Class XII Session 2025-26
Subject - Accountancy
Sample Question Paper - 6

Time Allowed: 3 hours **Maximum Marks: 80**

General Instructions:

1. This question paper contains 34 questions. All questions are compulsory.
2. This question paper is divided into two parts, Part A and B.
3. **Part - A is compulsory for all candidates**.
4. Part **-** B has two options i.e. **(i) Analysis of Financial Statements and (ii) Computerised Accounting**. Students must attempt only one of the given options.
5. Question 1 to 16 and 27 to 30 carries 1 mark each.
6. Questions 17 to 20, 31and 32 carries 3 marks each.
7. Questions from 21 ,22 and 33 carries 4 marks each
8. Questions from 23 to 26 and 34 carries 6 marks each
9. There is no overall choice. However, an internal choice has been provided in 7 questions of **one mark**, 2 questions of **three marks**, 1 question of **four marks** and 2 questions of **six marks**.

Part A:- Accounting for Partnership Firms and Companies

1. Can employee provident fund be distributed among old partners in old ratio at the time of admission? **[1]**

   a) It can be distributed
   b) Can be distributed if tax is paid
   c) Can't be distributed if tax is paid
   d) It can't be distributed

2. **Assertion (A):** Soni and Mohan entered into a partnership in the profit sharing ratio 1 : 2. Mohan agreed to pay Soni if her share of profit fall short of ₹ 50,000. The profit earned was ₹ 1,77,000. Soni asked him to pay ₹ 27,000, but Mohan refused to pay anything. **[1]**

   Reason (R): Profit is guaranteed only when the minimum amount of profit is not earned by the partner.

   a) Both A and R are true and R is the correct explanation of A.
   b) Both A and R are true but R is not the correct explanation of A.
   c) A is true but R is false.
   d) A is false but R is true.

3. ESOP offered by company will create/retain: **[1]**

   a) High calibre
   b) High Productivity
   c) A sense of belongingness in employees
   d) All of these

   OR

   Why is a premium on the issue of debentures considered as a capital profit

   a) It is an income arising from the normal
   b) All of these

course of business operations.

c) It is not a loss arising from the normal course of business operations.

d) It is not an income arising from the normal course of business operations.

4. Vinod and Govind are equal partners in a partnership. They decided to change their ratio as 2 : 1. On that date, general reserve appeared in the books as ₹ 30,000. What amount of reserve will be transferred to Govind's Capital Account? **[1]**

a) ₹ 5,000

b) ₹ 10,000

c) ₹ 20,000

d) ₹ 15,000

OR

R, S and T were partners sharing profits and losses in the ratio of 5 : 3 : 2. On 31st March, 2023, their books reflected a net profit of ₹ 3,10,000. As per the terms of the partnership deed they were entitled for interest on Capital which amounted to ₹ 90,000, ₹ 60,000 and ₹ 30,000 respectively for R, S and T. Besides this an annual salary of ₹ 60,000 each was payable to R and S. The ratio in which the profits would be appropriated is:

a) 4 : 3 : 2

b) 5 : 3 : 2

c) 5 : 4 : 1

d) 1 : 1 : 1

5. Calculate monthly drawings when a partner Mr. Tarun withdrew the fixed amount of drawing at the end of each month **[1]**

- Interest on drawings = 550
- Rate of drawings = 10% p.a.

Monthly drawings made by him:

a) 1,100 per month

b) 1,300 per month

c) 1,200 per month

d) 1,000 per month

6. Debenture interest is paid **[1]**

a) at a rate as determined by the company from time to time.

b) at a predetermined rate

c) at a rate based on net profit of the company.

d) at variable rate

OR

Elite Ltd. issued 20,000, 9% Debentures of ₹ 100 each at a discount of 10%, redeemable at a premium. On issue of these debentures, **Loss on issue of debentures account** was debited with ₹ 4,00,000. The premium on redemption of debentures is:

a) ₹ 6,00,000

b) ₹ 2,00,000

c) ₹ 10,00,000

d) ₹ 4,00,000

7. If a share of ₹ 10 issued at a premium of ₹ 2 per share, on which ₹ 8 (including premium) has been called and ₹ 6 (including premium) has been paid by the shareholder, is forfeited, then Share Capital Account will be debited with: **[1]**

a) ₹ 8

b) ₹ 10

c) ₹ 4

d) ₹ 6

8. A, B and C are partners sharing profits in 5 : 3 : 2. C retires and his share was purchased by A and B by giving **[1]**

him (C) ₹ 10,000 each from their Capital A/cs. What will be the value of the goodwill of the firm?

a) ₹ 50,000
b) ₹ 1,20,000
c) ₹ 1,00,000
d) ₹ 20,000

OR

Radha is a partner in a firm. She withdrew ₹ 6,000 in the beginning of each quarter during the year ended 31st March, 2023. Interest on her drawings @ 10% p.a. will be:

a) ₹ 1,200
b) ₹ 600
c) ₹ 1,500
d) ₹ 900

9. Eshaan and Noor are partners sharing profits in the ratio of 7 : 3. **[1]**

Loan given by the Eshaan to the firm on 1st October 2020	1,00,000
Loan given by the firm to Navya on 1st December 2020	60,000

Partnership deed provides interest on loan by Eshaan @10% p.a. and interest on Loan by Noor @8% p.a. Profit for the year ended 31st March 2021 was ₹ 2,400.
Profit/loss shared by the partners:

a) Loss to Eshaan ₹ 1,400 and Noor ₹ 600
b) Profit to Eshaan ₹ 420 and Noor ₹ 180
c) Loss to Eshaan ₹ 280 and Noor ₹ 120
d) Loss to Eshaan ₹ 700 and Noor ₹ 300

10. Public subscription of shares include : **[1]**

a) To Receive Applications
b) To Issue Prospectus
c) All of these
d) To Make Allotment

11. What amount is shown in the **Forfeiture Account** at the time of forfeiture of shares? **[1]**

a) Amount not paid by the shareholder on application and allotment
b) Total amount paid by the shareholder including amount utilised on premium
c) Application money paid by the shareholder including premium
d) Total amount paid by the shareholder excluding the amount utilised on premium

12. 1000 shares of ₹ 10 each were forfeited for non-payment of ₹ 2 per share on First call. Final call of ₹ 2 was not made yet. **[1]**
Share Capital Account will be Debited with (At the time of forfeiture):

a) 10000
b) 4000
c) 8000
d) 6000

13. Interest on Capital is allowed **[1]**

a) the opening capital
b) Introduction of capital
c) the capital at the year end
d) average capital of the year

