

**SAMPLE QUESTION PAPER - 3**  
**SUBJECT- ACCOUNTANCY (055)**  
**CLASS XII (2024-25)**

**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, 31 and 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. M and N are partners sharing profits in the ratio of 5:3. They admit Q as a new partner [1]  
for 20% share in the future profits of the firm.  
New profit sharing ratio:  

a) 3 : 2 : 1	b) 1 : 1 : 1
c) 5 : 3 : 2	d) 5 : 3 : 3
2. **Assertion (A):** Partnership is a business entity which is not separate from its partners [1]  
in any circumstances.  
**Reason (R):** Partners are mutual agents of each other so far as the business of the firm  
is concerned.  

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.
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c) A is true but R is false.

d) A is false but R is true.

3. Pawan Ltd. invited applications of 45,000 Equity Shares of 10 each at a premium of ₹ [1]

4. Company received applications of 15,000 in excess. Amount payable as follows: on Application ₹ 7 (including premium of ₹ 2), on Allotment ₹ 3 (including premium of ₹ 1), Balance on first and final call. One shareholder Renu who applied for 600 shares failed to pay allotment and first and final call money.

Amount of Securities Premium to be debited at the time of forfeiture of shares?

a) Debited by ₹ 900

b) Debited by ₹ 750

c) Debited by ₹ 6500

d) Debited by ₹ 450

OR

Zero Coupon Bonds are issued:

a) At premium

b) With Specified Rate of Interest

c) At Zero Interest Rate

d) Without Specified Rate of Interest

4. Vinay, Shweta and Vikas are sharing profits in the ratio of 3 : 2 : 1. As per the new Agreement, Vikas Acquires  $\frac{1}{6}$ th share from Vinay. What will be the new profit sharing ratio of the partners? [1]

a) 3 : 2 : 1

b) 2 : 2 : 1

c) 2 : 3 : 1

d) 1 : 1 : 1

OR

What Interest on capital is to be provided to X & Y, when profits shown by Profit & Loss Account ₹ 1,500 and capitals invested by X & Y are ₹30,000 and ₹ 20,000 (rate of interest is 10% p.a.).

a) 900 and 600

b) 3000 and 2000

c) 300 and 200

d) 600 and 900

5. In the absence of a partnership deed, the allowable rate of interest on partner's loan account will be: [1]
- a) 6% p.a. Simple Interest                      b) 12% Compounded Annually
- c) 6% Simple Interest                              d) 12% Simple Interest

6. The debentures whose principal amount is not repayable by the company during its life time, but the payment is made only at the time of Liquidation of the company, such debentures are called: [1]
- a) Irredeemable Debentures.                      b) Bearer Debentures
- c) Redeemable Debentures                      d) Non-Convertible Debentures

OR

Sujata Ltd. issued 5,000, 7% Debentures of ₹ 100 each at a premium of 10%. According to the terms of issue, 40% of the amount was payable on application and the balance on allotment. The issue was fully subscribed and all amounts were duly received. The amounts received on application and allotment respectively were:

- a) ₹ 2,00,000 and ₹ 3,00,000      b) ₹ 2,50,000 and ₹ 3,00,000
- c) ₹ 2,00,000 and ₹ 3,50,000      d) ₹ 2,00,000 and ₹ 2,50,000

7. **Assertion (A):** A company may forfeit the shares for non-payment of calls amount depend upon the Articles of Association of the company. [1]

**Reason (R):** Shares can be forfeited only if it is allowed by the Articles of Association of the company.

- 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.

8. When will partner's Capital Account be debited: [1]
- a) Share of goodwill                      b) Loss on Revaluation
- c) General Reserve                        d) Profit on Revaluation

OR

According to Profit and Loss Account, the net profit for the year is ₹ 1,40,000. The total interest on partner's capital is ₹ 8,000 and a partner is to be allowed commission of ₹ 5,000. The total interest on partner's drawings is ₹ 1,200. The divisible profit as per Profit and Loss Appropriation Account will be:

- |               |               |
|---------------|---------------|
| a) ₹ 1,44,200 | b) ₹ 1,28,200 |
| c) ₹ 1,25,800 | d) ₹ 1,41,800 |

**Question No. 9 to 10 are based on the given text. Read the text carefully and answer the [2] questions:**

Ankit, Mohit and Vinod were partners in a firm sharing profits equally. On 1st April, 2020, their capitals stood at ₹ 2,00,000, ₹ 1,50,000 and ₹ 1,00,000 respectively. As per the provisions of Partnership Deed:

- i. Ankit was entitled to a salary of ₹ 2,500 p.m.
- ii. Partners were entitled to interest on capital @ 10% p.a.

The net profit for the year ended 31st March, 2021, ₹ 1,50,000 was distributed among the partners without providing for the above items.

9. What is the amount of interest on capital of Mohit?

- |             |             |
|-------------|-------------|
| a) ₹ 20,000 | b) ₹ 10,000 |
| c) ₹ 15,000 | d) ₹ 30,000 |

10. What is the amount of distributable profit for the partners after providing salary and interest on capital to the partners?

- |                  |                  |
|------------------|------------------|
| a) ₹ 25,000 each | b) ₹ 15,000 each |
| c) ₹ 50,000 each | d) ₹ 10,000 each |

11. When a partner is given guarantee by other partners, loss on such guarantee will be borne by: [1]

- |  |                                    |
|--|------------------------------------|
| a) Partner with highest profit sharing ratio | b) Partners who give the guarantee |
| c) Partnership firm                          | d) All the other partners          |

12. On an equity share of ₹ 10 the company has called up ₹ 8 but ₹ 6 have been received by the company is forfeited, the capital account should be debited by:
- a) ₹ 8                      b) ₹ 10
- c) ₹ 6                      d) ₹ 2
13. HR Limited issued 10,000 equity shares @ ₹ 10 each at 10% premium. All shares were subscribed and amount was received. Identity the amount to be transferred to Securities Premium Reserve A/c
- a) ₹ 10,000                  b) ₹ 1,00,000
- c) ₹ 9000                  d) ₹ 1000
14. Each partner is both an agent and a principal as per:
- a) Oral Agreement                  b) Provisions of partnership deed
- c) Mutual agency relationship        d) Written Agreement
15. A and B are partners sharing profit or loss in the ratio of 4 : 1. A surrenders  $\frac{1}{4}$  of his share and B surrenders  $\frac{1}{2}$  of his share in favour of C, a new partner. What will be the C's share?
- a)  $\frac{1}{5}$                       b)  $\frac{3}{4}$
- c)  $\frac{3}{10}$                      d)  $\frac{1}{10}$

OR

16. In which circumstances partners' can dissolve the firm without the interference of the court? [1]

a) When business of the firm cannot be carried on except at a loss

b) Mutual Agreement

c) When a partner has become of unsound mind

d) When a partner is found guilty of breach of contract frequently

17. Aman, Bobby and Chandani were partners in a firm sharing profits and losses in the ratio of 5 : 4 : 1. From 1<sup>st</sup> April, 2022 they decided to share profits equally. The revaluation of assets and re-assessment of liabilities resulted in a loss of ₹ 5,000. The goodwill of the firm on its reconstitution was valued at ₹ 1,20,000. The firm had a balance of ₹ 20,000 in General Reserve. Showing your workings clearly pass necessary journal entries on the reconstitution of the firm. [3]

18. The partnership agreement between Maneesh and Girish provides that: [3]

- i. Profits will be shared equally;
- ii. Maneesh will be allowed a salary of ₹400 p.m;
- iii. Girish who manages the sales department will be allowed a commission equal to 10% of the net profits, after allowing Maneesh's salary;
- iv. 7% interest will be allowed on partner's fixed capital;
- v. 5% interest will be charged on partner's annual drawings;
- vi. The fixed capitals of Maneesh and Girish are ₹1,00,000 and ₹80,000, respectively. Their annual drawings were ₹16,000 and ₹14,000, respectively. The net profit for the year ending March 31, 2015, amounted to ₹40,000.

