SAMPLE Question Paper

(Questions-Answers)

ACCOUNTANCY

A Highly Simulated Practice Question Paper for CBSE Class XII Examination

M.M.: 80

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me: 3 hrs

eneral Instructions*

1. This question paper contains two parts A and B.

2. Part A is compulsory for all.

 $3.\ \mathrm{Part}\ \mathrm{B}\ \mathrm{has}\ \mathrm{two}\ \mathrm{options-Analysis}\ \mathrm{of}\ \mathrm{Financial}\ \mathrm{Statements}\ \mathrm{and}\ \mathrm{Computerised}\ \mathrm{Accounting}^*$ Attempt only one option of Part B. To Prove on Sale of Patents Alo

Statement of profit and tec.

4. All parts of a question should be attempted at one place.

*Computerised Accounting has not been covered.

SECTION A

(Accounting for Not-for-Profit Organisations, Partnership Firms and Companies)

Objective Type Questions

(1 Mark)

Jultiple choice questions (Q. no. 1 to 10)

ere are four options for each question, out of these, only one is correct. You have to identify the correct option.

1. A partner drew ₹ 8,000 at the end of every month. Interest on drawings is 15% per annum. Calculate interest on drawings for the year ending 31st March, 2019.

(a) ₹ 7,800

- (b) ₹ 1,200
- (c) ₹ 6,600
- (d) ₹ 7,200
- 2. Which of the following will be recorded in credit side of receipts and payments account?
 - (a) ₹ 300 received from entrance fees
- (b) Cash purchases of books ₹ 700

(c) Donation received ₹800

- (d) Outstanding ₹ 300 for repair
- 3. Pinky and Chinky are partners in a firm. They share their profits in 2:3 ratio. The accountant of the firm, finalised the profit and loss and capital account and presented the accounts to them. Pinky disagreed with accounts because Pinky's capital account showed negative balance. Pinky is in doubt, this cannot be happen. Give your opinion.
 - (a) Pinky is wrong

(b) Pinky is correct

(c) Accountant is defaulter

(d) None of these

ou are advised to attempt this sample paper without referring the answers given here. However, cross check your answers h the answers given at the end after you complete the paper.

,	(a) 7 days (b) 14 days Nikki and Tikki were partners at		(c) 21 days	(d) 28	days
	5. Nikki and Tikki were partners sh December, 2019, the extract of the Liabilities	narıng pı heir Bala	rofits and losses in	the ratio of	3 : 2. On 31st
	Liabilities	Amt (₹)	race offeet is as 10	llows	A CONTRACTOR OF THE PROPERTY O
1.0	7-11-01-11-1-5 (110) 3 (4-12-11/11-1-11/11	15	Asse Land and Building	**************************************	Amt (₹)
10 30	At the time of admission of new posterior be appreciated by 10%, then what	partner (71_ 11 1	e of land and	Andrewson and returned and are some received with a standard and a second
	be appreciated by 10%, then who be shown in new balance sheet? (a) ₹90,000 (b) ₹1,00,000	openie Ropenie	the amount of lan	d and buildi	ng which is to
12 6	, , , , , , , , , , , , , , , , , , , ,		(c) ₹ 10,000	(d) ₹	1,10,000
0	What will be the journal entry for premium of 10%.				
i Med	(a) Bank A/c To Debentures Application and Allo		Dr 2,20,000	1164913	m. H. "A. "Ö? n. tolie
nii.	(b) Debentures Application and Allotmen To Bank A/c	nt A/c	Dr 2,20,000	2,20,000	time A. Websit
jolilo	(c) Debentures Application and Allotmen To 12% Debentures A/c	nt A/c	Dr 2,20,000	i G Cumash	ei citer Citerio
	To Security Premium Reserve A/c	Samola.	aw hi i masiya a	2,00,000	taiten() Air
	(d) Both (a) and (c)	01 7 10	i asuada vilupe (.00,46 oiai	bęfirab
1.d .7	Company can utilise premium r (a) Writing-off discount allowed on issue (c) Both (a) and (b)	eceived	on issue of deber	ntures for wi	nich purpose?
87 sz	Profit or loss on sale of any fixed (a) Capital Income or Loss (c) Not considered while preparing according to the property of	ount l Dance	(b) Revenue Inco (d) None of thes Club, whose de	ome or Loss e ficit is calcu	ilated ₹ 91,000
ard lo			objection of the control of the cont	Kinies Alti, K	imoD.
e i i c	(b) Deficit A/c To Income and Expenditure A/c			dad edi zi pi 91,000	17 Followir
	(c) Cash A/c To Income and Expenditure A/c	s jedmo s si Kara	91,000 91,000	91,000	
1966) 1	(d) None of the above			Tabunan.	Ovis de
10.	Diggi Ltd invited applications for Applications were received for	or 8,000 7,600 sl	shares of ₹ 10 ea hares. What will	ch at the iss be the amo	ue price of ₹ 10. unt received on
10.0 10.0	application? (a) ₹ 76,000 (b) ₹ 72,000		(c) ₹84,000	(d) ₹80,000
ill ir	the blanks (Q. no. 11 to 12)	113C PC			
r -	ach sentence is incomplete due to one m Receipts and payments account	iccina wo	rd. You are required to	to fill that missi I shows all c	ng word correctly. ash receipts and
	1			13. 3. 1	The state of the same of the s
12.	In an unlimited liability compa	ny, the l	lability of snared	ratio of 3	2 with capitals of
13.	In an unlimited liability compa X and Y are partners sharing the ₹ 24,000 and ₹ 12,000. On 1st ₹ 18,000, respectively to the firm 2019, if the profits before any in	e pronts July, 20	ond losses in the old the distribution	anted loans	of ₹ 48,000 and osses for the year

- 14. On 1st April, 2020, Khushi Ltd issued 50,00,000, 10% debentures of ₹ 100 each at a discount of 10%. These debentures were redeemable at a premium of 5% after four years. Pass necessary journal entries for issue of debentures.
- Or Arihant and Company Ltd issued 6,000, 12% debentures of ₹ 100 each to its vendor Suraj and Sons. These debentures are issued @ 15% premium for the consideration of plant purchased. A cheque of ₹ 3,50,000 also issued to that vendor. Pass the necessary journal entries of the above given information.

Short Answer Type II Questions

(4 Marks)

Amt (₹)

- 15. A, B and C are partners sharing profits in the ratio of 1:2:3. C retires and her capital, after making adjustments for reserves and profits on revaluation stands at ₹ 2,20,000. A and B agreed to pay her ₹ 2,50,000 in full settlement of her claim. Record necessary journal entry for the treatment of goodwill, if the new profit sharing ratio is decided at 1:3. Also, calculate gaining ratio of A and B and hidden goodwill of the firm.
- **16.** On 1st April, 2019, Greenland Ltd was formed with an authorised capital of ₹5,00,000 divided into 50,000 equity shares of ₹ 10 each. The company issued prospectus inviting applications for 45,000 equity shares. The company received applications for 42,500 equity shares.

During the first year, ₹8 per share were called. X holding 500 shares and Y holding 1,000 shares did not pay the first call of ₹2 per share. Y's shares were forfeited after the first call and later on 750 of the forfeited shares were re-issued at ₹6 per share, ₹8 called-up.

Show the following

- (i) Share capital in the balance sheet of the company as per Schedule III, Part I of the Companies Act, 2013.
- (ii) Also prepare notes to accounts for the same.
- 17. Following is the balance sheet of Hari, Ram and Shyam as at 31st December, 2019.