14. Ram, Preeti and Ravi are partners sharing profits in the ratio of 5 : 4 : 1. Ravi is given guarantee that his share of profit in any year will not be less than ₹ 5,000. Deficiency in profit share of Ravi will be borne by Preeti. The Journal entry to record for deficiency met by Preeti is given below: **[1]**

Date	Particulars		L.F.	Dr.(₹)	Cr.(₹)

	Preeti Captial A/c	Dr.		1,000	
	To Ravi Capital A/c				1,000
	(Deficiency met by Peeti)				

Profit earned during the year was

a) ₹ 40,000
b) ₹ 50,000
c) ₹ 30,000
d) ₹ 35,000

15. A and B are partners in a firm sharing profits and losses in the ratio of 2 : 1. On 1st April, 2017 they decided to admit C into partnership for 1/5th share in the profits. For this purpose, goodwill was valued at 80% of the average annual profits of the previous four years. The profits of the last four years were: **[1]**

31.3.2014	1,67,000
31.3.2015	1,56,000
31.3.2016	1,92,000
31.3.2017	(10,000)

The value of goodwill of the firm:

a) 1,01,000
b) 1,02,000
c) 1,00,000
d) 1,04,000

OR

L and M are partners in a firm sharing profits and losses in the ratio of 3 : 2. Their capitals were ₹ 6,40,000 and ₹ 4,00,000 respectively. N was admitted for $\frac{1}{5}$th share in the profits of the firm. He brought ₹ 4,80,000 as his capital. The goodwill of the firm will be:

a) ₹ 13,60,000
b) ₹ 2,72,000
c) ₹ 8,80,000
d) ₹ 1,76,000

16. Which of the following is not transferred to Realisation Account: **[1]**

a) Balance of Cash Account
b) All of these
c) Balance of Reserves
d) Balance of Profit & Loss Account

17. Anu, Manu, Tanu and Kanu were partners in a firm sharing profits and losses in the ratio of 2 : 1 : 2 : 1. They decided to share profits and losses in the ratio of 4 : 2 : 3 : 1 with effect from 1st April, 2022. On this date, goodwill of the firm was valued at ₹ 1,20,000 and General Reserve appeared in the books at ₹ 36,000. **[3]**
Pass necessary journal entries for the above transactions. Show your workings clearly.

18. E, F and G were partners in a firm sharing profits in the ratio of 3 : 3 : 4. Their respective fixed capitals were E ₹ 3,00,000; F ₹ 4,00,000 and G ₹ 5,00,000. The partnership deed provided for allowing interest on capital @ 12% p.a. even if it results into a loss to the firm. The net profit of the firm for the year ended 31st March, 2018 was ₹ 2,10,000. **[3]**
Pass necessary journal entries for allowing interest on capital and division of profit/loss in the books of the firm.

OR

Rahul, Suraj and Ravi are partners in a firm. Their profit sharing ratio is 2 : 2 : 1. Ravi is guaranteed an amount of ₹ 10,000 as share of profit, every year. Any deficiency on that account shall be met by Suraj. The profits for two years ending March 31st, March 2022 and 2023 were ₹ 40,000 and ₹ 60,000, respectively. Prepare the Profit and Loss Appropriation Account for the two year.

19. G. Ltd. a listed company issued 75,00,000, 6% debentures of ₹50 each at par payable ₹15 on application and ₹35 on the allotment, redeemable at par after 7 years from the date of issue of debentures. Record necessary entries in the books of the Company. **[3]**

OR

What is public company?

20. Sahil, Himanshu, and Sunil are partners sharing profits and losses equally. They agree to admit Danish for an equal share of profit. For this purpose, the value of goodwill is to be calculated on the basis of four years' purchase of the average profit of the last five years. These profits for the year ended 31st March were: **[3]**

Year	**2019**	**2020**	**2021**	**2022**	**2023**
Profit/(Loss) (₹)	1,50,000	3,50,000	5,00,000	7,10,000	(5,90,000)

On 1st April 2022, a car for ₹ 1,00,000 was purchased and debited to Travelling Expenses Account, on which depreciation is to be charged @ 25% p.a. The interest of ₹ 10,000 on Non-trade Investments is a credit to income for the year ended 31st March 2022 and 2023.

Calculate the value of goodwill after adjusting the above.

21. Ritik Ltd. forfeited 3,000 shares of ₹ 10 each (issued at ₹ 2 premium) for non-payment of first call of ₹ 2 per share. Final call of ₹ 3 per share was not yet made. Out of these, 2,000 shares were re-issued at ₹ 10 per share as fully paid. Pass entries for forfeiture and reissue of shares. **[4]**

22. What journal entries will be recorded for the following transactions on the dissolution of a firm: **[4]**

a. Payment of unrecorded liabilities of ₹ 3,200.
b. Stock worth ₹ 7,500 is taken by a partner Rohit.
c. Profit on Realisation amounting to ₹ 18,000 is to be distributed between the partners Ashish and Tarun in the ratio of 5:7.
d. An unrecorded asset realised ₹ 5,500.

23. SLR Ltd. forfeited 1,500 shares of Rahul of ₹ 10 each issued at a premium of ₹ 3 per share for non-payment of allotment and first call money. Rahul had applied for 3,000 shares. On these shares, amount was payable as follows: **[6]**

On application	₹ 3 per share
On allotment (including premium)	₹ 5 per share
On first call	₹ 3 per share
On final call	Balance

Final call has not been called up. 1,000 of the forfeited shares were reissued for ₹ 8,500 as fully paid-up.

Record the necessary journal entries for the above transactions in the books of SLR Ltd.

OR

RK Ltd invited applications for issuing 80,000 equity shares of Rs. 10 each at a premium of Rs. 35 per share. The amount was payable as follows

On application — Rs. 8 (including Rs. 5 premium) per share

On allotment — 12 (including Rs. 10 premium) per share

On first and final call — Balance

Applications for 75,000 shares were received and allotment was made to all the applicants Rahim, a shareholder who was allotted 3,000 shares failed to pay allotment money and his shares were immediately forfeited.

Afterwards, the first and final call was made. Suhani who held 3,000 shares failed to pay the final call. Her shares were also forfeited. All the forfeited shares were reissued for a sum of Rs. 62,000 as fully paid up. Pass necessary journal entries for the above transactions in the books of RK Ltd.