Prepare firm's Profit and Loss Appropriation Account.

OR

Sharma and Verma were partners in a firm sharing profits and losses in the ratio of 3 : 2. Their fixed capitals were ₹ 14,00,000 and ₹ 10,00,000 respectively. The partnership deed provided for the following:

- i. Interest on capital @ 10% per annum.
- ii. Interest on drawings @ 12% per annum.

During the year ended 31.03.2023, Sharma withdrew ₹ 2,00,000 and Verma withdrew ₹ 1,00,000. After preparing the accounts for the year ended 31.03.2023, it was realised that interest on capital was not allowed and interest on drawings was not charged.

Showing your working notes clearly pass necessary journal entries in the books of the firm to rectify the above error.

19. Y Ltd. purchased Machinery Rs. 55,000 from Z Ltd. 10% was paid by Y Ltd. by accepting a Bill of Exchange in favour of Z Ltd. and the balance was paid by issue of 9% Debentures of Rs. 100 each at par, redeemable after five years. [3]  
Pass necessary Journal entries in the books of Y Ltd.

OR

DCM Ltd issued 50,000 shares of ₹ 10 each payable as ₹ 2 per share on application, ₹ 3 per share on allotment and ₹ 5 on first and final call. Applications were received for 70,000 shares. It was decided that:

- to refuse allotment to the applicants for 10,000 shares,
- to allot 20,000 shares to Mohit who had applied for similar number, and
- to allot the remaining shares on pro rata basis.

Mohit failed to pay the allotment money and Sachin who belonged to Category C and was allotted 3,000 shares paid the call money with allotment.

Calculate the amount received on allotment.

20. Arun, Bharat and Neeraj are partners in firm sharing profits and losses equally. They decide to take Dheeraj into partnership from 1<sup>st</sup> April, 2023 for  $\frac{1}{5}$ th share in the future profits. For this purpose, goodwill is to be valued at 100% of the average Annual profits of the previous three or four years, whichever is higher. The Annual profits for the purpose of goodwill for the past four years were: [3]

Year Ended	Profit (₹)
31 <sup>st</sup> March, 2023	2,88,000
31 <sup>st</sup> March, 2022	1,81,800
31 <sup>st</sup> March, 2021	1,87,200
31 <sup>st</sup> March, 2020	2,53,200

Calculate the value of goodwill.

21. Royal Ltd. invited applications for issuing 2,00,000 equity shares of ₹ 10 each at a premium of 25% payable with application. Applications for 4,50,000 shares were received. Applications for 1,00,000 shares were rejected and money refunded. Pro-rata allotment was made to the remaining applicants. The amount per share was payable as follows: [4]

On Application: ₹ 4 per share including premium

On Allotment: ₹ 3.50 per share

Balance on 1<sup>st</sup> and Final Call.

Excess application money received with applications was adjusted with sums due on allotment.

Application money in excess of sums due on allotment, if any, was refunded. Raghu, who had applied for 7,000 shares failed to pay allotment money. His shares were forfeited immediately after allotment. Afterwards the first and final call was made.

Nandan, who had applied for 10,500 shares, failed to pay the first and final call. His shares were also forfeited. All the forfeited shares were reissued at ₹ 11.50 fully paid up, to Meeta.

Pass necessary journal entries for the above transactions in the books of Royal Ltd.

22. Aakash and Anushka were partners in firm sharing profits and losses in the ratio of 4 : 3. They decided to dissolve the firm on 1st May 2023. From the information given below, complete Realisation Account, Partners' Capital Accounts and Bank Account: [4]

#### REALISATION ACCOUNT

Dr.			Cr.		
Particulars		₹	Particulars		₹
To Sundry Assets:			By Sundry Liabilities:		
Machinery		5,60,000	Creditors		40,000
Stock		90,000	Aakash's Wife's loan		25,000
Debtors		<u>55,000</u>	By Bank		
To Bank:			Machinery		4,80,000
Creditors		_____	Debtors		10,000
To Aakash's Capital A/c:			By Aakash's Capital A/c:		



Aakash's Wife's loan		34,000	Stock	1,28,000	
To Anushka's Capital A/c:		7,000	Typewriter	<u>70,000</u>	1,98,000
Realisation Expenses					
To Profit transferred to:			By Anushka's Capital A/c:		
Aakash's Capital A/c	4,000		Debtors		40,000
Anushka's Capital A/c	<u>3,000</u>	7,000			
		<u>7,93,000</u>			<u>7,93,000</u>

### PARTNERS' CAPITAL ACCOUNTS

Dr.			Cr.		
Particulars	Aakash (₹)	Anushka (₹)	Particulars	Aakash (₹)	Anushka (₹)
To Realisation A/c	_____	_____	By	_____	_____
To Bank A/c	4,00,000	4,50,000	By	_____	_____
			By	_____	_____
	_____	_____		_____	_____

### BANK ACCOUNT

Dr.		Cr.	
Particulars	₹	Particulars	₹
To Balance b/d	_____	By Realisation A/c	_____
To Realisation A/c	4,90,000	By Aakash's Loan A/c	4,000
		By Aakash's Capital A/c	4,00,000
		By Anushka's Capital A/c	_____
	_____		_____

23. Prakash Engineering Company issued for public subscription 40,000 Equity shares of Rs 10 each at a premium of Rs 2 per share, payable as: on application Rs 2 per share on allotment Rs 5 per share (including premium) on first call Rs 2 per share [6]

on final call Rs 3 per share

Applications were received for 75,000 Equity Shares. The shares were allotted on pro-rata basis to the applicants of 60,000 shares only, remaining applications being rejected. Money overpaid on an application was utilised towards the sum due on allotment.

Ashok to whom 3,000 shares were allotted failed to pay the allotment money and the two calls. Baneet who applied for 3,000 shares paid the calls money along with allotment money. Pass journal entries to record the above transactions.

OR

- i. Sonu Ltd., forfeited 800 shares of ₹ 10 each, ₹ 7.50 paid, for non-payment of Final Call of ₹ 2.50 per share. Out of these, 600 shares were re-issued as fully paid up in such a way that ₹ 2,100 were transferred to capital reserve. Pass necessary journal entries.
- ii. X Ltd., forfeited 800 shares of ₹ 10 each, ₹ 7.50 called-up, for non-payment of First Call of ₹ 2.50 per share. Out of these, 600 shares were re-issued for ₹ 6 per share as ₹ 7.50 paid up. Pass necessary journal entries.
- iii. 400 shares of ₹ 10, on which ₹ 8 has been called and ₹ 6 has been paid, are forfeited. Out of these, 300 are re-issued for ₹ 7 as fully paid. Pass necessary journal entries.

24. Following was the Balance Sheet of A and B who sharing profits in 2:1 as at 31st March, 2021

[6]

Balance Sheet

Liabilities		Rs.	Assets	Rs.
Creditors		32,950	Cash	600
Capitals:			Debtors	4850
A	15,000		Stock	10,000
B	<u>10,000</u>	25,000	Machinery	17,500
			Building	25,000
		<u>57,950</u>		<u>57,950</u>

C admitted as a partner on the following terms:

- a. C was to bring in Rs.7,500 as capital and Rs. 3,000 as his 1/4th share of goodwill.
- b. Stock and Machinery were to be reduced by 5%.

c. A provision was to be created in respect of Debtors Rs. 375.

d. Building was to be appreciated by 10%.