Balance Sheet as at 31st December, 2019

Liabilities Amt (₹) Assets

Sundry Creditors		3,000	Tools	1,000
Reserve Fund	cas of Filo ear	3,200	Fürniture and does beste at the angul	
Capital A/cs	es. What will t	Toda Old		
Hari	10,000		Debtors	6,000
000 Ram (b)	000,155,000		Cash at Bank	5,000
Shyam	5,000	20,000	Cash in Hand	200
	The state of the s	26,200	grand of a budge	26,200
ill that the standard word an			southweighted although the scontract	

Ram retires on 31st March, 2020. Under the partnership agreement, he was entitled to the following amounts

- (i) Amount standing to the credit of his capital account.
- (ii) Interest on capital, which amounted to ₹62.50.
- (iii) His share of goodwill ₹3,500.

Draw up Ram's account

Nitin, Megha, Priyanka and Ankit are partners. Their capital accounts on 1st April, 2019 were ₹ 60,000, ₹ 1,00,000, ₹ 1,60,000 and ₹ 2,00,000 respectively. After the accounts for the year ended 31st March, 2020 have been prepared, it is discovered that interest @ 5% as provided in the partnership agreement has not been credited to partners' capital accounts before distributing profits. So, it is decided to make adjusting entry at the beginning of the next year. Give the necessary journal entry along with working notes.

- 18. What journal entries would be passed for the following transactions on the dissolution of a firm of partners Raju and Priya, after various assets and third party liabilities have been transferred to realisation account?
 - (i) Workmen compensation reserve stood at ₹ 6,000 and liability in respect of it was ascertained at ₹ 6,000.
 - (ii) There was no workmen compensation reserve and firm had to pay ₹ 1,500 as compensation to the workers. durent & blinenid
 - (iii) Building (Book value ₹ 50,000) sold for ₹ 80,000 through a broker who charged 2% commission.
 - (iv) Investments (Book value ₹ 4,000) realised 150%.

Long Answer Type I Questions

(6 Marks)

Cr

19. Following is the receipts and payments account of Star Club for the year ending aids forfaited, 200 shares were sold to Siddl 31st March, 2020.

Receipts and Payments Account

Dr for the year	ar ending 31st N	March, 2020	Cr
Receipts	Amt (₹)	Payments	Amt ₹
To Balance b/d To Subscriptions (including ₹ 160 for 2018-19 and ₹ 240 for 2020-21) To Interest on Investments To Sale of Machinery	984 7;280 3;240 90 3;240 32 480	By Books By Investments By Balance c/d	4,992 456 720 1,600 1,600 2,616
(Book value ₹ 400)	11,984	2,00,000	11,984

Additional Information

- (i) On 1st April, 2019 the club had investments ₹64,000, machinery ₹4,800, books ₹8,000.
- (ii) Salary outstanding 31st March, 2019 ₹416 and 31st March, 2020 ₹528. Prepare income and expenditure account for the year ending 31st March, 2020 and a balance sheet as on that date.
- 20. Kanika, Sakshi and Aroha are partners sharing profits and losses as 25%, 35% and 40%. Kanika decided to retire with the consent of other partners and sold her share to Sakshi. Goodwill was valued at two and a half years' purchase of the average profits of three years. Profits of these three years were ₹ 1,50,000, ₹ 1,70,000 and ₹ 1,60,000. Reserve fund stood in the balance sheet at ₹ 1,30,000 at the time of retirement. You are required to record necessary journal entries regarding above adjustment on Kanika's retirement. Also prepare her capital account to find out the amount due to her, when her capital balance in the balance sheet was ₹1,25,000 before any of the Ball's pay the neid of the ratiful bank lear above adjustment.

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21. The Orient Company offered for public subscription 20,000 equity shares of ₹ 10 each at a premium of 10% payable as ₹ 2 on application, ₹ 4 on allotment (including premium), ₹3 on first call and ₹2 on second and final call.

Applications for 26,000 shares were received. Applications for 4,000 shares were rejected. Pro-rata allotment was made to the remaining applicants. Both the calls were made and all the money was received except the final call on 500 shares which were forfeited. 300 of the forfeited shares were later on re-issued as fully paid up at ₹9 per share. Give journal entries.

Arora Ltd issued a prospectus inviting applications for 20,000 shares of ₹ 10 each at a premium of ₹ 2 per share payable as follows

On application ₹ 2, on allotment ₹ 5 (including premium), on first call ₹ 3, on second and final call ₹ 2. Applications were received for 30,000 shares and pro-rata allotment was made on the applications for 24,000 shares. Money overpaid on application was employed on account of sum due on allotment.

Sanchit, to whom 400 shares were allotted, failed to pay the allotment money and on his subsequent failure to pay the first call, his shares were forfeited. Parth, the holder of 600 shares, failed to pay the two calls and his shares were forfeited after the second call. Of the shares forfeited, 800 shares were sold to Siddharth credited as fully paid for ₹ 9 per share, the whole of Sanchit's shares being included. Show the journal entries. for the year ending 31st March, 2020

22. Sohan and Mohan are two partners sharing profits and losses in the ratio of 3:2. Their balance sheet as at 31st March, 2020 is as follows

viendital VEBalance Sheet

Liabilities	Amt (₹)	, 2020 ban et-810s to 100 \$ and to 100 and Assets	A . 1 @ .
Capital A/cs Sohan Mohan	3,00,000 2,00,000 5,00,000	Land and Building years (00 2 aus / 2008) Bills Receivable	Amt (₹) 3,00,000 1,60,000
General Reserve Sundry Creditors Bills Payable Workmen Compensation Fund	40,000	Sundry Debtors Cash at Bank Stock Cash at Bank	2,00,000
	8,40,000	epare income and expenditure a dance sheet as on that date.	8,40,000

Rohan is to be admitted as a partner with effect from 1st April, 2020 on the following uka decided to reduct with the consent of other partners and sold amethods to

- lo atto (i) Rohan will bring in ₹ 2,00,000 as capital and ₹ 1,20,000 as premium for goodwill for 1000,001. Along the set these throng years were \$ 1,50,01 fill of the share of the set of the share of the set Half premium withdrawn by old partners a stand and and books agus sures Reserve
- (iii) The assets will be revalued as, land and building ₹ 4,50,000; furniture ₹ 1,20,000; Vanika's retir ment. Also prepare her capital account to fi.000,02,1,₹ shots and due to
- (iv) The claim of a creditor for ₹40,000 is settled at ₹35,000.
 - (v) Bills payable paid-off by raising bank loan.

You are required to show the revaluation account, partners' capital accounts and the

V, W and X were carrying out a business as partners and sharing profits in the ratio of 2:1:1. Their balance sheet as at 31st December, 2019 is as follows

Balance Sheet as at 31st December, 2019

Liabili	ities	Amt (₹)	Assets	Amt (₹)
Bills Payable	of Allivation	10,600	Buildings	70,000
Sundry Creditors	Profession (a)	11,000	Plant and Machinery	78,000
Capital A/cs	of Cooling of	l di emite	Stock and Frank product supplied	16,000
V	75,000	H	Debtors 22,000	
W	50,000	3 5	(-) Provision for Doubtful Debts (400)	21,600
X	55,000	1,80,000	Bank	7,500
Profit and Loss A/c	et across set difference to set years setting a per	1,400	Cash	9,900
naled pull tiple q	lowing items e.,	2 03 000	od i which head and sub-boad v a company	

V decided to retire on that date because of health problems. In this regard, following adjustments were agreed upon

- (i) The value of buildings to be increased to ₹ 96,000.
- (ii) The provision for bad and doubtful debts on debtors to be maintained at 3%.
- (iii) Plant and machinery should be valued at 20% less.
- (iv) Goodwill of the firm is valued at ₹ 36,000 and V's share is to be adjusted in the remaining partners' accounts.

You are required to prepare revaluation account, partners' capital accounts and Joen'S somile B balance sheet.

SECTION B

(Financial Statement Analysis)

Objective Type Questions

Multiple choice questions (Q. no. 23 to 27)

There are four options for each question, out of these, only one is correct. You have to identify the correct option.