24. L, M and N were partners in a firm sharing profits in the ratio of 3 : 2 : 1. Their balance sheet as at 31st March, 2022 was as follows: **[6]**

Liabilities		**(₹)**	**Assets**	**(₹)**
Creditors		1,68,000	Bank	34,000
General Reserve		42,000	Debtors	46,000
Capital A/cs			Stock	2,20,000
L	1,20,000		Investments	60,000
M	80,000		Furniture	20,000
N	40,000	2,40,000	Machinery	70,000
		4,50,000		4,50,000

On the above date, O was admitted as a new partner and it was decided that:

i. The new profit sharing ratio between L, M, N and O will be 2 : 2 : 1 : 1.
ii. Goodwill of the firm was valued at ₹ 1,80,000 and O brought his share of goodwill premium in cash.
iii. The market value of investments was at ₹ 36,000.
iv. Machinery will be reduced to ₹ 58,000.
v. A creditor of ₹ 6,000 was not likely to claim the amount and hence is to be written-off.
vi. O will bring proportionate capital so as to give him $\frac{1}{6}$th share in the profits of the firm.

Prepare revaluation account, partners' capital accounts and the balance sheet of the new firm.

OR

Ankush, Bhuvesh and Mukul were partners in a firm sharing profits in the proportion of $\frac{1}{2}$, $\frac{1}{3}$ and $\frac{1}{6}$ respectively. Mukul retired on 1st April, 2023. The balance sheet of the firm on the date of Mukul's retirement was as follows:

BALANCE SHEET

as on 1st April, 2023

Liabilities		**(₹)**	**Assets**		**(₹)**
Sundry Creditors		12,600	Bank		4,100
Employee's Provident Fund		3,000	Debtors	30,000	
General Reserve		9,000	*Less*: Provision for Doubtful Debts	(1,000)	29,000
Capital A/c's			Stock		25,000
Ankush	40,000		Investments		10,000
Bhuvesh	36,500		Patents		5,000
Mukul	20,000	96,500	Machinery		48,000

		1,21,100			**1,21,100**

It was agreed that:

i. Goodwill will be valued at ₹ 27,000.
ii. Depreciation of 10% was to be provided on machinery.
iii. Patents were to be reduced by 20%.
iv. An old photocopier previously written off was sold for ₹ 600
v. Mukul took over investments for ₹ 15,800.
vi. Ankush and Bhuvesh decided to adjust their capitals in proportion of their profit sharing ratio by opening current accounts.

Prepare revaluation account and partners' capital accounts on Mukul's retirement.

25. Raj, Kamal and Mohit are partners in a firm, sharing profits and losses in the ratio of 3 : 5 : 2. On 31st March, 2022, their Balance Sheet was as under: **[6]**

BALANCE SHEET

as at 31st March, 2022

Liabilities		**₹**	**Assets**	**₹**
Creditors		39,200	Land and Building	48,000
General Reserve		16,000	Plant	72,000
Capital A/cs:			Inventory	34,000
Raj	76,800		Trade Marks	26,400
Kamal	69,600		Bills Receivables	39,200
Mohit	54,000	2,00,400	Cash in Hand	24,000
			Advertisement Suspense	12,000
		2,55,600		**2,55,600**

Kamal died on 30th September, 2022. An agreement was reached amongst Raj, Mohit and Kamal's legal representative that:

i. Goodwill to be valued at 2 year's purchase of the average profits of the previous three years, which were:

Year:	**2019-20**	**2020-21**	**2021-22**
Profit:	₹ 31,200	₹ 28,800	₹ 36,000

ii. Trade marks to be revalued at ₹ 19,200; plant at 80% of its book value and land building at ₹ 57,600.
iii. Kamal's share of profit to the date of his death to be calculated on the basis of previous year's profit.
iv. Interest on capital to be provided @ 10% per annum.
v. ₹ 60,080 to be paid in cash to Kamal's legal representative and balance to be transferred to the legal representative's loan account.

You are required to prepare:

i. Revaluation Account.
ii. Kamal's Capital Account, and
iii. Kamal's Legal Representative's Account.

26. **Read the text carefully and answer the questions:** **[6]**

Amit Technologies Ltd. issued 5,000; 9% Debentures of ₹ 100 each at a premium of ₹ 20 payable as follows:

i. ₹ 40 including premium of ₹ 10 on application

ii. ₹ 40 including premium of ₹ 10 on allotment

iii. Balance as first and final call.

Applications were received for 5,000 debentures and allotment was made to all the applicants. All the calls were made, and amounts received.

(a) The amount of money received during application is:

a) ₹ 150,000 b) ₹ 2,00,000

c) ₹ 1,00,000 d) ₹ 4,00,000

(b) What amount of the money received in application is transferred to the securities premium reserve account:

a) ₹ 2,00,000 b) ₹ 1,00,000

c) ₹ 5,00,000 d) ₹ 50,000

(c) ____ is the balance amount per debenture to be received at the first and final call is:

a) ₹ 40 b) ₹ 30

c) ₹ 20 d) ₹ 10

(d) What is the total interest payable on the debentures issued?

a) ₹ 8,000 b) ₹ 45,000

c) ₹ 54,000 d) ₹ 20,000

(e) Above case is an example of

a) Both a and c b) Full subscription

c) Undersubscription d) Oversubscription

(f) What is the total amount received by Amit Technologies Ltd. from the issue of debentures?

a) ₹ 2,40,000 b) ₹ 2,50,000

c) ₹ 2,00,000 d) ₹ 2,80,000

Part B :- Analysis of Financial Statements

27. Which objective is useful for the external users of financial statements? **[1]**

a) Assessing the Earning Capacity or profitability

b) Assessing the Short-term and Long-term Solvency of the Firm

c) Inter-firm Comparison

d) Assessing the Managerial Efficiency

OR

Out of the following, identify the item that is not shown in the Note to Accounts on Finance Costs:

a) Interest paid on term loan

b) Interest Paid on Bank Overdraft

c) Discount on Issue of Debentures Written off

d) Bank Deposit

28. Which Ratio shows the relationship between current assets with current liabilities **[1]**

a) Quick ratio
b) Current ratio
c) Debt ratio
d) Gross profit ratio

29. Which of the following is shown under Financing Activity? **[1]**

a) Commission Received
b) Cash paid for purchase of goods
c) Cash received against sale of goods
d) Interest paid

OR

Balance Sheet (Extract)

Liabilities	**31-03-2018 (₹)**	**31-03-2017 (₹)**
Fixed Assets	23,80,000	17,50,000

Depreciation on fixed assets was ? 2,00,000 for the year. How much amount for **Purchase of fixed assets** will be shown in investing activity for cash flow statement prepared on 31st March, 2018?

a) Outflow ₹ 8,30,000
b) Inflow ₹ 6,30,000
c) Outflow ₹ 6,30,000
d) Inflow ₹ 42,600

30. Cash Flow from Operating activities + Cash flow from investing activities + Cash flow from financing activities =? **[1]**

a) Net Increase/Decrease in cash and cash equivalents
b) Net Increase/Decrease in Share Capital
c) Net Increase/Decrease in Non-current Assets
d) Net Increase/Decrease in Long term borrowings

31. State under which major headings and sub-headings will the following items be presented in the Balance Sheet of a company as per Schedule-III, Part-I of the Companies Act, 2013: **[3]**

i. Prepaid Insurance
ii. Investment in Debentures
iii. Calls-in-arrears
iv. Unpaid dividend
v. Capital Reserve
vi. Loose Tools
vii. Capital work-in-progress
viii. Patents being developed by the company.