Prepare Revaluation Account, Capital Account and Balance Sheet after admission.

OR

N, S, and B were partners in a firm sharing profits and losses in proportion of  $\frac{1}{2}$ ,  $\frac{1}{6}$  and  $\frac{1}{3}$  respectively. The Balance Sheet of the firm as at 31<sup>st</sup> March, 2023 was as follows:

**Balance Sheet of N, S and B as at 31.3.2023**

Liabilities		Amount (₹)	Assets		Amount (₹)
Capital:			Freehold Premises		40,000
N	30,000		Machinery		30,000
S	30,000		Furniture		12,000
B	<u>28,000</u>	88,000	Stock		22,000
Bills Payable		12,000	Sundry Debtors	20,000	
General Reserve		12,000	Less: Provision for Bad Debts	<u>(1,000)</u>	19,000
Sundry Creditors		18,000	Cash		7,000
		1,30,000			1,30,000

B retired from the business on the above date and the partners agreed to the following:

- Freehold premises and stock were to be appreciated by 20% and 15% respectively.
- Machinery and furniture were to be depreciated by 10% and 7% respectively.
- Provision for bad debts was to be increased by ₹ 1,500.
- On B's retirement goodwill of the firm was valued at ₹ 21,000.
- The continuing partners decided to adjust their capitals in their new profit-sharing ratio after retirement of B. Surplus/deficit, if any, in their capital accounts was to be adjusted through their current accounts.

Prepare Realisation Account, Partners' Capital Accounts and the Balance Sheet of the reconstituted firm.

25. Prem, Kumar and Aarti were partners sharing profits in the ratio of 5 : 3 : 2. Their Balance Sheet as at 31<sup>st</sup> March, 2019 was as under:

[6]

### Balance Sheet of Prem, Kumar and Aarti

**as at 31<sup>st</sup> March, 2019**

Liabilities		₹	Assets	₹
Capitals:			Building	25,000
Prem	30,000		Plant and Machinery	15,000
Kumar	20,000		Investments	10,000
Aarti	<u>20,000</u>	70,000	Debtors	10,000
General Reserve		8,000	Stock	5,000
Investment Fluctuation Reserve		2,000	Cash	25,000
Sundry Creditors		<u>10,000</u>		
		<u>90,000</u>		<u>90,000</u>

On the above date, Kumar retired. The terms of retirement were:

- i. Kumar sold his share of goodwill to Prem for ₹ 8,000 and to Aarti for ₹ 4,000
- ii. Stock was found to be undervalued by ₹ 1,000 and building by ₹ 7,000
- iii. Investments were sold for ₹ 11,000.
- iv. There was an unrecorded creditor of ₹ 7,000.
- v. An amount of ₹ 30,000 was paid to Kumar in cash which was contributed by Prem and Aarti in the ratio of 2 : 1. The balance amount of Kumar was settled by accepting a Bill of Exchange in favour of Kumar.

Prepare the Revaluation Account, Capital Accounts of partners and the Balance Sheet of the reconstituted firm.

26. Ravi Ltd. acquired running business of Amit Ltd. having assets of ₹ 10,00,000 and liabilities of ₹ 2,50,000. 9% Debentures of ₹ 100 each were issued for the acquisition of business at a premium of ₹ 20 per debenture. The company issued 10,000, 8% Debentures of ₹ 100 each redeemable at premium of ₹ 20 per debenture after 5 years. You are required to pass the Journal entries for the above transactions. [6]

### Part B :- Analysis of Financial Statements

27. The financial statements of a business enterprise include:
- a) All of these                      b) Profit & Loss Account

c) Cash Flow Statement

d) Balance Sheet

OR

Which of the following will not covered under finance cost?

- i. Discount on issue of debentures written off
- ii. Interest paid on bank overdraft
- iii. Bank charges
- iv. Premium payable on redemption of debentures written off

a) Only ii

b) Only iv

c) Only iii

d) Only i

28. On the basis of following data, the cost of revenue from operations by a company will be: [1]

Opening Inventory ₹ 70,000; Closing Inventory ₹ 80,000; Inventory Turnover Ratio 6 Times.

a) ₹ 1,50,000

b) ₹ 4,80,000

c) ₹ 4,50,000

d) ₹ 90,000

29. Fly Ltd, a stock broker, purchased 5,000 shares of Tata Housing Ltd. It is: [1]

a) Financing Activity

b) Operating Activity

c) General Activity

d) Investing Activity

OR

**Koval Ltd.** is a financing company. Under which activity will the amount of interest paid on a loan settled in the current year be shown?

- i. Investing Activities
- ii. Financing Activities
- iii. Both Investing and Financing Activities
- iv. Operating Activities

a) ii and iii

b) i and ii

c) iii and iv

d) only iv

30. **payment of bonus to the employees** by an insurance company is which type of activity? [1]

- i. Operating Activity
- ii. Investing Activity
- iii. Financing Activity
- iv. Both operating and Financing Activity

a) iv and i

b) only i

c) ii and iii

d) iii and iv

31. State under which major headings and sub-headings the following items will be presented in the balance sheet of a company as per Schedule III of the Companies Act 2013. [3]

- i. Calls in Advance.
- ii. Accrued Interest on Calls in Advance.
- iii. Provision for Retirement Benefits
- iv. Stores and Spares.
- v. Capital Work in Progress.
- vi. Design
- vii. Securities Premium.

32. The current ratio of Y Ltd is 2 : 1. State with reason, which of the following transactions would (a) increase, (b) decrease (c) not change the ratio. [3]

- i. Trade receivables included debtors of ₹ 40,000 which were received earlier.
- ii. Company purchased furniture of ₹ 45,000. The vendor was paid by the issue of equity shares of ₹ 10 each at par.

33. From the following information obtained from the books of Vichar Ltd., prepare a Comparative Statement of Profit and Loss for the year ending 31<sup>st</sup> March, 2019: [4]

Particulars	2018-19	2017-18
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Revenue from operations	300% of cost of materials consumed	200% of cost of materials consumed
Cost of materials consumed	₹ 4,00,000	₹ 2,00,000
Other expenses	20% of cost of materials consumed	20% of cost of materials consumed
Tax rate	50%	50%

OR

From the following Balance Sheet of Sun Ltd. as at 31st March 2023, prepare Common-Size Balance Sheet:

Particulars	Note No.	31st March, 2023 (₹)	31st March, 2022 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital		80,00,000	60,00,000
(b) Reserves and Surplus		12,00,000	8,00,000
<b>2. Non-Current Liabilities</b>			
Long-term Borrowings		24,00,000	20,00,000
<b>3. Current Liabilities</b>			
Short-term Borrowings		4,00,000	12,00,000
<b>Total</b>		<b>1,20,00,000</b>	<b>1,00,00,000</b>
<b>II. ASSETS</b>			
<b>1. Non-Current Assets</b>			
Property, Plant and Equipment and Intangible Assets:			
(i) Property, Plant and Equipment		80,00,000	60,00,000
(ii) Intangible Assets		4,00,000	12,00,000
<b>2. Current Assets</b>			

(a) inventories		24,00,000	20,00,000
(b) Cash and Cash Equivalents		12,00,000	8,00,000
<b>Total</b>		<b>1,20,00,000</b>	<b>1,00,00,000</b>

34. From the following Balance Sheet of Vehalna Steel Ltd. as at 31st March 2017 and 31st March 2016. Prepare Cash Flow Statement: [6]