23. Calculate the amount of tax paid, from the following information, for the purpose of preparation of cash flow statement.

Balance Sheet (Extract)

	Balance Sheet (Extract)	L 2020 (₹)
2.2.2	31st March, 2019 (₹)	31st March, 2020 (₹)
Particulars	3,00,000	4,20,000
Provision for Income Tax	. 3	Non-cument see

Additional Information

Provision for Income tax made during the year 2019-20 was ₹ 4,27,000. (d) ₹ 4,70,000

24. Holyname Ltd made an operating profit of ₹ 2,00,000 after charging depreciation of ₹22,000. During that year, trade payables increased by ₹27,200 and inventory increased by ₹ 75,000. There was no change in trade receivables. Assuming that no other factors affected it, what would be the cash generated from operations? (d) ₹ 2,22,000

(a) ₹ 1,74,200

(b) ₹ 1,47,000

2				
			balance sheet must be	e in accordance with
OE T	ormat and Conten	its of a company's	Dalatico 222	PA KINDAW K
	Part 1 OI CO	iiipa	(a) Schedule III	(5)
(a)	Schedule I	(b) Schedule II	(c) constantities and	l working capital is
26. If the value of current assets is twice the calculations of twice		3 1 15		
₹ 80,000, what will be the value (a) ₹ 20,000 (b) ₹ 1,60,000 (c) ₹ 60,000 (d) ₹ 60,000 (d) ₹ 20,000 (d) ₹ 20,000 (e) increase			(d) ₹80,000	
₹ 80,000, what will be the value (a) ₹ 20,000 (b) ₹ 1,60,000 (c) ₹ 60,000 (d) ₹ 60,000 (d) ₹ 60,000 (e) ₹ 60,000 (f) increase				
(a)	ne quick ratio to			
27. According to you, purchase of inventory of each (c) increase (d) (a) decrease (b) reman unchanged (c) increase (d)				(d) vitiate results
(a) decrease (b) ternal unorsings			which major-head?	
28 In	In balance sheet, short-term provisions is the sub field in the sub field reserve can be freely used for any purpose.		\	
,0. 111	rocerve can b	oe freely used for an	ly purpose.	
	leserve can	r: Tog.svart	1 Overstion	(3 Marks)
	Sh	ort Answer Ty	/pe I Question	and the local section of
1 1	1 Link bood 2	nd sub-head will the	e following items appea	ar in the balance sheet
		Ilu sub-lieda Will dir		
	a company	1 1lonmor	1,0	
			it. Strad stall tall no sids	
	Unclaimed divide		neqr beeryn 316	
(iii)	Provision for tax	non an Tid be.	b udings in be increa	property and the second
		$\cup r$	mitter band bad of ch	HELTTO RELIED A DITY
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1.1	on the following .	balance sheet, carcu		n Havimalia
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(i) (ii) (iii)	Debt-equity ratio Proprietary ratio Total assets to deb EQUITY AND LIABIL Shareholders' Fur (a) Equity Share Cook (b) Reserves and Non-current Liabilities (a) Short-term Bor (b) Trade Payables Total ASSETS Non-current Asset (a) Fixed Assets: Total Current Assets (b) Long-term Invel Current Assets	Balance as at 31st Ma Particulars ITIES Inds Capital Surplus Ilities rowings s Tangible Assets estments	sturces associated and secures associated and page of being associated and secure associated associ	31st March, 2020 Amt (₹) 45,00,000 9,00,000 27,00,000 33,00,000 1,20,00,000 4,80,000 4,80,000
(i) (ii) (iii)	Debt-equity ratio Proprietary ratio Total assets to debte to the total assets to th	Balance as at 31st Ma Particulars ITIES nds Capital Surplus Ilities rowings s Trowings s Tangible Assets estments	sturces and being of being started of being and being an	31st March, 2020 Amt (₹) 45,00,000 9,00,000 27,00,000 33,00,000 1,20,00,000 4,80,000 27,30,000
(i) (ii) (iii)	Debt-equity ratio Proprietary ratio Total assets to debte to the total assets to the total a	Balance as at 31st Ma Particulars ITIES nds Capital Surplus Ilities rowings s Tangible Assets estments	sturces and being of being started of being and being an	31st March, 2020 Amt (₹) 45,00,000 9,00,000 27,00,000 33,00,000 1,20,00,000 4,80,000 27,30,000 37,20,000 37,20,000
(i) (ii) (iii)	Debt-equity ratio Proprietary ratio Total assets to deb EQUITY AND LIABIL Shareholders' Fur (a) Equity Share Cooper Borr Non-current Liabilities (a) Short-term Borr Current Liabilities (a) Short-term Borr (b) Trade Payables Total ASSETS Non-current Asset (a) Fixed Assets: (b) Long-term Inverse Current Assets (a) Inventories (b) Trade Receivat (c) Cash and Cast	Balance as at 31st Ma Particulars ITIES Inds Capital Surplus Ilities rowings s Tangible Assets estments bles h Equivalents	sharens and an employed and the start of the	31st March, 2020 Amt (₹) 45,00,000 9,00,000 27,00,000 33,00,000 1,20,00,000 4,80,000 27,30,000 37,20,000 1 20,000
(i) (ii) (iii)	Debt-equity ratio Proprietary ratio Total assets to deb EQUITY AND LIABIL Shareholders' Fur (a) Equity Share Cooper Borr Non-current Liabilities (a) Short-term Borr Current Liabilities (a) Short-term Borr (b) Trade Payables Total ASSETS Non-current Asset (a) Fixed Assets: (b) Long-term Inverse Current Assets (a) Inventories (b) Trade Receivat (c) Cash and Cast	Balance as at 31st Ma Particulars ITIES Inds Capital Surplus Ilities rowings s Tangible Assets estments bles h Equivalents	sturces and being of being started of being and being an	31st March, 2020 Amt (₹) 45,00,000 9,00,000 27,00,000 33,00,000 1,20,00,000 4,80,000 27,30,000 27,30,000 37,20,000 1 20,000 1 20,000

31. Following is the comparative balance sheet of Shri Ram Fabrics Ltd who are engaged in the production and supply of green energy in the rural areas of India.

Comparative Balance Sheet as at 31st March, 2019 and 2020

Particulars	Note No.	31st March, 2019 (₹)	31st March, 2020 (₹)	Absolute Change (Increase or Decrease) (₹)	Percentage Chan (Increase or Decrea	
1. EQUITY AND LIABILITIES		A	В	C = B - A	$D = \frac{C}{A} \times 100 \%$	71
 Shareholder's Funds (a) Share Capital (b) Reserve and Surplus Non-current Liabilities Long-term Borrowings Current Liabilities (a) Short-term Borrowings (b) Trade Payables Total 		12,00,000 3,00,000 5,00,000	12,00,000 20,00,000 40,00,000	(30,000) (30,000) () 12,00,000	tere soi ey- ee fil	40)
II. ASSETS 1. Non-current Assets 2. Current Assets (a) Inventory (b) Trade Receivables (c) Cash and Cash Equivalents	The Control of the Co	15,00,000 5,00,000 	8,40,000 	5,00,000 snovisions noiseasion 40,000 ()	1 9	100
Total	ly ad		11111			

You are required to fill up the missing figures in the comparative balance sheet.

- Or (i) Inventory turnover ratio is 3 times. Sales are ₹ 18,000, opening inventory is ₹ 200 more than the closing inventory. Calculate opening and closing inventory when goods are sold at 20% profit on cost.
 - (ii) A company had a liquid ratio of 1.5 and current ratio of 2 and inventory turnover ratio 6 times. It has total current assets of ₹ 80,000 in the year 2020. Find out revenue form operations (Net Sales), if goods are sold at 25% profit on cost.