32. Calculate Current Ratio from the following: **[3]**
Working Capital ₹ 4,80,000; Trade Payables ₹ 2,00,000 and Bank Overdraft ₹ 40,000.

33. Prepare a Comparative Statement of Profit & Loss from the following details: **[4]**

	31.3.2023	**31.3.2022**
Revenue from Operations	₹ 30,00,000	₹ 20,00,000
Other Income (% of Revenue from operations)	15%	20%
Expenses (% of Operating Revenue)	60%	50%

OR

Following is the statement of Profit and Loss of Jai Bharat Ltd. for the year ended 31st March 2023:

Particulars	**Note No.**	**31-3-2023 (₹)**	**31-3-2022 (₹)**
Revenue from Operations		25,00,000	20,00,000
Other Incomes		1,00,000	5,00,000
Employee benefits expenses		60% of Total Revenue	50% of Total Revenue
Other Expenses		10% of Employee	20% of employee
		Benefits expenses	Benefits expenses
Tax Rate		50%	40%

You are required to prepare a Comparative Statement of Profit and Loss of Jai Bharat Ltd. from the given statement of Profit and Loss.

34. Following are the Balance Sheets of K Ltd. for the years ended 31st March, 2023 and 2022: **[6]**

Particulars	**Note No.**	**31st March, 2023 (₹)**	**31st March, 2022 (₹)**
I. EQUITY AND LIABILITIES:			
1. Shareholders' Funds:			
(a) Share Capital		12,00,000	8,00,000
(b) Reserves and Surplus (Profit and Loss Balance)		3,50,000	4,00,000
2. Non-Current Liabilities:			
Long-term Borrowings		4,40,000	3,50,000
3. Current Liabilities:			
Trade Payables		60,000	50,000
TOTAL		**20,50,000**	**16,00,000**
II. ASSETS:			
1. Non-Current Assets:			
(a) Property, Plant and Equipment and Intangible Assets			
(i) Property, Plant and Equipment (Machinery)		12,00,000	9,00,000
2. Current Assets:			
(a) Inventories		2,00,000	1,00,000
(b) Trade Receivables		3,10,000	2,30,000
(c) Cash and Cash Equivalents		3,40,000	3,70,000
TOTAL		**20,50,000**	**16,00,000**

Prepare a Cash Flow Statement after taking into account the following adjustments:

i. The company paid interest ₹ 36,000 on its long-term borrowings.

ii. Depreciation charged on machinery was ₹ 1,20,000.

Solutions

Part A:- Accounting for Partnership Firms and Companies

1.
   (d) It can't be distributed
   Explanation:
   It can't be distributed as it it outside liability

2. **(a)** Both A and R are true and R is the correct explanation of A.
   Explanation:
   As the profit share of Soni is 77,000, which is more than the guaranteed amount, so Mohan did not have to pay her.

3.
   (d) All of these
   Explanation:
   The employee stock ownership plan is giving the shares to the employees in order to creates high calibre and productivity of employees.

   OR

   (d) It is not an income arising from the normal course of business operations.
   Explanation:
   The premium on issue of debentures is considered as capital profit because it is not earned by the normal course of business operations. Any profit or gain earned by the company which is not part of the normal operating business is termed as capital profit. Hence Premium on the issue of debenture is considered as capital receipt.

4.
   (d) ₹ 15,000
   Explanation:
   As the general reserve is transferred as per the old profit sharing ratio, so the amount to be transferred to Govind's Capital Account is ₹ 15,000.

   OR

   (b) 5 : 3 : 2
   Explanation:
   As per the terms of agreement profit will be shared in 5 : 3 : 2 ratio.

5.
   (d) 1,000 per month
   Explanation:
   550 = Total drawings X 10/100 X 5.5/12
   total drawings = 12,000
   Monthly drawings = 1,000

6.
   (b) at a predetermined rate
   Explanation:
   at a predetermined rate

OR

(b) ₹ 2,00,000

Explanation:

₹ 2,00,000 (20000x100x10%)

7.

(d) ₹ 6

Explanation:

₹ 6

8.

(c) ₹ 1,00,000

Explanation:

Value of the goodwill of the firm

Total amount of C's capital = $\frac{₹10,000}{\frac{2}{10}}$ = ₹ 50,000

Goodwill of the firm = $\frac{₹50,000}{\frac{1}{2}}$ = ₹ 1,00,000

OR

(c) ₹ 1,500

Explanation:

24000x10%x7.5/12 = ₹ 1,500

9.

(d) Loss to Eshaan ₹ 700 and Noor ₹ 300

Explanation:

2400+1600-5000 = loss 1000

Loss to Eshaan ₹ 700 and Noor ₹ 300

10.

(c) All of these

Explanation:

All of these

11.

(d) Total amount paid by the shareholder excluding the amount utilised on premium

Explanation:

Total amount paid by the shareholder excluding the amount utilised on premium

12.

(c) 8000

Explanation:

Share Capital Account will be Debited with

= 1000 share $\times$ 8 called up

= 8000

13. **(a)** the opening capital
Explanation:
the opening capital

14. **(a)** ₹ 40,000
Explanation:
Guarantee to Ravi = ₹ 5,000
Amount received by Ravi = ₹ 5,000 - ₹ 1,000 = ₹ 4,000
Total profit = $\frac{4,000}{\frac{1}{10}}$ = ₹ 40,000

15. **(a)** 1,01,000
Explanation:
Average profit = 1,67,000 + 1,56,000 + 1,92,000 - 10,000/ 4
= 1,26,250
Goodwill = 1,26,250 X 80%
= 1,01,000

OR

(c) ₹ 8,80,000
Explanation:
Hidden goodwill = Total capital of the firm on the basis of new partner capital - total Adjusted capital of all partner
Total capital of the firm = $\frac{4,80,000}{\frac{1}{5}}$ ₹ = 24,00,000
Total capital of all partner = ₹ 6,40,000 + ₹ 4,00,000 + ₹ 4,80,000 = ₹ 15,20,000
Goodwill = ₹ 24,00,000 - ₹ 15,20,000 = ₹ 8,80,000

