | Provident Fund                                            | Non-Current Liabilities | Long Term Provision                    | [1]                                      |           |  |
| 31                                                | <b>Particulars</b>                                                                                 | <b>2016-17 (₹)</b>                                        | <b>2017-18 (₹)</b>      | <b>Absolute Increase/ Decrease (₹)</b> | <b>Percentage Increase/ Decrease (%)</b> | [ ½ X 8 ] |  |
|                                                   | Revenue from Operations                                                                            | 10,00,000                                                 | 12,00,000               | 2,00,000                               | 20%                                      |           |  |
|                                                   | Add other Income                                                                                   | 50,000                                                    | 60,000                  | 10,000                                 | 20%                                      |           |  |
|                                                   | Total Revenue                                                                                      | 10,50,000                                                 | 12,60,000               | 210,000                                | 20%                                      |           |  |
|                                                   | Less Employee Benefit Expenses                                                                     | 50,000                                                    | 60,000                  | 10,000                                 | 20%                                      |           |  |
|                                                   | Profit before tax                                                                                  | 10,00,000                                                 | 12,00,000               | 2,00,000                               | 20%                                      |           |  |
|                                                   | Less Tax (50%)                                                                                     | 5,00,000                                                  | 6,00,000                | 1,00,000                               | 20%                                      |           |  |
|                                                   | Profit after tax                                                                                   | 5,00,000                                                  | 6,00,000                | 1,00,000                               | 20%                                      |           |  |
|                                                   | <b>Or</b>                                                                                          |                                                           |                         |                                        |                                          |           |  |

Common Size Balance Sheet of R Ltd.  
As at 31<sup>st</sup> March, 2018 and 2019

| Particulars                     | Note no. | Absolute Amounts |                  | Percentage of Balance sheet Total |                  |
|---------------------------------|----------|------------------|------------------|-----------------------------------|------------------|
|                                 |          | 31.3.2018<br>(₹) | 31.3.2019<br>(₹) | 31.3.2018<br>(%)                  | 31.3.2019<br>(%) |
| <b>I EQUITY AND LIABILITIES</b> |          |                  |                  |                                   |                  |
| 1. Shareholder's Funds:         |          |                  |                  |                                   |                  |
| a. Share Capital                |          | 4,00,000         | 5,00,000         | 66.7                              | 62.5             |
| b. Reserve and Surplus          |          | 1,20,000         | 1,60,000         | 20                                | 20               |
| 2. Current Liabilities:         |          |                  |                  |                                   |                  |
| a. Trade Payable                |          | 80,000           | 1,40,000         | 13.3                              | 17.5             |
| <b>Total</b>                    |          | <b>6,00,000</b>  | <b>8,00,000</b>  | <b>100</b>                        | <b>100</b>       |
| <b>II ASSETS</b>                |          |                  |                  |                                   |                  |
| 1. Non-Current Assets:          |          |                  |                  |                                   |                  |
| a. Fixed Assets:                |          |                  |                  |                                   |                  |
| i. Tangible Assets              |          | 2,40,000         | 3,20,000         | 40                                | 40               |
| ii. Intangible Assets           |          | 60,000           | 40,000           | 10                                | 5                |
| 2. Current Assets               |          |                  |                  |                                   |                  |
| a. Inventories                  |          | 60,000           | 1,60,000         | 10                                | 20               |
| b. Trade Receivables            |          | 2,00,000         | 2,40,000         | 33.3                              | 30               |
| c. Cash and Cash Equivalentents |          | 40,000           | 40,000           | 6.7                               | 5                |
| <b>Total</b>                    |          | <b>6,00,000</b>  | <b>8,00,000</b>  | <b>100</b>                        | <b>100</b>       |

32

**Cash Flow Statement As per AS 3 (Revised)**

| Particulars                               |               |                   |
|-------------------------------------------|---------------|-------------------|
| <b>I Cash from Operating Activity</b>     |               |                   |
| Net Profit Before Tax                     |               |                   |
| Profit during the year                    | 1,50,000      |                   |
| Add transfer to Reserve                   | <u>50,000</u> |                   |
|                                           |               | 2,00,000          |
| Add:- Non Cash Non-Operating Expenses     |               |                   |
| Depreciation provided                     | 40,000        |                   |
| Loss on Sale of Assets                    | 18,000        |                   |
| Goodwill Amortised                        | <u>5,000</u>  | 63,000            |
| Less Non-Operating Income                 | --            | -----             |
| Operating Profit before Working Capital   |               | 2,63,000          |
| Add Increase in Trade Payable             | 17,000        | <u>17,000</u>     |
|                                           |               | 2,80,000          |
| Less : Increase in Inventory              | (75,000)      |                   |
| Increase in Trade Receivable              | (67,000)      | <u>(1,42,000)</u> |
| Cash From Operating Activities before Tax |               | 1,38,000          |
| Less Tax Paid                             |               | <u>(30,000)</u>   |
| Cash From Operating Activities After tax  |               | <u>1,08,000</u>   |