Particulars	Note No.	31st March 2017	31st March 2016
<b>I EQUITY AND LIABILITY</b>			
Share holders fund			
Share Capital	1	700000	500000
Reserves and surplus	2	250000	325000
Non Current Liabilities			
Long Term Borrowings	3	200000	250000
Current Liabilities			
Short Term Provisions	4	74000	49000
		1224000	1124000
Assets			
Non Current asset			
Fixed Asset			
MAchinery		500000	300000
Non current investments		200000	140000
Current asset			
Invesntories		150000	200000
Trade receivables		204000	174000
Cash		170000	310000
		1224000	1124000
<b>Share capital</b>			
Equity Share capital		600000	300000



12% preference share capital	100000	200000
	700000	500000
Reserve and surplus		
General Reserve	135000	375000
Surplus	115000	-50000
Long Term Borrowings		
9% Debentures	200000	250000
Short Term Provisions		
Proposed Dividend	24000	24000
Provision for Tax	50000	25000
	74000	49000

#### Additional Information

- i. Machinery Costing 100000 on which Depreciation charged was 70000 was sold at a profit of 20% on book value. dep charged during the year amounted to 70000.
- ii. Preference shares redeemed at par on 31st march 2017
- iii. Debentures were redeemed on Jan 1 , 2017 and equity shares were issued on april 1,2016
- iv. Income tax 45000 was provided
- v. Non current investments costing 60000 were sold at a profit of 20%
- vi. The company declares and paid interim dividend on equity shares 40 per share out of general reserve. It did not propose final dividend on equity shares.

**SOLUTION**  
**SAMPLE QUESTION PAPER - 3**  
**SUBJECT- ACCOUNTANCY (055)**  
**CLASS XII (2024-25)**

**Part A:- Accounting for Partnership Firms and Companies**

1.

**(c) 5 : 3 : 2**

**Explanation:**

total share = 1

Q's share =  $20/100 = 1/5$

remaining share for M and N =  $1 - 1/5 = 4/5$

M' new share =  $4/5 \times 5/8 = 20/40$

N' s new share =  $4/5 \times 3/8 = 12/40$

Q share =  $1/5 \times 8/8 = 8/40$

ratio 20:12:8

5:3:2

2.

**(d) A is false but R is true.**

**Explanation:**

A is false but R is true.

3.

**(d) Debited by ₹ 450**

**Explanation:**

allotted share  $450 \times 1 = 900$

OR

**(d) Without Specified Rate of Interest**

**Explanation:**

Without Specified Rate of Interest

4.

**(d) 1 : 1 : 1**

**Explanation:**

vinay new share =  $3/6 - 1/6 = 2/6$

vikas new share =  $1/6 + 1/6 = 2/6$

OR

(a) 900 and 600

**Explanation:**

900 and 600

5. (a) 6% p.a. Simple Interest

**Explanation:**

6% p.a. Simple Interest

6. (a) Irredeemable Debentures.

**Explanation:**

Irredeemable Debentures.

OR

(c) ₹ 2,00,000 and ₹ 3,50,000

**Explanation:**

₹ 2,00,000 and ₹ 3,50,000

Amount received on application =  $5,000 \times 40 = 2,00,000$

Amount received on allotment =  $5,000 \times 70 (60+10(\text{premium})) = 3,50,000$

7. (a) Both A and R are true and R is the correct explanation of A.

**Explanation:**

articles of the company must authorise about the forfeiture of the shares

8.

(b) Loss on Revaluation

**Explanation:**

Partner's capital account will be debited in case of loss on revaluation, drawings, dr balance of profit and loss and in other cases his account will be credited i.e.

- Profit on Revaluation
- General Reserve etc.

OR

(b) ₹ 1,28,200

**Explanation:**

$140000 - 8000 - 5000 + 1200 = ₹ 1,28,200$

9. (a) ₹ 20,000

**Explanation:**

₹ 20,000

10. (a) ₹ 25,000 each

**Explanation:**

₹ 25,000 each

11.

(b) Partners who give the guarantee

**Explanation:**

Partners who give the guarantee

12. (a) ₹ 8

**Explanation:**

₹ 8

share capital account debited with called up amount at the time of forfeiture.

13. (a) ₹ 10,000

**Explanation:**

Total value of shares =  $10,000 \times ₹ 10 = ₹ 1,00,000$

Premium = 10% of ₹ 1,00,000 = ₹ 10,000

Thus, ₹ 10,000 will be transferred to the securities premium account.

14.

(c) Mutual agency relationship

**Explanation:**

Mutual agency relationship

15.

(c)  $\frac{3}{10}$

**Explanation:**

C's share = A's sacrifice share + B's Sacrifice share

$$= \frac{1}{4} \times \frac{4}{5} + \frac{1}{2} \times \frac{1}{5} = \frac{4}{20} + \frac{1}{10} = \frac{4+2}{20} = \frac{6}{20}$$

OR

(d) If Paid Privately

**Explanation:**

If Paid Privately as firm has no concern

16.

(b) Mutual Agreement

**Explanation:**

When all the partners agree to close down the business mutually, hence partners can dissolve the firm without the interference of the court that is called dissolution by mutual agreement.

17.

**In the Books of Aman, Bobby and Chandani****JOURNAL**

Date	Particulars	L.F.	Debit (₹)	Credit (₹)
2022	Aman's Capital A/c	Dr.	2,500	
April 1	Bobby's Capital A/c	Dr.	2,000	
	Chandani's Capital A/c	Dr.	500	
	To Revaluation A/c			5,000
	(loss on revaluation transferred to partner's capital in old ratio)			
April 1	General Reserve A/c	Dr.	20,000	
	To Aman's Capital A/c			10,000
	To Bobby's Capital A/c			8,000
	To Chandani's Capital A/c			2,000
	(General reserve distributed among the partners in their old ratio)			
April 1	Chandani's Capital A/c (₹ 1,20,000 × $\frac{7}{30}$ )	Dr.	28,000	
	To Aman's Capital A/c (₹ 1,20,000 × $\frac{5}{30}$ )			20,000
	To Bobby's Capital A/c (₹ 1,20,000 × $\frac{2}{30}$ )			8,000
	(adjustment for goodwill)(WN)			

**Working Notes:** Calculation of Gained/(Sacrificed) Profit of each Partner:

	Aman (₹)	Bobby (₹)	Chandani (₹)
(i) Old Ratio	$\frac{5}{10}$	$\frac{4}{10}$	$\frac{1}{10}$
(ii) New Ratio	$\frac{1}{3}$	$\frac{1}{3}$	$\frac{1}{3}$
<b>Gain/Sacrifice[(i) - (ii)]</b>	$\frac{5}{30}$ (Sacrifice)	$\frac{2}{30}$ (Sacrifice)	$\frac{7}{30}$ (Gain)

18.

**Profit and Loss Appropriation Account**

**For the year ended 31st March, 2015**

Particulars		Amount (₹)	Particulars		Amount (₹)
To Partner's Salary Account			By Profit and Loss for the year		40,000
Maneesh		4,800	By Interest on Drawings:		
			Maneesh current account	800	
To Partner's commission			Girish current account	700	1,500
Girish $\{(40,000 - 4,800) \times (10/100)\}$		3,520			
To Interest on Capital					
Maneesh current account	7,000				
Girish current account	5,600	12,600			
To Profit transferred to partners current account:					
Maneesh's Current account	10,290				
Girish's Current account	10,290	20,580			
		<b>41,500</b>			<b>41,500</b>

**Note:** Since the rate is 5% and not 5% per annum interest will be charged for full-year instead of six months.

OR

**Books of Sharma and Verma**

**Journal**

Date	Particulars		L.F.	Dr. Amount (₹)	Cr. Amount (₹)
	P & L Adjustment A/c	Dr.		2,40,000	
	To Sharma's Current A/c				1,40,000
	To Verma's Current A/c				1,00,000

Date	Particulars		L.F.	Dr. Amount (₹)	Cr. Amount (₹)
	(Interest on Capital transferred to P & L Adjustment A/c)				
	Sharma's Current A/c	Dr.		12,000	
	Verma's Current A/c	Dr.		6,000	
	To P & L Adjustment A/c				18,000
	(Interest on Drawings transferred to P & L Adjustment A/c)				
	Sharma's Current A/c	Dr.		1,33,200	
	Verma's Current A/c	Dr.		88,800	
	To P & L Adjustment A/c				2,22,000
	(Loss on adjustment transferred to Partners' Capital accounts)				

19. This question is of the topic 'Issue of Debentures for consideration other than cash' in which some some or full payment is made to the creditor in terms of issuing debentures and not by cash.