16.
(b) All of these
Explanation:
All of these

17. Sacrificed Share = Old share - New share
Anu
$\frac{2}{6} - \frac{4}{10} = \left(\frac{1}{15}\right)$ Gain
Manu
$\frac{1}{6} - \frac{2}{10} = \left(\frac{1}{30}\right)$ Gain
Tanu
$\frac{2}{6} - \frac{3}{10} = \frac{1}{30}$ Sacrifice
Kanu
$\frac{1}{6} - \frac{1}{10} = \frac{1}{15}$ Sacrifice

Books of Anu, Manu, Tanu and Kanu
Journal

Date	Particulars		L.F.	Debit Amount (₹)	Credit Amount (₹)
2022 April 1	General Reserve A/c	Dr.		36,000	
	To Anu’s Capital A/c				12,000
	To Manu’s Capital A/c				6,000
	To Tanu’s Capital A/c				12,000
	To Kanu’s Capital A/c				6,000
	(General reserve distributed in old ratio)				
2022 April 1	Anu’s Capital A/c	Dr.		8,000	

	Manu's Capital A/c	Dr.		4,000	
	To Tanu's capital A/c				4,000
	To Kanu's Capital A/c				8,000
	(Goodwill adjusted on change in profit sharing ratio)				

18.

Journal

Date	Particulars		L.F.	Dr. (₹)	Cr. (₹)
(a)	Interest On Capital A/c	Dr.		1,44,000	
	To E's Current A/c				36,000
	To F's Current A/c				48,000
	To G's Current A/c				60,000
	(Interest on Capital Credited to Partner's Current A/c)				
(b)	P & L Appropriation A/c	Dr.		1,44,000	
	To Interest on Capital A/c				1,44,000
	(interest on capital transferred to P & L App. A/c)				
(b)	P & L Appropriation A/c	Dr.		66,000	
	To E's Current A/c				19,800
	To F's Current A/c				19,800
	To G's Current A/c				26,400
	(Profit on Appropriation transferred)				

OR

PROFIT AND LOSS APPROPRIATION ACCOUNT

For the year ending 31st March, 2023

Dr.				**Cr.**
Particulars		**Amount (₹)**	**Particulars**	**Amount (₹)**
To Profit transferred to:			By Net Profit and Loss A/c	40,000
Rahul's Capital A/c		16,000		
Suraj's Capital A/c	16000			
Less : Deficiency in Ravi's Share	2,000	14,000		
Ravi's Capital A/c	8,000			
Add : Deficiency met by Suraj	2000	10,000		
		40,000		**40,000**

Working Note :

Share of Profit :

Rahul : 40,000 $\times \frac{2}{5}$ = ₹ 16,000

Suraj : 40,000 $\times \frac{2}{5}$ = ₹ 16,000

Ravi : 40,000 $\times \frac{1}{5}$ = ₹ 8,000

The minimum guaranteed amount to Suraj is ₹ 10,000 whereas, his share of profit as per the profit sharing ratio works out to be ₹ 8,000 only. Hence, there is a shortfall of ₹ 2,000 which will be borne by Suraj

PROFIT AND LOSS APPROPRIATION ACCOUNT

For the year ending 31st March, 2023

Dr.			Cr.
Particulars	**Amount (₹)**	**Particulars**	**Amount (₹)**
To Profit transferred to:		By Net Profit and Loss A/c (net profit)	60,000
Rahul's Capital $\left(60,000 \times \frac{2}{5}\right)$	24,000		
Suraj's Capital $\left(60,000 \times \frac{2}{5}\right)$	24,000		
Ravi's Capital $\left(60,000 \times \frac{1}{5}\right)$	12,000		
	60,000		**60,000**

Note: Ravi's share is more than the guaranteed amount, hence there is no need for any adjustment

19. **Book of G. Ltd.**

Journal

Date	Particulars		L.F.	Dr. (₹)	Cr. (₹)
	Bank A/c	Dr.		11,25,00,000	
	To 6% Debenture Application A/c				11,25,00,000
	(Application money @ ₹15 each received for 75,00,000 debentures)				
	6% Debenture Application A/c	Dr.		11,25,00,000	
	To 6% Debenture A/c				11,25,00,000
	(Application money of 75,00,000 debentures transferred to 6% Debentures Account)				
	6% Debenture Allotment A/c	Dr.		26,25,00,000	
	To 6% Debenture A/c				26,25,00,000
	(Allotment money @ ₹35 each due for 75,00,000 debentures)				
	Bank A/c	Dr.		26,25,00,000	
	To 6% Debenture Allotment A/c				26,25,00,000
	(Allotment money received @ ₹35 each on 75,00,000 debentures)				

OR

A Public company as per section Sec 2(71) and Sec 3 (1) (a) of Company Act, 2013 means a company which:

a. is not a private company.

b. has a minimum paid-up share capital of five lakh rupees or such higher paid-up capital, as may be prescribed.

The stock of a public company can be acquired by any individual and it may be through IPO or through trading on stock market.

20. Normal Profit for the year ended 31st March 2022:

= (Total Profit + Purchase of Car wrongly debited - Depreciation on Car - Income from non-Trade Investment)

= ₹ (7,10,000 + 1,00,000 - 25,000 - 10,000) = ₹ 7,75,000.

Normal Profit for the year ended 31st March, 2023:

= (Total Loss + Income from non-Trade Investment)

= ₹ (5,90,000 + 10,000) = ₹ 6,00,000.

Average Profits = $\frac{\text{Normal Profit for the year ended 31 st March, 2019 to 31 st March, 2023}}{5}$

Average Profits of last five years = $\frac{1,50,000+3,50,000+5,00,000+7,75,000-(6,00,000)}{5}$ = ₹ 2,35,000

Goodwill of firm = Average Profits of last five years $\times$ No. of Years of Purchase

Goodwill of firm = (₹ 2,35,000 $\times$ 4) = ₹ 9,40,000

21. **Journal**

Date	Particulars		L.F.	Amount (Dr.)	Amount (Cr.)
1)	Share Capital A/c (3,000 $\times$ 7)	Dr.		21,000	

	To forfeited Share A/c (3,000 × 5)				15,000
	To Share first call A/c (3,000 × 2)				6,000
	(3,000 share forfeited)				
2)	Bank A/c (2,000 × 10)	Dr.		20,000	
	To Share Capital A/c				20,000
	(2,000 Share issued @ ₹ 10 per share fully paid up)				
3)	Forfeited Share A/c(1)	Dr.		10,000	
	To Capital Reserve A/c				10,000
	(Gross forfeited amount of 2,000 shares transferred to Capital Reserve)				
	[$\frac{15,000}{3,000}$ × 2,000 - 0 ⇒ ₹ 10,000]				

22.