Long Answer Type I Question

(6 Marks)

32. The summarised balance sheet of RK Ltd as at 31st March, 2019 and 2020 were as under

Balance Sheet

as at 31st March, 2019 and 2020

Particulars	Note No.	31st March, 2019 Amt (₹)	31st March, 2020 Amt (₹)
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			-9-
(a) Share Capital		2,25,000	2,25,000
(b) Reserves and Surplus	1	1,78,000	1,89,000
2. Non-current Liabilities			
Mortgage Loan			1,35,000

	Particulars	Note No.	31st March, 2019 Amt ₹	Amt (₹)
3. Current Li (a) Trade (b) Short-	iabilities Payables term Provisions: Provision for Taxation	10 70 16 10 70 10 10	84,000	67,000 5,000 6,21,000
Total		E 0.85		100 100
II. ASSETS 1. Non-curre (a) Fixed	nt Assets Assets Urrent Investments	re, pakelik is. Jeliki	2,00,000 25,000	1,60,000 30,000
2. Current As (a) Invento	ories Receivables		1,20,000 2311,05,000 251174,500	1,05,000 MA YTU 2,27,500 oderada 98,500
(c) Cash a	and Cash Equivalents		5,24,500	6,21,000

the state of the s		2 2	2.4	HIGALI BIVILLE	111117
Notes to Accounts	AND AND THE PROPERTY OF THE PR	1 5,00,000	er.	100 2019 1135	2020
	Particulars		and the same of th	Amt (₹)	Amt (?)
1. Reserves and Surplus	009,00,08	and the same of th	- KÖUM	6765 TAB 5106 8310.VSH 5081 1,50,000	T (d)
General Reserve	40,00,000	000.00,08		28,000	34,000
Statement of Profit and	d Loss	000.00,1	no distance e e e e e e e e e e e e e e e e e e	.jezż1,78,000	nou 1,89,000
5,00,000			A haranana	efeccA ins	2 Curr
2. Short-term Provisions Provision for Taxation	ดัดการแล	000,00,6	21	37,500	(a) · 5,000

Additional Information

16 Marks)

- (i) Investments costing ₹ 4,000 were sold during the year 2019-20 for ₹ 4,250.
- (ii) Provision for taxation made during the year was ₹ 4,500.
 - (iii) During the year, part of the fixed assets costing ₹ 5,000 was sold for ₹ 6,000 and the profit was included in the statement of profit and loss.

operations (Net Sales), if goods are sold at 25% profit on cost

(iv) Dividend paid during the year amounted to ₹ 20,000.

You are required to prepare the cash flow statement.

Long Answer Type / Question

6 lines. It has total current assets of \$20,000 in the year 2020 Find out revenue form

Eddance Chest

32. The summarised basence sacet of RK Lid as at 3 ist March, 2019 and 2020 were as under

(401c 31st March, 2019 31st March, 2020

EQUITY AND LIABILITIES -Sharoholders Funds

(d Cash and Cash Equivalents

(b) Rescussor decimics

Mortgage Loan

ANSWERS

1. (c) ₹ 6,600

Hint Interest on Drawings = Amount of Withdrawal \times No. of Months \times Rate × Average Months

 $= 8,000 \times 12 \times \frac{15}{100} \times \frac{5.5}{12}$

- 2. (b) Cash purchases of books ₹ 700
- 3. (a) Pinky is wrong. Because, if debit side of the partners' capital account is more than its credit side, then it shows negative balance.

ALLAMIO.

- 4. (b) 14 days
- **5.** (d) ₹ 1,10,000

Hint New value of land and buildings = 1,00,000 + 10% of 1,00,000 = ₹ 1,10,000% bas (6.88%)

- 6. (d) Both (a) and (c)
- 7. (c) Both (a) and (b)
- 8. (b) Revenue income or loss
- 9. (b) Deficit A/c To Income and Expenditure A/c
- **10.** (a) ₹ 76,000

Hint Amount is received for 7,600 shares, i.e. 7,600 × 10 = ₹ 76,000

- **11.** Real
- 12. unlimited

13.

Profit and Loss Account

for the year ending on 31st December, 2019

Securities premium reserve account = 6000 × 平 全え

Cr

Dr for the year ending on 31st December, 2019			Ur Ur		
MA TO IMA	Particulars		Amt (₹)	Particulars Particulars	Amt (₹)
To Interest on X 000,89		1,440 540	1,980	By Profit before any Interest account A By Net Loss (Transferred to capital account) X 108 Y	
		ipital accounts	1,980	(Baing C's share of gnonwill adjusted	1,980

Working Notes

- 1. Interest on A's loan = ₹48,000 × $\frac{6}{100}$ × $\frac{6}{12}$ (July to December) = ₹1,440
- 2. Interest on B's loan = ₹18,000 × $\frac{6}{100}$ × $\frac{6}{12}$ (July to December) = ₹540

14.

JOURNAL

Date	Particulars	LF	Amt (Dr)	Amt (Cr)
2020 Apr 1	Bank A/c To Debentures Application & Allotment A/c in place of the control of th	บกับ สมาชยบ	nmiA .	45,00,000
Apr 1	Debentures Application & Allotment A/c Loss on Issue of Debentures A/c To 10% Debentures A/c To Premium on Redemption of Debentures A/c (Being application money transferred)	Dr g no	45,00,000 7,50,000	50,00,000

	Particulars	LF	Amt (Dr)	Amt (Cr)
Date	Particulars	,	7,50,000	
14100	Statement of Profit & Loss			7,50,000
	(Loss on issue of debentures written-off)			

Or In the Books of Arihant and Co JOURNAL

	Particulars of a first of the second of the	LF	Amt (Dr)	Amt (Cr)
Date	s es no hisponi si fuuc sor Irah <mark>Particulars</mark> nu arinno sore helbo li conosci. Drii		10,40,000	
(i)	Plant A/c To Suraj and Sons To Suraj and Sons for ₹ 10,40,000)		10,40,000	10,40,000
(ii)	Suraj and Sons Olivino Con Out To & Con Out	(0)	00.535	6,00,000 90,000 3,50,000
	(Being 6,000, 12% debentures are issued @ 15% premium with ₹ 3,50,000 by bank to the Suraj and Sons for the consideration of plant purchased)	lanc.		

Working Note

12% Debentures account = $6,000 \times 100 = ₹6,00,000$ Securities premium reserve account = $6,000 \times 15 = ₹90,000$ Payable to Suraj and Sons = 6,00,000 + 90,000 + 3,50,000 = ₹10,40,000

15.

JOURNAL

Date	Particulars Particulars	ethio	j LF	Amt Dr	Amt (Cr)
	A's Capital A/c (30,000 × 1/6) 019 49	Dr	Loan	no 135,000	
∱n⊔c: aGt c:	B's Capital A/c (30,000 × 5/6)	Dr		25,000	30,000
	(Being C's share of goodwill adjusted to the capital accounts of A and B in their gaining ratio of 1:5)				

1. Calculation of Gaining Ratio

Gaining ratio = New share - Old share $A = \frac{1}{4} - \frac{1}{6} = \frac{3-2}{12} = \frac{1}{12}$ $B = \frac{3}{4} - \frac{2}{6} = \frac{9-4}{12} = \frac{5}{12}$ Gaining ratio = $\frac{1}{12} : \frac{5}{12}$ or 1:5

2. Calculation of Hidden Goodwill

Amt (₹)

Amount agreed to be paid in full settlement

(-) C's capital after all adjustments

Hidden goodwill

Amt (₹)

2,50,000

(2,20,000)

noone c

11116

To Premium ou Racismpuol of Debenfules Alc

Estold but the

16. (i)

Balance Sheet (Extract)

as at 1st April, 2019

s Contidend to enloying to	Particulars and A	a chang	Note No.	Amt (₹)
I. EQUITY AND LIABILITIES		f gillings	i do hwar	
 Shareholders' Funds 			- 57 5 5 7	
(a) Share Capital			and 1 much	3,38,500
(b) Reserves and Surplu	3 0 000 0		2	3,000