### In the Books of Y Ltd.

#### Journal

Date	Particulars		L.F.	Dr. (Rs.)	Cr. (Rs.)
	Machinery A/c	Dr.		55,000	
	To Z Ltd. (Being the machinery purchased)				55,000
	Z Ltd.	Dr.		5,500	
	To Bills payable A/c (Being the part payment of machinery purchased made in cash)				5,500
	Z Ltd.	Dr.		49,500	

Date	Particulars		L.F.	Dr. (Rs.)	Cr. (Rs.)
	To 9% Debentures A/c (Being the balance payment made by the issue of 495, 9% debentures at par)				49,500

OR

Applications were received for 70,000 shares and allotment was made as follows:

Category	Shares Applied	Shares Allotted
(a)	10,000 shares	Nil (rejected)
(b)	20,000 shares	20,000 shares allotted
(c)	40,000 shares	30,000 shares allotted (4 : 3)
<b>Total</b>	<b>70,000 shares</b>	<b>50,000 shares</b>

**Table Showing Amount Received on Allotment:**

Calculation of Amount Received on Allotment	₹
Allotment money due (50,000 shares × ₹ 3)	1,50,000
Less: Excess application money adjusted on allotment (Pro rata allotment) (10,000 × ₹ 2)	20,000
	<b>1,30,000</b>
Less: Calls-in-Arrears (Mohit) (20,000 × ₹ 3)	(60,000)
Allotment money received	<b>70,000</b>
Add: Calls-in-Advance (3,000 × ₹ 5)	15,000
Amount Received on Allotment including Calls-in-Advance	<b>85,000</b>

20. Average Profits of Previous three years =  $\frac{2,88,000+1,81,800+1,87,200}{3} = \frac{6,57,000}{3} = ₹ 2,19,000$

Average Profits of Previous Four years =  $\frac{2,88,000+1,81,800+1,87,200+2,53,200}{4} = \frac{9,10,200}{4} = ₹ 2,27,550.$

Since, the average profits of the previous four years is greater than the average profits of the previous three years.

Hence, Goodwill = ₹ 2,27,550.

21.

Category	Applied	Allotted
(I)	1,00,000	0



(II)	<u>3,50,000</u>	<u>2,00,000</u>
	4,50,000	2,00,000

**i. Category (II):**

Excess amount Received on Application

$$= (3,50,000 - 2,00,000) \times 4$$

$$= ₹ 6,00,000$$

Amount Received on allotment

$$= (2,00,000 \times 3.5)$$

$$= ₹ 7,00,000$$

excess amount of ₹ 6,00,000 adjusted on allotment

**ii. Allotment Money not paid by Raghu:**

$$\text{Amount Received on Application} = 7,000 \times 4 = ₹ 28,000$$

$$\text{Amount Adjusted on Application} = 4,000 \times 4 = ₹ 16,000$$

$$\text{Surplus Application money} = (28,000 - 16,000) = ₹ 12,000$$

**Allotment Money due but not paid:**

$$= (4,000 \times 3.5) - 12,000$$

$$= ₹ 2,000$$

**iii. Share allotted to Nandan:**

$$= \frac{2,00,000}{3,50,000} \times 10,500$$

$$= 6,000 \text{ Shares}$$

**Journal Entry**

Particulars		L.F.	Amount (Dr.)	Amount (Cr.)
Bank A/c	Dr.		18,00,000	
To equity Share application				18,00,000
(Amount Received on Application)				
Equity share application A/c	Dr.		18,00,000	
To equity share Capital A/c				8,00,000
To Equity share allotment A/c				6,00,000
To Bank A/c				4,00,000
(Amount transferred to share capital)				
Equity Share allotment A/c	Dr.		7,00,000	

To equity Share Capital			2,00,000
To Security Premium A/c			5,00,000
(Amount transferred to share capital)			
Bank A/c	Dr.	98,000	
To equity share allotment			98,000
(Amount Received on allotment)			
Equity Share Capital A/c	Dr.	20,000	
To Equity Share allotment			2,000
To Equity Share forfeiture			18,000
(Share forfeited for non payment)			
Equity share first & final call A/c	Dr.	9,80,000	
To Equity Share Capital			9,80,000
(Share first & final Call due)			
Bank A/c	Dr.	9,50,000	
To Equity Share first & final call			9,50,000
(Amount received on first & final call)			
Equity Share Capital A/c	Dr.	60,000	
To Equity Share forfeiture			30,000
To Equity Share First and final call			30,000
(share forfeited for non payment of call money)			
Bank A/c	Dr.	1,15,000	
To Equity Share Capital			1,00,000
To Security Premium A/c			15,000
(Share Reissued to Meeta)			
Equity Share forfeiture A/c	Dr.	48,000	
To Capital Reserve			48,000
(Amount transferred to capital reserve)			

22.

### REALISATION ACCOUNT

Dr.			Cr.		
Particulars		₹	Particulars		₹
To Sundry Assets:			By Sundry Liabilities:		
Machinery		5,60,000	Creditors		40,000
Stock		90,000	Aakash's Wife's Loan		25,000
Debtors		55,000	By Bank A/c:		
To Bank (Creditors) (Balancing figure)		<b>40,000</b>	Machinery		4,80,000
To Aakash's Capital A/c (Aakash's wife's Loan)		34,000	Debtors		10,000
To Anushka's Capital A/c (Realisation Expenses)		7,000	By Aakash's Capital A/c:		
To Profit transferred to:			Stock	1,28,000	
Aakash's Capital A/c	4,000		Typewriter	<u>70,000</u>	1,98,000
Anushka's Capital A/c	<u>3,000</u>	7,000	By Anushka's Capital A/c:		
			Debtors		40,000
		<b><u>7,93,000</u></b>			<b><u>7,93,000</u></b>

#### PARTNER'S CAPITAL ACCOUNTS

Dr.			Cr.		
Particulars	Aakash (₹)	Anushka (₹)	Particulars	Aakash (₹)	Anushka (₹)
To Realisation A/c (Assets Taken)	1,98,000	40,000	By Balance b/d (Balancing figure)	5,60,000	4,80,000
To Bank A/c	4,00,000	4,50,000	By Realisation A/c (Wife Loan)	34,000	
			By Realisation A/c (Realisation Expenses)		7,000
			By Realisation A/c (Profit on Realisation)	4,000	3,000

	<u>5,98,000</u>	<u>4,90,000</u>		<u>5,98,000</u>	<u>4,90,000</u>
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### BANK ACCOUNT

Dr.		Cr.	
Particulars	₹	Particulars	₹
To Balance b/d (Balancing figure)	4,04,000	By Realisation A/c (Creditors)	40,000
To Realisation (Assets realised)		By Aakash's Loan A/c	4,000
Machinery	4,80,000	By Aakash's Capital A/c	4,00,000
Debtors	<u>10,000</u>	By Anushka's Capital A/c	4,50,000
	<u>8,94,000</u>		<u>8,94,000</u>

### Verification of Missing Figures

### BALANCE SHEET as at 31<sup>st</sup> March, 2023

Liabilities	₹	Assets	₹
Capitals:		Machinery	5,60,000
Aakash	5,60,000	Stock	90,000
Anushka	4,80,000	Debtors	55,000
Creditors	40,000	Bank	4,04,000
Aakash's Wife Loan	25,000		
Aakash's Loan	4,000		
	<u>11,09,000</u>		<u>11,09,000</u>

23. Issue of Shares is the process in which companies allot new shares to shareholders.

Shareholders can be either individuals or corporates. The company follows the rules prescribed by Companies Act 2013 while issuing the shares. Issue of Prospectus, Receiving Applications, Allotment of Shares are three basic steps of the procedure of issuing the shares. The process of creating new shares is known as Allocation or allotment.