JOURNAL

Date	Particulars		L.F.	Amount (₹)	Amount (₹)
(a)	Realisation A/c	Dr.		3,200	
	To Bank A/c				3,200
	(Being Unrecorded liabilities paid)				
(b)	Rohit's Capital A/c	Dr.		7,500	
	To Realisation A/c				7,500
	(Being Stock is taken over by Rohit)				
(c)	Realisation A/c	Dr.		18,000	
	To Ashish's Capital A/c				7,500
	To Tarun's Capital A/c				10,500
	(Being Profit on Realisation is transferred to Partners' Capital Account in ratio 5:7)				
(d)	Bank A/c	Dr.		5,500	
	To Realisation A/c				5,500
	(Being Unrecorded asset realised)				

Note: If an asset is given in full settlement of a liability, then no entry is passed for such settlement.

23.

SLR Ltd.

JOURNAL

Date	Particulars		L.F.	Dr. (₹)	Cr. (₹)
	Share Capital A/c	Dr.		12,000	
	Securities Premium A/c	Dr.		3,000	
	To Share Allotment A/c(1)				3,000
	To Share First Call A/c				4,500
	To Share Forfieture A/c (1,500 shares forfeited for non payment of allotment & first call money)				7,500
	Alternatively:				
	Share Capital A/c	Dr.		12,000	
	Securities Premium A/c(2)	Dr.		3,000	
	To Calls in Arrears A/c				7,500

	To Share Forfeiture A/c				7,500
	Bank A/c	Dr.		8,500	
	Share Forfeiture A/c	Dr.		1,500	
	To Share Capital A/c (1,000 Shares re-issued as fully paid)				10,000
	Share Forfeiture A/c	Dr.		3,500	
	To Capital Reserve A/c (Gain on re-issue of forfeited shares transferred to Capital Reserve Account)				3,500

Working Notes:

i. A. Excess amount received from Rahul on Application:
3,000 shares - 1,500 shares = 1,500 shares × ₹ 3 = ₹ 4,500

B.

	₹
Amount due from Rahul on allotment = 1,500 × ₹ 5	7,500
Less: Excess amount received on application (Out of this amount, 1,500 × ₹ 2 = ₹ 3,000 is part of share capital and balance of ₹ 1,500 is a part of securities premium)	4,500
Amount not paid on allotment	3,000

ii. Securities Premium related to Rahul's shares is 1,500 shares × 3 = ₹ 4,500, out of which ₹ 1,500 is already received as excess application money. Hence, balance of ₹ 3,000 not received will be debited in the entry for forfeiture of his shares.

iii.

Calls in Arrears:	₹
Allotment Money	3,000
First Call Money	4,500
	7,500

iv. Calculation of amount transferred to Capital Reserve:
Forfeited amount on 1,500 shares = ₹ 7,500

Hence, forfeited amount on 1,000 reissued shares: $\frac{7{,}500}{1{,}500} \times 1,000$	5,000
Less: Loss on Reissue	1,500
	3,500

OR

JOURNAL

Date	Particular	L.F	Amt (Dr.)	Amt (Cr.)
i	Bank A/c $(75,000 \times 8)$ Dr.		6,00,000	
	To Equity Share Application A/c			6,00,000
	(Being application money received.)			
ii	Equity Share Application A/c Dr.		6,00,000	
	To Equity Share Capital A/c $(75,000 \times 3)$			2,25,000
	To Securities Premium Reserves A/c ($75,000 \times 5$)			3,75,000
	(Being application money transferred.)			
iii	Equity Share allotment A/c Dr.		9,00,000	
	To Equity Share Capital A/c $(75,000 \times 2)$			1,50,000

	To Securities Premium Reserve A/c $(75,000 \times 10)$			7,50,000
	(Being allotment money due.)			
iv	Bank A/c $(75,000 \times 12)$ Dr.		8,64,000	
	To Equity Share Allotment A/c			8,64,000
	(Being allotment money received.)			
v	Equity Share Capital A/c ($3,000 \times 5$) Dr.		15,000	
	Securities Premium Reserve A/c $(3,000 \times 10)$ Dr.		30,000	
	To Shares Forfeiture A/c $(3,000 \times 3)$			9,000
	To Equity Share Allotment A/c $(3,000 \times 12)$			36,000
	(Being 3,000 shares forfeited for non-payment of allotment money.)			
vi	Equity Share First and Final Call A/c $(72,000 \times 25)$ Dr.		18,00,000	
	To Equity Share Capital A/c $(72,000 \times 5)$			3,60,000
	To Securities Premium Reserve A/c $(72,000 \times 20)$			14,40,000
	(Being first and final call money due.)			
vii	Bank A/c $(69,000 \times 25)$ Dr.		17,25,000	
	To Equity Share First and Final Call A/c			17,25,000
	(Being first and final call money received.)			
viii	Equity Share Capital A/c $(3,000 \times 10)$ Dr.		30,000	
	Securities Premium Reserve A/c $(3,000 \times 20)$ Dr.		60,000	
	To Shares Forfeiture A/c $(3,000 \times 5)$			15,000
	To Equity Share First and Final Call A/c $(3,000 \times 25)$			75,000
	Being shares forfeiture for non payment of call money.)			
ix	Bank A/c Dr.		62,000	
	To Equity Share Capital A/c $(6,000 \times 10)$			60,000
	To Securities Premium Reserve A/c			2,000
	(Being all forfeited shares received for Rs. 62,000 as fully paid up.)			
x	Shares Forfeiture A/c Dr.		24,000	
	To Capital Reserve A/c			24,000
	(Being gain on reissue transferred to capital reserve.)			

24. **Revaluation A/c**

Particulars	₹	Particulars		₹
To Investment A/c	24,000	By Creditors A/c		6,000
To Machinery	12,000	By Loss Transferred to Capital A/cs		
		L	15,000	
		M	10,000	
		N	5,000	30,000
	36,000			36,000

Partner's Capital A/c

Particulars	L (₹)	M (₹)	N (₹)	O (₹)	Particulars	L (₹)	M (₹)	N (₹)	O (₹)
To Revaluation A/c (Loss)	15,000	10,000	5,000		By Balance b/d	1,20,000	80,000	40,000	
To Balance c/d	1,56,000	84,000	42,000	56,400	By Reserve A/c	21,000	14,000	7,000	
					By Premium for Goodwill A/c	30,000			
					By Cash A/c				56,400
	1,71,000	94,000	47,000	56,400		1,71,000	94,000	47,000	56,400