(ii) Notes to Accounts

Particulars telegraphs and the noise fundamental and the noise fundame	Amt (₹)
1. Share Capital 00001 = 610±11	5,00,000
Issued Share Capital 45,000 Equity Shares of ₹ 10 each	4,50,000
Subscribed Capital Subscribed but not Fully Paid-up 42,250 Equity Shares of ₹ 8 each (-) Calls-in-arrears (500 × 2) 3,38,000	
(+) Forfeited Shares (250 × 6) 3,37,000	
2. Reserves and Surplus in oldernagmon nemblow to indoors no vilided and pared? Capital Reserve [4,500 (750 × 6) – 1,500 (750 × 2)]	3,000

17. Dr

Ram's Capital Account

Cr

Particulars	Amt (₹)	OVA Particulars of	Amt (₹)
To Ram's Loan A/c	9,629.17	By Balance b/d blind and poledi	5,000.00
000.1		By Interest on Capital A/c	62.50
		By Reserve Fund A/c	1,066.67
- to a line () () () () () () () () () (mker @12% pr. 7 80	By Hari's Capital A/c	1,750.00
cucie : " The tight of the second		By Shyam's Capital A/c	1,750.00
	9,629.17	t / 1000 / 1000 / 1000 Alon Alon Alon Alon Alon Alon Alon Alon	9,629.17
	And the state of t	OVA HOUSE DE SANCE	

Working Notes

1. Ram's share of goodwill, i.e. ₹ 3,500 to be distributed between Hari and Shyam in 1:1 ratio, i.e.

Hari = 3,500 × $\frac{1}{2}$ = ₹ 1,750; Shyam = 3,500 × $\frac{1}{2}$ = ₹ 1,750 2. Reserve fund = 3,200 × $\frac{1}{3}$ = ₹ 1,066.67

JOURNAL

(001)	Particulars	088.8	LF	Amt (Dr)	Amt (Cr)
Date			g for Previous	าปราเธียาเป็น	1
2020	Nitin's Capital A/c Nitin's Capital A/c	(416)	Dr	3,500	
Apr 1	Nitin's Capital A/C Megha's Capital A/C		Dr	1,500	
	Megha's Capital A/C		30,304.3	B gruboni d	1,500
			To what	1 30 402 6	
	To Ankit's Capital A/c (Being the adjustment of interest on capital	omitted in previ	ous year)	recemous!	

Working Notes	Statement S	howing Adju	stment	Priyanka (₹)	Ankit (₹)	Total (₹)
The same that the same of the same and the s	Market And I recommend to the contract of the	Nitin (₹)	Megha (₹)	HITLHEAD C	EQUITY AN	
Particulars	The second secon		- 200	8,000	orien10,000	26,000
Amount to be Credited		3,000	5,000	101/103	1018 (0)	Cold Assessment Cold
Interest on Capital @ 576		**************************************	6,500	2 500		26,000
D-hitod		6,500	The state of the s	A CONTRACTOR OF THE PARTY OF TH		Ár. –
Share of profit (26,000 in 1	11,110	3,500 (Dr)	1,500 (Dr)	1,000	and provide the land among the reason and and real file	A STATE OF THE STA

2. Calculation of Interest on Capital

Nitin = $60,000 \times \frac{5}{100} = ₹ 3,000;$

Priyanka = 1,60,000 × $\frac{5}{100}$ = ₹ 8,000;

Megha = 1,00,000 × $\frac{5}{100}$ = ₹ 5,000

| Share Capital

Ankit = 2,00,000 × $\frac{5}{100}$ = ₹ 10,000

Cr

JOURNAL HOSE OF 7 10 LF Amt (Dr) Amt (Cr) 18. **Particulars** 6,000 Workmen Compensation Reserve A/c Date (Being the balance of workmen compensation reserve transferred to (a) Dr realisation account) rfeited Shares (250 x 6) 6,000 Realisation A/c (b) (Being the liability on account of workmen compensation paid) 006, Capital Reserve [4,500 (760 × 6) - 1,500 (750 × 2)] 1,500 Realisation A/c (ii) (Being the unrecorded liability on account of workmen compensation Branch of the Control of March 80,000 paid) Dr 80,000 Particulars Bank A/c (iii) (a) To Realisation A/c (Being the building realised) 1,600 1,600 Realisation A/C no region v8 (b) To Bank A/c (Being the commission paid to broker @ 2% of ₹ 80,000) 6.000 Dr 6,000 5.62017 To Realisation A/c (Being the investments realised)

(being the ii	THE PARTY OF THE P
and Shyamin 1: Liatio, .et	for the year ending 31st March, 2020
Dr	$\frac{1}{2} = \frac{1}{2} $

Expenditure		Amt (₹)	Income	
To Salaries (+) Outstanding for Current Year	4,992 528	AMRUOL	By Subscription 003.8 - bnth 9/19/ (-) Subscription Outstanding for Previous Year	(160)
(A (5C) smiA Li	5,520	5.	Parifeula	7,120
(-) Outstanding for Previous Year	(416)	5,104	(-) Advance Subscription for Next Year OVA Issues a market	0 <u>9</u> 09 (240)
To Stationery		456	By Interest on Investment	
To Meeting Expenses		720	By Profit on Sale of Machinery	
To Surplus, i.e. Excess of			To Ankit's Capital A.c.	
Income over Expenditure	ted in previ	mo 3,920	(Being the adjustment of interest of	
		10,200		

Balance Sheet

as at 31st March, 2020

000 Liabilities	Amt (₹)	Assets	Amt (₹)
Advance Subscription Outstanding Salary	240	Cash	2,616
Outstanding Salary Capital Fund 77,52	320	Books 8,000 (+) Purchase 1,600	9,600
(+) Surplus 3,92		Investments 64,000	
	0. 100 12 × 000	(+) Purchase 1,600 Machinery 4,800	65,600
A.A. d. 3.1/		(-) Sold (400)	4,400
job shutes		ug S 2 - yerush ners vi qraz ya a 17 ° Imuonen istinsa orosik af in netzen t	82,216

Balance Sheet

as at 31st March, 2019

Liabilities	(Amt ₹)	oviese minner Assets	Amt (₹)
Outstanding Salary	416	Cash idona 1.3 polodor o sista 190	984
Capital Fund (Balancing figure)	77,528	Outstanding Subscription	160
1000 31 - , su 11 AG 2 - 11 1 1 1		Investments	64,000
nale caler	ed for all the s	SA TUBULOUS SUBJECT AND SALES	4,800
	n snare acplica		8,000
000,08	77,944	Equity State First Cell No.	77,944

Being share first call money due clanauolshares @ ₹ 3 per 20.