There are mainly two types of Shares which are discussed in short as follows:-

**Preference share** is one which carries two exclusive preferential rights over the other type of shares, i.e. equity shares.

**Equity share** is a share that is simply not a preference share. So shares that do not enjoy any preferential rights are thus equity shares. They only enjoy equity, i.e. ownership in the

company.

The journal entries for the issue of shares is as follows:-

**In the books of Prakash Engineering Company**

**Journal**

Date	Particulars		L.F.	Dr.(Rs)	Cr.(Rs)
	Bank A/c	Dr.		1,50,000	
	To Equity Share Application A/c (Being the application money received on 75,000 Equity Shares @ Rs. 2 per share)				1,50,000
	Equity Share Application A/c	Dr.		1,50,000	
	To Equity Share Capital A/c (40,000 × Rs. 2)				80,000
	To Equity Share Allotment A/c (20,000 × Rs. 2)				40,000
	To Bank A/c (15,000 × Rs. 2) (Being the application money adjusted)				30,000
	Equity Share Allotment A/c	Dr.		2,00,000	
	To Equity Share Capital A/c				1,20,000
	To Securities Premium Reserve A/c (Being the allotment money due on 40,000 shares)				80,000
	Bank A/c	Dr.		1,58,000	
	To Equity Share Allotment A/c (WN 1, 2 and 3)				1,48,000
	To Calls-in-Advance A/c (2,000 shares × Rs 5)(WN 4) (Being the allotment money received except for 3,000 shares allotted to Ashok and calls-in-advance is received on 2,000 shares of Baneet)				10,000
	Equity Share First Call A/c	Dr.		80,000	
	To Equity Share Capital A/c (Being the first call money due on 40,000 shares)				80,000
	Bank A/c	Dr.		70,000	
	Calls-in-Advance A/c			4,000	

Date	Particulars		L.F.	Dr.(Rs)	Cr.(Rs)
	To Equity Share First Call A/c [Being the first call money received except on 3,000 shares (Rs. 80,000 - Rs. 6,000 - Rs. 4,000 (Calls-in-Advance))]				74,000
	Equity Share Final Call A/c	Dr.		1,20,000	
	To Equity Share Capital A/c (Being the final call money due on 40,000 shares)				1,20,000
	Bank A/c	Dr.		1,05,000	
	Calls-in-Advance A/c	Dr.		6,000	
	To Equity Share Final Call A/c (Being the final call money received except on 3,000 shares held by Ashok)				1,11,000

### Working Notes:

- 40,000 shares were allotted to the applicants for 60,000 shares

Number of shares applied by Ashok =  $60,000/40,000 \times 3,000 = 4,500$  Shares

Therefore, application money paid by Ashok =  $4,500 \times \text{Rs. } 2 = (\text{Rs.}) 9,000$

2.	<b>Money due from Ashok on allotment:</b>	<b>(Rs)</b>
	Money paid on an application (WN 1)	9,000
	Less: Amount adjusted on an application ( $3,000 \times \text{Rs. } 2$ )	6,000
	Excess application money	3,000
	Money due on the allotment ( $3000 \times \text{Rs. } 5$ )	15,000
	Less: Excess application money adjusted	(3,000)
	Money not paid by Ashok	12,000
3.	Money received on allotment:	
	Total amount due on allotment	2,00,000
	Less : Excess application money adjusted	(40,000)
		1,60,000
	Less: Money not paid by Ashok (WN 2)	(12,000)

	1,48,000
--	----------

OR

a.

### JOURNAL

Date	Particulars		L.F.	Dr. (₹)	Cr. (₹)
	Share Capital A/c (800 × ₹ 10)	Dr.		8,000	
	To Share Final Call A/c (800 × ₹ 2.50)				2,000
	To Share Forfeiture A/c (800 × ₹ 7.50) (Forfeiture of 800 shares)				6,000
	Bank A/c <sup>(1)</sup>	Dr.		3,600	
	Share Forfeiture A/c	Dr.		2,400	
	To Share Capital A/c (Re-issue of 600 shares @ ₹ 6 per share as fully paid up)				6,000
	Share Forfeiture A/c	Dr.		2,100	
	To Capital Reserve A/c (Gain on 600 re-issued shares transferred to Capital Reserve)				2,100

#### Note (1)

Forfeited amount on 800 shares = ₹ 6,000	₹
∴ Forfeited amount on 600 shares = $\frac{6,000}{800} \times 600$	4,500
Less: Transferred to Capital Reserve	2,100
Loss on Re-issue	2,400

Per share loss on re-issue =  $\frac{2,400}{600} = ₹ 4$  per share.

Hence, Shares are re-issued at ₹ 10 - ₹ 4 = ₹ 6 per share.

b.

### JOURNAL

Date	Particulars		L.F.	Dr. (₹)	Cr. (₹)
	Share Capital A/c (800 × ₹ 7.50)	Dr.		6,000	
	To Share First Call A/c (800 × ₹ 2.50)				2,000
	To Share Forfeiture A/c (800 × ₹ 5) (Forfeiture of 800 shares)				4,000

	Bank A/c	Dr.		3,600	
	Share Forfeiture A/c	Dr.		900	
	To Share Capital A/c (Re-issue of 600 shares @ ₹ 6 per share as ₹ 7.50 paid up)				4,500
	Share Forfeiture A/c <sup>(2)</sup>	Dr.		2,100	
	To Capital Reserve A/c (Gain on 600 re-issued shares transferred to Capital Reserve)				2,100

**Note (2)**

Forfeited amount on 800 shares = ₹ 4,000	₹
∴ Forfeited amount on 600 shares = ₹ 4,000 × $\frac{600}{800}$	3,000
Less: Loss on re-issue of 600 shares @ ₹ 1.50 each	(900)
	<b><u>2,100</u></b>

c.

**JOURNAL**

Particulars	L.F.	Dr. (₹)	Cr. (₹)
Share Capital A/c	Dr.	3,200	
To Calls in Arrears A/c			800
To Share Forfeiture A/c (Forfeiture of 400 shares)			2,400
Bank A/c	Dr.	2,100	
Share Forfeiture A/c	Dr.	900	
To Share Capital A/c (Re-issue of 300 shares at ₹ 7 as fully paid)			3,000
Share Forfeiture A/c <sup>(3)</sup>	Dr.	900	
To Capital Reserve A/c (Gain on re-issue of 300 shares transferred to Capital Reserve)			900

**Note (3)**

	₹	₹
Forfeited amount on 400 shares	2,400	



∴ Forfeited amount on 300 shares	$₹ 2,400 \times \frac{300}{400}$	1,800
Less: Loss on re-issue of 300 shares @ ₹ 3 each		(900)
		<b><u>900</u></b>

24.