Balance Sheet

as at 31^{st} March,2022

Liabilities		(₹)	Assets		(₹)
Creditors (₹ 1,68,000 - ₹ 6,000)		1,62,000	Debtors		46,000
Capital A/cs			Stock		2,20,000
L	1,56,000		Investments (₹ 60,000 - ₹ 24,000)		36,000
M	84,000		Furniture and Fittings		20,000
N	42,000		Machinery	70,000	
O	56,400	3,38,400	*Less*: Depreciation	(12,000)	58,000
			Bank		1,20,400
		5,00,400			5,00,400

Working Note

When a new partner is admitted he/she acquires his/her share in profit from the existing partners. As a result, the profit-sharing ratio in the new firm is decided mutually between the existing partners and the new partner.

i. Calculation of Sacrificing Ratio

Sacrificing Ratio = Old Share - New Share

L = $\frac{3}{6} - \frac{2}{6} = \frac{3-2}{6} = \frac{1}{6}$

M = $\frac{2}{6} - \frac{2}{6} = \frac{2-2}{6}$ = Nil

N = $\frac{1}{6} - \frac{1}{6} = \frac{1-1}{6}$ = Nil

Over a period of time, a business firm develops a good name and reputation among the customers. This help the business earn some extra profits as compared to a newly set up business. In accounting capitalised value of this extra profit is known as goodwill.

Adjustment for Goodwill

Firm's goodwill = ₹ 1,80,000

O's share of goodwill = 1,80,000 $\times \frac{1}{6}$ = ₹ 30,000

O's share of goodwill will be credited to L's capital account as he is the only sacrificing partner.

i. Calculation of Adjustment of Capital

Adjusted capital of L	₹ 1,56,000
Adjusted capital of M	₹ 84,000
Adjusted capital of N	₹ 42,000
Total adjusted capital	**₹ 2,82,000**

For $\frac{5}{6}$th share, combined capital of L, M and N after adjustment is ₹ 2,82,000

$\therefore$ Total capital of the firm is 2,82,000 $\times \frac{6}{5}$ = ₹ 3,38,400

$\therefore$ O's share in capital = 3,38,400 $\times \frac{1}{6}$ = ₹ 56,400

Bank A/c

Particulars	(₹)	Particulars	(₹)

To Balance b/d	34,000	By Balance C/d	1,20,400
To Premium for Goodwill A/c	30,000		
To 0's Capital A/c	56,400		
	1,20,400		1,20,400

OR

REVALUATION ACCOUNT

Particulars		₹	Particulars	₹
To Machinery A/c		4,800	By bank	600
To Patent A/c		1,000	By Investment	5,800
To Profit Transferred to Capital A/c:				
Ankush	300			
Bhuvesh	200			
Mukul	100	600		
		6,400		6,400

PARTNERS' CAPITAL ACCOUNT

Particulars	Ankush (₹)	Bhuvesh (₹)	Mukul (₹)	Particulars	Ankush (₹)	Bhuvesh (₹)	Mukul (₹)
To investment A/c			15,800	By Balance b/d	40,000	36,500	20,000
To Mukul's Capital A/c	2,700	1,800		By Revaluation A/c (Profit)	300	200	100
To Mukul's Loan A/c			10,300	By General Reserve	4,500	3,000	1,500
To Bhuvesh Current A/c		5,900		By Ankush's Capital A/c			2,700
				By Bhuvesh's Capital A/c			1,800
To balance c/d	48,000	32,000		By Ankush Current A/c	5,900		
	50,700	39,700	26,100		50,700	39,700	26,100

Working Notes:

One major change in the constitution of a partnership firm may occur if a partner undergoes retirement from the firm or in the event of his death. In both cases, the partner's account will have to be settled, and new ratios will have to be calculated. There is also the issue of treatment of goodwill.

Adjustment for Goodwill

Mukul's share in goodwill = 27,000 $\times \frac{1}{6}$ = ₹ 4,500; to be contributed in gaining ratio i.e., 3 : 2

Ankush will pay = 4,500 $\times \frac{3}{5}$ = ₹ 2,700

Bhuvesh will pay = 4,500 $\times \frac{2}{5}$ = ₹ 1,800

Adjustment for Capital

Combined capital $\Rightarrow$ Ankush's adjusted capital = ₹ 42,100

Bhuvesh's adjusted capital = ₹ 37,900

Total capital = ₹ 80,000

New profit sharing ratio = 3 : 2

Ankush's new capital = ₹ 80,000 $\times \frac{3}{5}$ = ₹ 48,000

Bhuvesh's new capital =₹ 80,000 $\times \frac{2}{5}$ = ₹ 32,000

25. **Revaluation Account**

Particulars	₹	Particulars		₹
Trade Marks	7,200	Land and Buildings		9,600
Plant	14,400	Loss transferred to Partners' Capital A/cs:		

		Raj	3,600	
		Kamal	6,000	
		Mohit	2,400	12,000
	21,600			**21,600**

Kamal's Capital Account

Dr.					**Cr.**
Date	**Particulars**	**₹**	**Date**	**Particulars**	**₹**
	To Advt. Suspense A/c $\left(12,000 \times \frac{5}{10}\right)$	6,000		By Balance b/d	69,600
	To Revaluation A/c (Loss)	6,000		By Interest on Capital A/c (WN1)	3,480
	To Kamal's Executor's A/c (Bal. Fig.)	1,10,080		By General Reserve A/c $\left(16,000 \times \frac{5}{10}\right)$	8,000
				By Raj's Capital A/c (WN2)	19,200
				By Mohit's Capital A/c (WN2)	12,800
				By P&L Suspense A/c (WN3)	9,000
		1,22,080			**1,22,080**

Kamal's Executor's Account

Dr.					Cr.
Date	**Particulars**	**₹**	**Date**	**Particulars**	**₹**
	Bank A/c	60,080		Kamal's Capital A/c	1,10,080
	Kamal's Executor's Loan A/c (Bal. Fig.)	50,000			
		1,10,080			**1,10,080**

Working Notes:

i. **Calculation of Interest on Capital**
Interest = ₹ 69,600$\times \frac{6}{12} \times \frac{10}{100}$ = ₹ 3,480

ii. **Calculation of Goodwill**
Average Profit = $\frac{31,200+28,800+36,000}{3}$ = ₹ 32,000
Goodwill = 32,000 $\times$ 2 = ₹ 64,000
Kamal's Share of Goodwill = 64,000 $\times \frac{5}{10}$ = ₹ 32,000
(Contributed by Raj and Mohit in the ratio 3 : 2)

iii. **Calculation of Kamal's Profit Share**
Profit = 36,000 $\times \frac{5}{10} \times \frac{6}{12}$ = ₹ 9,000

26. **Read the text carefully and answer the questions:**

Amit Technologies Ltd. issued 5,000; 9% Debentures of ₹ 100 each at a premium of ₹ 20 payable as follows:

i. ₹ 40 including premium of ₹ 10 on application
ii. ₹ 40 including premium of ₹ 10 on allotment
iii. Balance as first and final call.