				2 27 1 332
	Date	Particulars	LF Amt (Dr)	Amt (Cr)
60,600	1,06,	Sakshi's Capital A/c To Kanika's Capital A/c (Being Kanika's share of goodwill adjusted in Sakshi's	00,000,000 oT 1,00,000	1,00,000
			DEICH ANGLA	×
40,030		To Kanika's Capital A/c (130,000 × 25/100)	000,08,1 ¹ Equilibrium (Being sha	32,500 45,500
000,88		To Aroha's Capital A/c (1,30,000×40/100) (\$\infty\$000 1) (\$\infty\$000 1) (\$\infty\$000 1)	iupi oi a la	52,000
		in their old ratio i.e.(25:35:40) svieses yearm lies land bas bases or	v (Being sha	

Dr	Ka	Kanika's Capital Account			
Particulars		Amt (₹)	13 bas broose Particulars 3 of	Amt (₹)	
To Kanika's Loan A/c		Inc S \$ In lie	By Balance b/d saw yaspe of By Sakshi's Capital A/c 103 gaisell all (Share of goodwill) is necessarily	1,25,000 1,00,000	
			By Reserve Fund A/c	32,500	
2003.S		2,57,500	Equity Share Forieitus: Mor(800x.s.	2,57,500	

Working Notes

000 -

76,000

1. Calculation of Value of Goodwill and Kanika's Share of Goodwill

Goodwill = Average profit × Number of years' purchase = 1,60,000 × 2.5 = ₹4,00,000 Thus, Kanika's share of goodwill = 4,00,000 × $\frac{25}{100}$ = ₹ 1,00,000

190

	JOURNAL	LF	Amt (Dr)	Amt (Cr)
Date	Particulars Dr		52,000	(0)
	Bank A/c (26,000×2) To Equity Share Application A/c (Being share application money received for 26,000 shares @ ₹ 2 per share)	vi vi	52,000	52,00
	Equity Share Application A/c To Equity Share Capital A/c (20,000×2) To Equity Share Allotment A/c (2,000×2) To Bank A/c (4,000×2) (Being application money @ ₹ 2 per share on 20,000 shares transferred to share capital account and money of 4,000 shares returned, remaining transferred to share allotment)			40,00 4,00 8,00
	Equity Share Allotment A/c To Equity Share Capital A/c (20,000 × 3) To Securities Premium Reserve A/c (20,000 × 1) (Being share allotment money due on 20,000 shares @ ₹ 4 per share including ₹ 1 securities premium reserve)		80,000	60,00 20,00
	Bank A/c (80,000 – 4,000) To Equity Share Allotment A/c (Being share allotment money received for all the shares after adjustment of money transferred from share application)		76,000	76,00
	Equity Share First Call A/c To Equity Share Capital A/c (20,000 × 3) (Being share first call money due on 20,000 shares @ ₹ 3 per share)		60,000	60,00
	Bank A/c (20,000 × 3) Digital To Equity Share First Call A/c (Being share first call received for 20,000 shares @ ₹ 3 per share)		60,000	60,00
	Equity Share Second and Final Call A/c To Equity Share Capital A/c (20,000×2) (Being share second and final call money due on 20,000 shares @ ₹ 2 per share)	tru-	40,000	40,00
	Bank A/c (19,500×2) To Equity Share Second and Final Call A/c (Being share second and final call management and final call management)	ie isna	7 39,000 gnie5);	39,00
* * * * * * * * * * * * * * * * * * *	To Equity Share Forfeiture A/c (500 × 8) (Being 500 shares @ ₹ 10 per share fully called-up forfeited for non-payment of second and final call @ ₹ 2 per share)	543.5	Spoot	1,00
	Bank A/c (300 × 9) Equity Share Forfeiture A/c (300 × 1) To Equity Share Capital A/c (300 × 10) (Being 300 shares @ ₹ 10 each re-issued for ₹ 9 per share fully paid-up)	•	2,700 300	3,00
PONT STANDARD AND AND AND AND AND AND AND AND AND AN	Equity Share Forfeiture A/c (WN) To Capital Reserve A/c (Being balance of 300 shares in share forfeiture account transferred to capital reserve account, after adjustment)		2,100	2,10

Working Note

Calculation of Capital Reserve

Money transferred to share forfeiture account against forfeiture of 300 shares (300×8)

(-) Money adjusted on re-issue of 300 shares from forfeiture account (300 \times 1)

Amount transferred to capital reserve account

2,400 (300) 2,100

Amt (₹)

Or

ite	Particulars	LF	Amt (Dr)	Amt (Cr)
	Bank A/c (30,000 x 2) Dr To Share Application A/c (Being the application money received on 30,000 shares @ ₹ 2 per share)		60,000	60,000
	Share Application A/c $(30,000 \times 2)$ Dr. To Share Capital A/c $(20,000 \times 2)$ To Share Allotment A/c $(4,000 \times 2)$ To Bank A/c $(6,000 \times 2)$ (Being the application money adjusted and surplus refunded)	1001	1014 (-)	40,000 8,000 12,000
	Share Allotment A/c (20,000 × 5) To Share Capital A/c (20,000 × 3) To Securities Premium Reserve A/c (20,000 × 2) (Being the allotment due @ ₹ 5 on 20,000 shares)	enor enor	1,00,000	60,000 40,000
	Bank A/c (WN 2) To Share Allotment A/c = 048 [- 000 8 - 000 00 5 - 000 8 - 000		90,160	90,160
	Share First Call A/c (20,000 x 3) To Share Capital A/c (1000 x 3) (Being the first call due @ ₹ 3 on 20,000 shares)	18 18 18 18 18 18	e clubikely fo	60,000
390 A	Bank A/c (19,000 × 3) D To Share First Call A/c (Being the receipt of first call money on 20,000 shares less shares of Sanchit and Parth)	r ei pri	52,000 Amount (3)	57,000
ios	Share Capital A/c (400 × 8) Securities Premium Reserve A/c (400 × 2) To Share Allotment A/c (WN 1) To Share First Call A/c To Forfeited Shares A/c (Reins the forfeiture of 400 shares held by Sanchit for non-payment		008. Since 200	1,840 1,200 960
)r	39,200 Tuning N	39,200
	Bank A/c (19,000 × 2) To Share Final Call A/c (Being the receipt of final call money on 19,600 shares less Parth's shares)		,000,8€./c Re ≥ sation (Pr Schen's Copinal Moden's Calmie	
	Share Capital A/c (600 × 10) To Share First Call A/c (600 × 3) To Share Final Call A/c (600 × 2) To Forfeited Shares A/c (Being the forfeiture of Parth's 600 shares, for non-payment of both calls)	Or .	6,000	1,80 1,20 3,00

		F Amt (Dr)	Amt (Cr)
Deta	Particulars Dr	7,200 800	
Date	Bank A/c (800 × 9)	2,160	8,000 2,160
	Forfeited Shares A/C To Capital Reserve A/c (WN 4) (Reing the profit on re-issue of 800 shares transferred to	280 (24 Juli 25)	

Working Notes

1. Calculation of Amount not Paid by Sanchit on Allotment

Number of shares applied by Sanchit	
20 000 shares allotted to applications for 24,000	Amt (₹)
20,000 shares allotted to applications for 24,000/20,000 × 400 = 480 shares	960
400 shares anotted to application money @ 2 on 480 shares (480 × 2)	(800)
Sanchit paid only application means allotted (400 × 2)	
() Application money due of shared a large transfer of the control of the contro	160
Excess application (Thories as)	2,000
Allotment money due on 400 shares @ 5 (400 × 5)	(160)
(-) Excess money transferred from share the business of the first terms of the first term	1,840
A ount not haid by Sanchit of anothers	The second secon
	Number of shares applied by Sanchit 20,000 shares allotted to applications for 24,000 400 shares allotted to applications for 24,000/20,000 × 400 = 480 shares 400 shares allotted to application money @ 2 on 480 shares (480 × 2) Sanchit paid only application money due on shares allotted (400 × 2) (-) Application money due on shares allotted (400 × 5) Excess application money adjusted on allotment Allotment money due on 400 shares @ 5 (400 × 5) (-) Excess money transferred from share application account Amount not paid by Sanchit on allotment/calls-in-arrears

- 2. Allotment money received = 1,00,000 8,000 1,840 = ₹90,160
- 3. Since, the question is silent as to utilisation of ₹160 (excess received on application from Sanchit) between share capital and securities premium reserve, it has been assumed that the entire excess of ₹ 160 is exclusively for share and hence, credited to forfeited share account.
- 4. The amount of 2,160 transferred from forfeited shares account to capital reserve has been calculated as under

Amount relating to shares of Sanchit (480 × 2) vorcent like 12 1 to 1913 of 1811 grapes	960	
(-) Discount allowed on re-issue	(400)	560
Amount relating to shares of Parth (400 × 5)		
(-) Discount allowed on re-issue of 400 shares (1 MW) 0\A manifold at side of	(400)	1,600
To Charle Pirat Catt Ato		₹ 2,160