#### Revaluation Account

Particulars		Rs.	Particulars	Rs.
To Stock		500	By Building	2500
To Machinery		875		
To Provision		375		
To Profit Transfer:				
A	500			
B	<u>250</u>	750		
		<b><u>2500</u></b>		<b><u>2500</u></b>

#### Partner's Capital Accounts

Particulars	A	B	C	Particulars	A	B	C
To Balance c/d	17500	11250	7500	By Balance b/d	15000	10000	-
				By Cash	-	-	7500
				By Premium for Goodwill	2000	1000	-
				By Revaluation	500	250	-
	<b><u>17500</u></b>	<b><u>11250</u></b>	<b><u>7500</u></b>		<b><u>17500</u></b>	<b><u>11250</u></b>	<b><u>7500</u></b>

#### Balance Sheet of new firm

Liabilities		Rs.	Assets		Rs.
Creditors		32950	Building		27500
Capital:			Machinery		16625
A	17500		Stock		9500
B	11250		Debtors	4850	
C	<u>7500</u>	36250	Less: Provision	<u>375</u>	4475
			Cash		11100
		<b><u>69200</u></b>			<b><u>69200</u></b>

OR  
REVALUATION ACCOUNT

Dr.			Cr.	
Particulars		(₹)	Particulars	(₹)
To Machinery A/c (₹ 30,000 × 10%)		3,000	By Freehold Premises A/c (₹ 40,000 × 20%)	8,000
To Furniture A/c (₹ 12,000 × 7%)		840	By Stock A/c (₹ 22,000 × 15%)	3,300
To Provision for Bad Debts A/c		1,500		
To Profit transferred to Capital A/cs:				
N (₹ 5,960 × $\frac{3}{6}$ )	2,980			
S (₹ 5,960 × $\frac{1}{6}$ )	993			
B (₹ 5,960 × $\frac{2}{6}$ )	<u>1,987</u>	<u>5,960</u>		
	<u>11,300</u>			<u>11,300</u>

PARTNERS' CAPITAL ACCOUNT

Dr.				Cr.			
Particulars	N(₹)	S(₹)	B(₹)	Particulars	N(₹)	S(₹)	B(₹)
To B's Capital A/c	5,250	1,750	_____	By Balance b/d	30,000	30,000	28,000
To S's current A/c		15,000		By Reserves A/c	6,000	2,000	4,000
To B's loan A/c			40,987	By Revaluation A/c	2,980	993	1,987
				By N's Capital A/c (₹ 7,000 × $\frac{3}{4}$ )	_____	_____	5,250
				By S's Capital A/c (7,000 × $\frac{1}{4}$ )	_____	_____	1,750
To balance c/d	48,730	16,243		By N's current A/c	15,000		
	<b>53,980</b>	<b>32,993</b>	<b>40,987</b>		<b>53,980</b>	<b>32,993</b>	<b>40,987</b>

**BALANCE SHEET of N and S**  
**as at 1<sup>st</sup> April 2023**

Liabilities		(₹)	Assets		(₹)
Capitals A/cs:			Freehold Premises	40,000	
N	48,730		Add: Appreciation	<u>8,000</u>	48,000
S	<u>16,243</u>	64,973	Machinery	30,000	
S's Current A/c		15,000	Less: Depreciation	<u>(3,000)</u>	27,000
B's Loan A/c		40,987	Furniture	12,000	
Bills Payable		12,000	Less: Depreciation	<u>(840)</u>	11,160
Sundry Creditors		18,000	Stock	22,000	
			Add: Appreciation	<u>3,300</u>	25,300
			Sundry Debtors	20,000	
			Less: Provision for Bad Debts	<u>(2,500)</u>	17,500
			Cash		7,000
			N's Current A/c		<u>15,000</u>
		<u>1,50,960</u>			<u>1,50,960</u>

**Working Notes:**

- i. Profit sharing Ratio =  $\frac{1}{2} : \frac{1}{6} : \frac{1}{3} = \frac{3:1:2}{6} = 3 : 1 : 2$
- ii. Goodwill of the firm = ₹ 21,000; B's share of Goodwill =  $21,000 \times \frac{2}{6} = ₹ 7,000$ .
- iii. Old ratio = 3 : 1 : 2  
new ratio after B retirement 3 : 1
- iv. Gaining ratio = New ratio - Old ratio
- v. Gaining ratio Narang =  $\frac{3}{4} - \frac{3}{6} = \frac{18}{24} - \frac{12}{24} = \frac{6}{24}$
- vi. S's gaining ratio =  $\frac{1}{4} - \frac{1}{6} = \frac{6}{24} - \frac{4}{24} = \frac{2}{24}$   
i.e., gaining ratio = 3 : 1

vii.	<b>Date</b>	<b>Particular</b>	<b>L.F.</b>	<b>Dr. (₹)</b>	<b>Cr. (₹)</b>
		N's capital a/c Dr.		5,250	
		S capital a/c Dr.		1,750	
		To B's capital a/c			7,000

	(goodwill be given to retiring partner in gaining ratio of old partner)			
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Capital adjustment:

viii. Total capital of N and S after all adjustment:

N's Capital = ₹ 33,730; S's Capital = ₹ 31,243; Total Capital = ₹ 64,973

New profit - sharing ratio i.e., 3 : 1

N's Capital =  $64,973 \times \frac{3}{4} = ₹ 48,730$ ; S's Capital =  $64,973 \times \frac{1}{4} = ₹ 16,243$  that balance is to be shown in balance sheet as well as in capital A/c.

25.

### REVALUATION ACCOUNT

Dr.			Cr.	
Particular	₹		Particular	₹
To Sundry Creditors A/c	7000		By Stock A/c	1,000
To Gain on Revaluation transferred to:			By Building A/c	7,000
Prem's Capital A/c	1,000		By Investment A/c (Profit on Sale of Investments)	1,000
Kumar's Capital A/c	600			
Aarti's Capital A/c	<u>400</u>	<u>2,000</u>		
	<u>2,000</u>			<u>2,000</u>

### PARTNER'S CAPITAL ACCOUNT

Dr.				Cr.			
Particulars	Prem (₹)	Kumar (₹)	Aarti (₹)	Particulars	Prem (₹)	Kumar (₹)	Aarti (₹)
To Kumar's Capital A/c	8,000	—	4,000	By balance b/d	30,000	20,000	20,000
To Cash A/c	—	30,000	—	By General Reserve A/c	4,000	2,400	1,600
To Bills payable A/c	—	5,600	—	By Investment Fluctuation Reserve	1,000	600	400
To Balance c/d	48,000	—	28,400	By Revaluation A/c	1,000	600	400

				By Prem's Capital A/c (Goodwill)	—	8,000	—
				By Aarti's Capital A/c (Goodwill)	—	4,000	—
				By Cash	<u>20,000</u>	—	<u>10,000</u>
	<u>56,000</u>	<u>35,600</u>	<u>32,400</u>		<u>56,000</u>	<u>35,600</u>	<u>32,400</u>

**Balance Sheet of Prem and Aarti  
as at 31<sup>st</sup> March 2019**

Dr.		Cr.	
Liabilities		Assets	
	(₹)		(₹)
Sundry Creditors	17,000	Cash	36,000
Bills Payable	5,600	Stock	6,000
Capitals:		Debtor	10,000
Prem's	48,000	Plant & Machinery	15,000
Aarti's	<u>28,400</u>	Building	<u>32,000</u>
	<u>99,000</u>		<u>99,000</u>

**Working Notes:**

**i. Entry for sale of Investments:**

Bank A/c	Dr.	11,000	
To Investments A/c			11,000

**ii. Entry for transfer of profit on Investments:**

Investments A/c	Dr.	1,000	
To Revaluation A/c			1,000

26.