Applications were received for 5,000 debentures and allotment was made to all the applicants. All the calls were made, and amounts received.

(i) **(b)** ₹ 2,00,000
Explanation:
5000 $\times$ ₹ 40 = ₹ 2,00,000

(ii) **(d)** ₹ 50,000
Explanation:
5000 $\times$ ₹ 10 = ₹ 50,000

(iii) **(a)** ₹ 40
Explanation:
₹ 40

(iv) **(b)** ₹ 45,000
Explanation:
$\frac{₹50,000 \times 9}{100}$ = ₹ 45,000

(v) **(b)** Full subscription
Explanation:
Full subscription

(vi) **(a)** ₹ 2,40,000
Explanation: ₹ 2,40,000

Part B :- Analysis of Financial Statements

27. **(a)** Assessing the Earning Capacity or profitability
Explanation:
Assessing the Earning Capacity or profitability

OR

(d) Bank Deposit
Explanation:
Bank Deposit is not an expense

28.
(b) Current ratio
Explanation:
Current Ratio shows relationship between current assets and current liabilities.

29.
(d) Interest paid
Explanation:
Interest paid. As interest paid is related to borrowings of the company

OR

(a) Outflow ₹ 8,30,000
Explanation:
Cash Outflow = Value of Fixed Assets on 31/3/2018 - Value of Fixed asset on 31/03/2017 + Depreciation
= ₹ 23,80,000 - ₹ 17,50,000 + ₹ 2,00,000
= ₹ 8,30,000

30. **(a)** Net Increase/Decrease in cash and cash equivalents
Explanation:
After calculating cash flows from different three activities (Operating, Investing and Financing), they are added to know the net increase or decrease in cash and cash equivalents.

31. Major heads and sub-heads in the Balance Sheet of a company as per Schedule-III, Part-I of the companies Act,2013:-

Item	**Major Heads**	**Sub-Heads**
Prepaid Insurance	Current Assets	Other Current Assets
Investment in Debentures	Non-Current Assets	Non-current Investments
Calls-in-arrears	Shareholder's Funds	In Note to Accounts on Share Capital under Subscribed Capital as a deduction.

Unpaid dividend	Current Liabilities	Other Current Liabilities
Capital Reserve	Shareholder's Funds	Reserve and Surplus
Loose Tools	Current Assets	Inventories
Capital work-in-progress	Non-Current Assets	Property, Plant and Equipment and Intangible Assets - Capital Work-in-Progress.
Patents being developed by the company	Non-Current Assets	Property, Plant and Equipment and Intangible Assets - Intangible Assets under development

32. Current liabilities = Trade Payables + Bank Overdraft
= ₹ 2,00,000 + ₹ 40,000 = ₹ 2,40,000
working capital = current assets - current liabilities
Current Assets = Working Capital + Current Liabilities
= ₹ 4,80,000 + ₹ 2,40,000 = ₹ 7,20,000
Current Ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}} = \frac{₹7,20,000}{₹2,40,000}$ = 3 : 1
Ideal current ratio is 2 : 1

33. **COMPARATIVE STATEMENT OF PROFIT & LOSS**

for the years ended 31st March 2022 and 2023

S.No.	Particulars	Note No.	2021-22	2022-23	Absolute Change (Increase or Decrease)	Percentage Change (Increase or Decrease)
	1		2	3	4	5
			A	B	(B - A = C)	$\frac{C}{A} \times 100$ = D
			₹	₹	₹	%
I.	Revenue from Operations		20,00,000	30,00,000	10,00,000	50.00
II.	Other Income		4,00,000	4,50,000	50,000	12.5
III.	Total Revenue (I + II)		24,00,000	34,50,000	10,50,000	43.75
IV.	Expenses		10,00,000	18,00,000	8,00,000	80
V.	Profit before tax (III - IV)		14,00,000	16,50,000	2,50,000	17.85

OR

Comparative Statement of Profit and Loss of Jai Bharat Ltd.

for the years ended 31st March 2022 & 2023

Particulars		Note No.	2021-22 (₹)	2022-23 (₹)	Absolute Change (₹)	Percentage Change (%)
I.	Revenue from Operations		20,00,000	25,00,000	5,00,000	25
II.	Add: Other Incomes		5,00,000	1,00,000	(4,00,000)	(80)
III.	**Total Revenue (I + II)**		25,00,000	26,00,000	1,00,000	4
IV.	Less : Expenses:					
	Employee benefits					
	Expense		12,50,000	15,60,000	3,10,000	24.8
	Other Expenses		2,50,000	1,56,000	(94,000)	(37.6)
	Total Expenses		15,00,000	17,16,000	2,16,000	14.4

V.	Profit before Tax (III - IV)		10,00,000	8,84,000	(1,16,000)	(11.6)
VI.	Less: Tax		4,00,000	4,42,000	42,000	10.5
VII.	**Profit after Tax**		6,00,000	4,42,000	(1,58,000)	(26.33)

34.

In The Books of K Ltd.

Cash Flow Statement

for the year ended March 31, 2023

Particulars	**₹**	**₹**
A. Cash Flow from Operating Activities		
Profit as per Statement of Profit and Loss Account		(50,000)
Items to be Added:		
Depreciation	1,20,000	
Interest paid on long term borrowing	36,000	1,56,000
Operating Profit before Working Capital Changes		1,06,000
Less: Increase in Current Assets		
Inventories	(1,00,000)	
Trade Receivables	(80,000)	
Add: Increase in Current Liabilities		
Trade Payables	10,000	(1,70,000)
Cash Generated from Operating activities		(64,000)
Less: Tax Paid		Nil
Net Cash Flow from Operating Activities		**(64,000)**
B. Cash Flow from Investing Activities		
Purchase of Tangible Fixed Assets		(4,20,000)
Net Cash Used in Investing Activities		**(4,20,000)**
C. Cash Flow from Financing Activities		
Interest Paid		(36,000)
Proceeds from Issue of Share Capital		4,00,000
Proceeds from Long Term Borrowings		90,000
Net Cash Used in Financing Activities		**4,54,000**
D. Net Decrease in Cash and Cash Equivalents		**(30,000)**
Add: Cash and Cash Equivalents in the beginning of the period		3,70,000
Cash and Cash Equivalents at the end of the period		**3,40,000**

Machinery Account

Dr.			**Cr.**
Particulars	**₹**	**Particulars**	**₹**
To Balance b/d	9,00,000	By Depreciation A/c	1,20,000
To Bank A/c (Balancing Figure)	4,20,000	By Balance c/d	12,00,000
	13,20,000		**13,20,000**