Note Since, 200 shares of Parth have not yet been re-issued, the forfeited amount in respect of these shares remain in the forfeited shares account. A file of shared beas year and instabilist

22. Dr

40,000

Revaluation Account

Cr

098,0 mb 6 3 6	a Amt (₹)	Particulars is estimated	Amt (₹)
Total April (b	40,000	By Building A/c de (00 - 000 05)	1,50,000
	50,000	By Creditors A/c	5,000
		Following Final Call After	
39,000	ica, er no ya	Liber of the manpt of the additionan	
26,000	65,000	Padh's share	
	1,55,000	Share Capital Not is 0 x 10th of the control of the	1,55,000
	ansferred to	40,000 50,000 ansferred to 39,000 26,000 65,000	40,000 By Building A/c 50,000 By Creditors A/c 39,000 65,000 65,000

Particulars	Sohan (₹)	Mohan (₹)	Rohan (₹)	Particulars	Sohan (₹)	Mohan (₹)	Rohan (₹)
To Cash A/c	36,000	24,000	merene estado en la como como como como como como como com	By Balance b/d	3,00,000	2,00,000	3 2 -
(Premium)				By General Reserve A/c	1,20,000	80,000	_
To Balance c/d	5,19,000	3,46,000	2,00,000	By Cash A/c	-	-6	2,00,000
	Partie and		(V. 119).	By Premium for Goodwill A/c (3 : 2)	72,000	48,000	
		By Blainta	1.3	By Workmen	4) not not	son file if	
				Compensation	in children	Imedia of	
				Fund A/c	24,000	16,000	
			in l	By Revaluation A/c	39,000	26,000	_
				(Profit)	MA ISLAB	DeW/	
	5,55,000	3,70,000	2,00,000	17519	5,55,000	3,70,000	2,00,000

Dr				
----	--	--	--	--

Cash Account

Cr

Amt (₹)	Particulars	Amt (₹)
85,000	By Sohan's Capital A/c (Premium)	36,000
2,00,000		24,000
1,20,000		35,000
40,000	D D'II D 11 A/-	40,000
000,0*	By Balance c/d	3,10,000
4,45,000		4,45,000
	85,000 02,00,000 1,20,000 3,40,000	Amt (₹) 85,000 2,00,000 1,20,000 By Mohan's Capital A/c (Premium) 1,20,000 By Creditors A/c 40,000 By Bills Payable A/c By Balance c/d

Balance Sheet 8,53 077,89

as at 1st April, 2020

Liabilities	Amt (₹)	Assets	Amt (₹)
Sundry Creditors (60,000 – 40,000) Bank Loan	20,000	Land and Building (3,00,000 + 1,50,000)	4,50,000
Capital A/cs	10,600	Furniture (1,60,000 - 40,000) days 7 all 3	1,20,000
Sohan 5,19,000	3-000, Philipi	Bills Receivable and bend yabru 8	40,000
Mohan 3,46,000	98,770	Debtors nsoJ a V	55,000
Rohan 2,00,000	10,65,000	Stock (2,00,000 - 50,000) 20\A lalia C	1,50,000
-) Provision for Doubitur Debis. (060)		(Bank)	3,10,000
Pank water que para entre de l'algun	11,25,000	368,84cm and 145,000 X	11,25,000

. Teleplation of Gaining Selic

Working Notes

1. General reserve =
$$2,00,000 (3:2)$$

Sohan =
$$\frac{3}{5}$$
 × 2,00,000 = ₹ 1,20,000

Mohan =
$$\frac{2}{5}$$
 × 2,00,000 = ₹ 80,000

2. Calculation of New Profit Sharing Ratio

Rohan's share =
$$\frac{1}{5}$$

Remaining share
$$= 1 - \frac{1}{5} = \frac{5 - 1}{5} = \frac{4}{5}$$

Sohan's share
$$=$$
 $\frac{3}{5} \times \frac{4}{5} = \frac{12}{25}$

Mohan's share = $\frac{2}{5} \times \frac{4}{5} = \frac{8}{25}$ Rohan's share =

New profit sharing ratio = 12:8:5

	Revaluation A Amt (₹)	Particulars	Amt (₹)
Particulars Particulars	Am (V)	D. (Lingo MC	26,000
To Provision for Doubtful Debts A/c	260	By Buildings A/c	, 500
To Plant and Machinery A/c	15,600		
To Profit Transferred to			-
V's Capital A/c			
W's Capital A/c 2,535			
X's Capital A/c 2,535	10,140	ggg,gma - 9.3C, 63.5	
A S Capital 1 Vo	26,000		26,000

Cr

Partners' Capital Account							
	V (₹)	W (₹)	X (₹)	Particulars	V _(₹)	W (₹)	X (₹)
Particulars To V's Capital A/c To V's Loan A/c To Balance c/d	98,7703	9,000	9,000	By Balance b/d By Profit and Loss A/c By Revaluation A/c (Profit)	75,000 700 5,070	50,000 350 2,535	55,000 350 2,535
			4.45,00	By W's Capital A/c By X's Capital A/c	9,000 9,000		_
	98,770	52,885	57,885		98,770	52,885	57,885

Balance Sheet

as at 31st December, 2019

Liabilities _ 000.00.8	Amt (₹)	Assets and under	Amt (₹)
Bills Payable 100,001 - 100,000 enumerical	10,600	Buildings 24.4 IS 15.00	96,000
Sundry Creditors old Aviete Pallie		Plant and Machinery	62,400
V's Loan	98,770	Stock, 8 % & reduct.1	16,000
Capital A/cs (000 03 - 000 00)(4) 250)2	10.65.000	Debtors 22,000	
W 43,885	5	(-) Provision for Doubtful Debts (660)	21,340
X 48,885	92,770	Bank	7,500
		Cash	9,900
	2,13,140	Santi'l grêne	2,13,140

CONTRACTOR

Working Notes

1. Calculation of Gaining Ratio

Gaining ratio = New share – Old share

W's Gain =
$$\frac{1}{2} - \frac{1}{4} = \frac{2-1}{4} = \frac{1}{4}$$
; X's Gain = $\frac{1}{2} - \frac{1}{4} = \frac{2-1}{4} = \frac{1}{4}$

Gaining ratio of W and X = 1:1

2. Treatment of Goodwill

V's share of goodwill = $36,000 \times \frac{2}{4} = ₹18,000$

Date	Particulars		LF	Amt (Dr)	Amt (Cr)
	W's Capital A/c	Dr		9,000	
		Dr	J ni	9,000	(14)
	To V's Capital A/c				18,000
	(Being V's share of goodwill adjusted among W and X in their gaining ratio)		designation of the control of the co		

23. (b) ₹ 3,50,000

Hint Dr

Provision for Income Tax Account

Cr

Shaken bienun-mobi

Particulars	Amt (₹)	Particulars qualities	Amt (₹)
To Bank A/c (Bal. Fig. being tax paid) To Balance c/d	3,50,000 4,20,000	3,50,000 By Balance b/d 4,20,000 By Statement of Profit and Loss	
A	7,70,000	(Provision made during the year)	7,70,000

24. (a) ₹ 1,74,200

Hint

11116	524.U.J. U.J. 33		
Cash Generated from O		0.00,00,0	augus pas sa Se Amt ₹
Operating Profit			2,00,000 current Liabilities
(+) Depreciation	200,00,2	620 Ga 3	22,000 Зопомнов
			archildail free 2,22,000
(-) Increase in Inventory	illy antion as i	i amaraa s	apriiv(75,000)
	000.001		391dey 3 - DE 1,47,000
(+) Increase in Trade Pa		000.068	27,200
uca uu,ui	2 000 00 11	100 J. 100	1,74,200

25. (c) Schedule III

26. (d) ₹80,000

Hint Let the value of current liabilities be x. On 0.3 Working Capital = Current Assets – Current Liabilities $80,000 = 2x - x^{0.003}$

- ∴ Current Liabilities (x)= ₹80,000
- 27. (a) decrease
- 28. In balance sheet, short-term provisions is the sub-head under current liabilities.
- 29 General

30.