**Journal**

Date	Particulars	L.F.	Amount (Dr.)	Amount (Cr.)
1)	Assets A/c	Dr.	10,00,000	
	To Liabilities A/c			2,50,000
	To Amit Ltd A/c			7,50,000

	(Business of Amit Purchase of Comprising Assets & Liabilities)			
2)	Amit Ltd A/c	Dr.	7,50,000	
	To 9% Debenture A/c (6,250 × 100)			6,25,000
	To Securities Premium Reserve A/c (6,250 × 20)			1,25,000
	(6,250 Debentures @ ₹ 100 each of 20% Premium issued)			
3)	Bank A/c (10,000 × 100)	Dr.	10,00,000	
	To Debenture App. & Allot. A/c			10,00,000
	(10,000 Debenture @ ₹ 100 each issued)			
4)	Debenture App. & Allot. A/c	Dr.	10,00,000	
	Loss on issue of Debenture A/c	Dr.	2,00,000	
	To 8% Debenture A/c			10,00,000
	To Premium on redemption of Deb. A/c			2,00,000
	(Deb. App transferred to Deb A/c)			
5)	Securities Premium Reserve A/c	Dr.	1,25,000	
	Statement of Profit & Loss A/c	Dr.	75,000	
	To Loss on issue of Debenture A/c			2,00,000
	(Loss on issue of Debenture written off)			

### Part B :- Analysis of Financial Statements

27. (a) All of these

#### Explanation:

Financial statements of an enterprise include a balance sheet, profit & loss a/c and cash flow statement.

OR

(c) Only iii

#### Explanation:

Bank charges will not be covered under the finance costs.

28.

(c) ₹ 4,50,000

**Explanation:**

$$\text{Inventory turnover ratio} = \frac{\text{Cost of good sold}}{\text{Average Inventory}} = \frac{\text{Cost of good sold}}{75,000}$$

$$\text{Cost of good sold} = ₹ 75,000 \times 6 \text{ times} = ₹ 4,50,000$$

$$\text{Average inventory} = \frac{\text{Opening inventory} + \text{closing inventory}}{2} = \frac{70,000 + 80,000}{2} = ₹ 75,000$$

29.

(d) Investing Activity

**Explanation:**

receiving brokerage is main activity but purchase of shares is part of investment  
OR

(d) only iv

**Explanation:**

Taking and granting loans is main activity for financial company .so transactions related to loans will be as operating activities

30.

(b) only i

**Explanation:**

Payment of bonus to the employees by an insurance company or any other company is regarded as cash flow from operating activities.

31.

S.No.	Items of balance sheet	Heads of balance sheet	Sub-heads of balance sheet
i.	Calls in Advance	Current Liabilities	Other Current Liabilities
ii.	Accrued Interest on Calls in j Advance	Current Liabilities	Other Current Liabilities
iii.	Provision for Retirement Benefits	Non-Current Liabilities	Long-term Provisions
iv.	Stores and Spares	Current Assets	Inventory
v.	Capital Work in Progress	Non Current Liabilities	Property, Plant and Equipment and Intangible Assets — Capital Work in Progress

vi.	Design	Non-Current Assets	Property, Plant and Equipment and Intangible Assets - Intangible Assets
vii.	Securities Premium	Shareholder's Funds	Reserve and Surplus

32. i. **Not change the ratio** Simultaneous increase and decrease by the same amount in current assets will not effect the value of current assets or current liabilities therefore, there is no effect on the current ratio. Because first debtors are reduced from Rs40000 and by the same amount cash will be increased.
- ii. **Not Change the ratio** Issue of shares for furniture purchased do not effect either current assets or current liabilities. Because Shares are a part of Share Capital which is classified under Shareholder's Fund & furniture is Fixed asset. Therefore, the current ratio will not change.

33.

**Vichar Ltd.**

**Comparative Statement of Profit and Loss  
for the years ended 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2019**

Particulars	2017-18 (₹) (A)	2018-19 (₹) (B)	Absolute Increase/Decrease (₹) (C = B - A)	Percentage Increase/Decrease (%) $(D = \frac{C}{A} \times 100)$
Revenue from operations	4,00,000	12,00,000	8,00,000	200
Total Revenue	4,00,000	12,00,000	8,00,000	200
Less expenses:				
Cost of materials consumed	2,00,000	4,00,000	2,00,000	100
Other expenses	40,000	80,000	40,000	100
Total expenses	2,40,000	4,80,000	2,40,000	100
Net Profit before Tax	1,60,000	7,20,000	5,60,000	350
Less Tax Paid	80,000	3,60,000	2,80,000	350
Net Profit after Tax	80,000	3,60,000	2,80,000	350



OR

**COMMON-SIZE BALANCE SHEET OF SUN LTD. as at 31st March 2022 and 2023**

Particulars	Note No.	Absolute Amounts		Percentage of Balance Sheet Total	
		31st March, 2022 (₹)	31st March, 2023 (₹)	31st March, 2022 (%)	31st March, 2023 (%)
<b>I. EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' Funds</b>					
(a) Share Capital		60,00,000	80,00,000	60.00	66.67
(b) Reserves and Surplus		8,00,000	12,00,000	8.00	10.00
<b>2. Non-Current Liabilities</b>					
Long-term Borrowings		20,00,000	24,00,000	20.00	20.00
<b>3. Current Liabilities</b>					
Short-term Borrowings		12,00,000	4,00,000	12.00	3.33
<b>Total</b>		<b>1,00,00,000</b>	<b>1,20,00,000</b>	<b>100.00</b>	<b>100.00</b>
<b>II. ASSETS</b>					
<b>1. Non-Current Assets</b>					
Property, Plant and Equipment and Intangible Assets:					
(i) Property, Plant and Equipment		60,00,000	80,00,000	60.00	66.67
(ii) Intangible Assets		12,00,000	4,00,000	12.00	3.33
<b>2. Current Assets</b>					
(a) Inventories		20,00,000	24,00,000	20.00	20.00
(b) Cash and Cash Equivalents		8,00,000	12,00,000	8.00	10.00
<b>Total</b>		<b>1,00,00,000</b>	<b>1,20,00,000</b>	<b>100.00</b>	<b>100.00</b>

34.

**Cash Flow Statement**

<b><u>I. Cash flow from operating activities :</u></b>	<b>Rs.</b>	<b>Rs.</b>
<b>Net Profit before Tax</b>	234000	
+ Depreciation	70000	
- Profit on sale of machinery	-6000	
+ Interest on debenture	<u>21375</u>	
<b>Operating profit before Working capital changes</b>	307375	
+ Inventories	50000	
- Trade Receivables	- <u>30000</u>	
<b>Cash Generated from operating activity</b>	327375	
- Tax Paid	<u>20000</u>	<b>307375</b>
<b><u>II. Cash Flow from Investing activities :</u></b>		
Purchase of machinery	-300000	
Purchase of non current investment	-120000	
Sale of machinery	36000	
Sale of non current investment	<u>72000</u>	<b>-312000</b>
<b><u>III. Cash Flow from Financing activities :</u></b>		
Issue of shares	300000	
Redemption of preference shares	-100000	
Redemption of debentures	-50000	
Preference dividend	-24000	
Equity dividend	-240000	
Interest	- <u>21375</u>	<b>-135375</b>
<b>Net Cash Flow</b>		<b>-140000</b>
+ Opening		<u>310000</u>
Closing		<u>170000</u>