[4]

| Dr                         | Machinery A/c |                                | Cr         |
|----------------------------|---------------|--------------------------------|------------|
| Particulars                | Amount (₹)    | Particulars                    | Amount (₹) |
| To Balance b/d             | 2,00,000      | By Accumulated Depreciation    | 20,000     |
| To Bank A/c<br>(Purchases) | 1,60,000      | By Loss on sale of Fixed Asset | 18,000     |
|                            |               | By Bank A/c                    | 42,000     |
|                            |               | By Balance c/d                 | 2,80,000   |
|                            | 3,60,000      |                                | 3,60,000   |

[1]

| Dr               | Accumulated Depreciation A/c |                                            | Dr         |
|------------------|------------------------------|--------------------------------------------|------------|
| Particulars      | Amount (₹)                   | Particulars                                | Amount (₹) |
| To Machinery A/c | 20,000                       | By balance b/d                             | 80,000     |
| To Balance c/d   | 1,00,000                     | By Statement of Profit and loss<br>account | 40,000     |
|                  | 1,20,000                     |                                            | 1,20,000   |

[1]

**PART B  
OPTION 2  
(Computerised Accounting)**

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |       |     |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----|
| 23 | Attributes of information to be stored in Payroll data base: (Any two)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |       |     |
|    | (i) Name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | [ ½ ] |     |
|    | (ii) ID                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | [ ½ ] |     |
|    | (iii) Designation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |       |     |
|    | (iv) Location                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |     |
|    | (v) Basic Pay                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |     |
| 24 | Answer :- c) Generation of reports and information in fixed format                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |       | [1] |
| 25 | a); c); b)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |       | [1] |
| 26 | Ans :- a) – ii; b) - i); c) – iii)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |       | [1] |
| 27 | The activity sequence of the basic information mode is collect data, organize and process it and<br>Then communicate the information extracted.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |       | [1] |
| 28 | Cost of installation and maintenance is generally low with Generic Software and is relatively high with Specific software                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |       | [1] |
| 29 | Ans :- d)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |       | [1] |
| 30 | <p>The Adjusting entry is recorded to relate the figures to the trading period. Suppose, premises have been sublet on March 31, and three months' rent, has been received in advance amounting to Rs. 12000. While preparing accounts up to 31st March, one should take into account only one month's rent for preparing the profit and loss account (accounting period concept); the rest two month's rent, already received is for the next year and will be credited to profit and loss account next year. The adjusting entry will be:</p> <p style="text-align: center;">Rent Account Dr<br/>                          To Advance Rent Account</p> <p>Rent Received in advance Account is a 'Liability' and is shown in the balance sheet.</p> <p style="text-align: center;"><b>Or</b></p> <p>Transparency and control CAS provides sufficient time to plan, increases data accessibility and enhances user satisfaction. With computerised accounting, the organisation will have greater transparency for day to day business operations and access to the vital information.</p> <p>Scalability CAS enables in changing the volume of data processing in tune with the change in the size of the business. The software can be used for any size the business and type of the organisation.</p> | [3]   | [3] |

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |     |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |     |
| 31 | <p>PMT :- The PMT function calculates the periodic payment for an annuity assuming equal payments and a constant rate of interest.<br/>The syntax of PMT function is as follows:<br/>= <b>PMT (rate, nper, pv, [fv], [type])</b></p> <p>where Rate is the interest rate per period,<br/>Nper is the number of periods,<br/>Pv is the present value or the amount the future payments are worth presently,<br/>future value or cash balance that after the last payment is made (a future value of zero when we omit this optional argument)</p> <p>Type is the value 0 for payments made at the end of the period or the value 1 for payments made at the beginning of the period. The PMT function is often used to calculate the payment for mortgage loans that have a fixed rate of interest</p>                   | [4] |
| 32 | <p>A format change, such as background cell shading or font colour that is applied to a cell when a specified condition for the data in the cell is true. Conditional formatting is often applied to worksheets to find:</p> <ol style="list-style-type: none"> <li>a. Data that is above or below a certain value. Duplicate data values.</li> <li>b. Cells containing specific text. Data that is above or below average.</li> <li>c. Data that falls in the top ten or bottom ten values.</li> </ol> <p>Benefits of using conditional formatting:</p> <ol style="list-style-type: none"> <li>i) Helps in answering questions which are important for taking decisions.</li> <li>ii) Guides with help of using visuals.</li> <li>iii) Helps in understanding distribution and variation of critical data.</li> </ol> | [6] |