S. No.	Items	Major Heads	Sub-heads
(i)	Computer Software under Development	Non-current Assets	Fixed Assets (Intangible Asset under development)
(ii)	Unclaimed Dividends	Current Liabilities	Other Current Liabilities
(iii)	Provision for Tax	Current Liabilities	Short-term Provisions

Or

:0,00,00,00

(i) Debt-equity Ratio =
$$\frac{\text{Long-term Debts*}}{\text{Shareholders' Funds**}}$$
$$= \frac{27,00,000}{54,00,000} = 0.5:1$$

*Long-term Debts = Long-term Borrowings = ₹27,00,000

= 45,00,000 + 3,000 = ₹ 54,00,000 = ₹ 54,00,000(ii) Proprietary Ratio = $\frac{\text{Shareholders' Funds}}{\text{Total Assets}} = \frac{54,00,000}{1,20,00,000} = 0.45 : 1$ (iii) Total Assets to Debt Ratio = $\frac{\text{Total Assets}}{\text{Long-term Debts}}$

 $= \frac{1,20,00,000}{27,00,000} = 4.4 : 1$ Comparative Balance Sheet
1.

31.		as at 31st March, 2019 and 2020		Chango	Percentage		
	Particulars	Note No.	31st March , 2019 (₹)	31st March, 2020 (₹)	Absolute Change (Increase or Decrease)	Change (Increase or Decrease)	
	ingle.		A A	В	C = B - A	$D = \frac{C}{A} \times 1$	100 %
1. Sha (a) (b)	TY AND LIABILITIES areholders' Funds Share Capital Reserve and Surplus		12,00,000	12,00,000 2,70,000	(30,000)°	T (9 %) 	(10)
Lor 3. Cur	n-current Liabilities ng-term Borrowings rrent Liabilities		5,00,000 8,00,000	3,00,000	(2,00,000) 12,00,000		(40) 150
	Short-term Borrowings Trade Payables		2,00,000	2,30,000	30,000		15 33.33
Total			30,00,000	40,00,000	10,00,000		33.33
2. Cur (a)	TS n-current Assets rent Assets Inventory Trade Receivables	ities –	15,00,000 5,00,000 8,00,000	20,00,000 10,00,000 8,40,000	5,00,000 5,00,000 40,000	39(20) 30,083 (3) 30,083 (3) 30,083 (3) 30,083 (3)	33.33 100 8
. ,	Cash and Cash Equivalents		2,00,000	1,60,000	(40,000)		(20
Total			30,00,000	40,00,000	10,00,000	1-971.00	33.3

(i) Inventory Turnover Ratio

Cost of Revenue from Operations (Cost of Goods Sold) (WN)

Average Inventory

of treim crovisions is the sulphead under current liabilities.

$$3 = \frac{₹15,000}{x + x - 200}$$

let opening inventory be x

Closing Inventory =
$$x - \frac{3}{2} = 200$$

Average Inventory = $\frac{(x + x - \frac{3}{2} = 200)}{2}$

$$3x + 3x - ₹600 = ₹30,000$$

 $6x = ₹30,600$

∴ x = ₹5,100 (Opening Inventory); Closing Inventory = ₹5,100 – ₹200 = ₹4,900.

20% = 720, therefore, Sales = 720Cost of Revenue from Operations = $\frac{?}{18,000 \times 100} = ?15,000$

Current Liabilities = ₹ \(\frac{80,000}{2} = ₹ 40,000\)

Quick Assets = ₹ 40,000 × 1.5 = ₹ 60,000

Inventory = Current Assets - Quick Assets = ₹ 20,000*

*It is presumed as average inventory because there is no information of opening and closing inventories.

Cost of Revenue from Operations, i.e., Cost of Goods Sold = 6 (Given) Inventory Turnover Ratio = Average Inventory (₹ 20,000)

Cost of Revenue from Operations, i.e. Cost of Goods Sold = ₹ 1,20,000

Profit = 25% of ₹ 1,20,000 = ₹ 30,000

Revenue from Operations, i.e., Net Sales = Cost of Revenue from Operations, i.e., Cost of Goods Sold + Profit

= ₹ 1,20,000 + ₹ 30,000

=₹1,50,000

Cash Flow Statement 32.

	for the year ended 31st March, 202 Particulars	Balance b/G	Amt (₹)
	(HOM) 11 ROU BY Balances	earthras and to monaise	***************************************
Cash Flow from Operating		Facts Atc (B. lancing figure)	35,500
	and Extraordinary Items (WN 1)	All bay	00,000
Adjustments for (+) Depreciation		35,000	
(-) Profit on Sale of Inve	anacos contexe Trobnomivarii estments	(250)	
Profit on Sale of Fix		(1,000)	33,750
Operating Profit before V	Vorking Capital Changes	Bank A/c (Balanding figure)	69,250
	Assets and Increase in Current Lia	b Balance c/d seitilid	
Inventories (abama	* - 1 (Provision	15,000	
	Assets and Decrease in Current Lia	abilities (1.00.500)	
Trade Receivables		(1,22,500) (17,000)	(1,24,500
Trade Payables		(17,000)	(55,250
Cash used in Operating	Activities		(37,000
(-) Income Tax Paid			(92,250
Net Cash used in Opera			(32,200
Cash Flow from Investing		(9,000)	
Purchase of Investments Sale of Fixed Assets		6,000	
Sale of Investments		4,250	
Net Cash Inflow from In	vesting Activities	And the state of t	1,25
III. Cash Flow from Finance	ing Activities		
Mortgage Loan		1,35,000	
Dividend Paid		(20,000)	
Net Cash Inflow from F	inancing Activities		1,15,00
Net Increase in Cash a	nd Cash Equivalent (I + II + III)		24,00
Cash and Cash Equiva	lent in the Beginning of the Year		74,50
Ocale and Cash Equiva	lent at the End of the Year		98,50

Working Notes

1	Net Profit	hefore	Tax	and	Extra	ordinary	Items
---	-------------------	--------	-----	-----	-------	----------	-------

A STATE OF THE STA		Particulars		Amt (₹)
Closing Balance of Sta	tement of Profit	and Loss (31	st March, 2020)	34,000
(-) Opening Balance of	of Statement of	Profit and Los	s (31st March, 2019)	(28,000)
(+) Interim Dividend				20,000
(+) Provision for Taxati	on .			4,500
(+) Transfer to Reserve			5,000	
			i lan - Aperda geneva. Ja i gan isyan	35,500
2. Dr	Markey San	ixed Assets A	Account	C C
Particula	rs	Amt (₹)	Particulars	Amt (₹)
To Balance b/d To Statement of Profit a	nd Loss	2,00,000 1,000	By Bank A/c By Depreciation A/c (Balancing figure)	6,000 35,000

3. Dr Investment Account

(Profit on sale)

Particulars Amt (₹) **Particulars** Amt (₹) To Balance b/d 25,000 By Bank A/c 4,250 To Statement of Profit and Loss (Profit) 250 By Balance c/d 30,000 To Bank A/c (Balancing figure) 9,000 34,250 34,250

2,01,000

By Balance c/d

1,60,000

2,01,000

4. Dr Provision for Taxation Account

The state of the s	Unior laxal	ion Account	Cr.
Particulars -	Amt (₹)	Particulars	Amt (₹)
To Bank A/c (Balancing figure) To Balance c/d	37,000 5,000	By Balance b/d By Statement of Profit and Loss	37,500 4,500
ment Liabilities	42,000	(Consider Made)	42,000