



# CBSE

## ADDITIONAL PRACTICE QUESTIONS

### Accountancy (055)

### Class XII | 2023–24

Maximum marks: 80

Time Allowed: 3 hours

#### 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 the 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 as per the subject opted.
5. Question Nos.1 to 16 and 27 to 30 carries **1 mark each**.
6. Questions Nos. 17 to 20, 31 and 32 carries **3 marks each**.
7. Questions Nos. from 21, 22 and 33 carries **4 marks each**
8. Questions Nos. 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. Accounting Standard-26 requires that goodwill is to be recorded in the books of accounts only when money or money's worth has been paid for it. At the time of admission, Vivaan, a new partner was unable to bring in his share of goodwill in cash, so according to Accounting Standard-26 his:

- (a) Current A/c will be credited
- (b) Current A/c will be debited
- (c) Capital A/c will be debited
- (d) Capital A/c will be credited

2. Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below.

**Assertion:** Michael, Mike and Stephen were partners sharing profits and losses in the ratio 3:2:1. Stephen being a partner wants that he should be exempted from sharing the losses in the firm.

**Reasoning:** According to Partnership Act 1932, "It may be agreed between the partners that one or more of them shall not be liable for losses."

Alternatives:



- (a) Both A and R are correct, and R is the correct explanation of A.  
(b) Both A and R are correct, but R is not the correct explanation of A.  
(c) A is correct but R is incorrect.  
(d) A is incorrect but R is correct.

3. According to Sec 50 of the Companies Act 2013, the amount of Calls in Advance can be accepted by the Company only when it is authorised by:

- (a) Board of Directors  
(b) Equity Shareholders  
(c) Articles of Association  
(d) Memorandum of Association

**OR**

Tulip Ltd. took up a loan from a Punjab National Bank and issued its' Debentures as Collateral Security. The bank to whom these debentures are issued:

- (a) will be entitled to interest on such debentures.  
(b) will not be entitled to interest on such debentures.  
(c) will be entitled to interest on primary security.  
(d) will not be entitled to interest on loan taken up from the bank.

4. Danish, Zaid and Mihir who were sharing profits and losses equally decided to share the future profits and losses in the ratio to 5:4:3 with effect from 1<sup>st</sup> April 2023. An extract of their Balance Sheet as at 31<sup>st</sup> March 2023 is:

Liabilities	Amount	Assets	Amount
Investment Fluctuation Reserve	85,0000	Investments( At Cost)	8,00,000

At the time of reconstitution, if the market value of Investment was Rs. 7,06,000, the Revaluation A/c will be:

- (a) Debited with 15,000  
(b) Debited with 9,000  
(c) Credited with 2,000  
(d) Credited with 12,000

**OR**

Sam, Tom and Jerry were partners sharing profits and losses equally. Sam sold a land costing Rs.5,00,000 belonging to the firm, without informing other partners and made a profit of Rs.50,000 on sale of such land. Which decision should be taken by the firm to rectify this situation?

- (a) Sam needs to return only Rs.5,00,000 to the firm.  
(b) Sam is required to return Rs.50,000 to the firm.  
(c) Sam is required to pay back Rs.50,000 only equally to Tom and Jerry.  
(d) Sam needs to return Rs.5,50,000 to the firm

5. Mike and Ken were two partners sharing profits and losses in the ratio 4:3. Ken was in need of funds so he took a loan of Rs.50, 000 from the firm at an agreed rate of interest being 10% p.a. If Interest is charged on loan to the partner it will be:

- (a) Debited to Profit and Loss A/c  
(b) Credited to Profit and Loss A/c



- (c) Debited to Profit and Loss Appropriation A/c  
(d) Credited to Profit and Loss Appropriation A/c

6. Cadilla Ltd. allotted 2,000 8% Debentures of Rs. 100 each to their underwriters to pay their commission.

Which of the following journal entry is correct, if 8% Debentures are allotted to underwriters?

- (a) 8% Debentures A/c Dr  
To Underwriting Commission A/c  
(Commission due to them)
- (b) 8% Debentures A/c Dr  
To Underwriter's A/c  
(Commission due to them)
- (c) Underwriter's A/c Dr  
To Underwriting Commission A/c  
(Commission due to them)
- (d) Underwriter's A/c Dr  
To 8% Debentures A/c  
(Commission due to them)

OR

Which of the following statements is correct about debentures?

- (a) Interest on debentures is an appropriation of profits.  
(b) Debenture holders are the creditors of a company.  
(c) Debentures cannot be issued to vendors at discount.  
(d) Interest is paid on Debentures issued as Collateral Security.

7. Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below.

Assertion (A) :- Under Section 62(1)(b) of the Companies Act, 2013, a Company may offer shares to its employees under a scheme of 'Employees Stock Option' which means the option (right) given to the whole-time directors, officers or permanent employees of a company to purchase or subscribe the securities offered by the company at a future date, at a pre-determined price, which is lower than the market price.

Alternatives:

Reason (R) :- The company need not to pass a special resolution to this effect.

- (a) Both Assertion (A) and Reason (R) are Correct and Reason (R) is the correct explanation of Assertion (A)  
(b) Both Assertion (A) and Reason (R) are Correct, but Reason (R) is not the correct explanation of Assertion (A)  
(c) Assertion (A) is incorrect, but Reason (R) is Correct.  
(d) Assertion (A) is correct, but Reason (R) is incorrect

8. Neil, Nitin and Nitesh were partners in the firm sharing profits and losses equally. Neil retires from the firm and on his retirement, he is entitled for the payment due to him after all the adjustments.



At the time of retirement, if nothing is mentioned about the payment made due to him, in which account, the amount will be transferred:

- (a) Retiring Partner's Current A/c
- (b) Retiring Partner's Capital A/c
- (c) Retiring Partner's Loan A/c
- (d) Retiring Partner's Bank A/c

**OR**

Stella, Grace and Carol were partners in the firm sharing profits and losses in the ratio 3:2:1. Carol was guaranteed a profit of 15,000 after making all adjustments. Any deficiency is to be borne by Grace. The net profit for the year 31st March 2023 was Rs.60,000.

Grace will be \_\_\_\_\_ by Rs. \_\_\_\_\_.

- (a) Credited, Rs.6,500.
- (b) Debited, Rs.5,000.
- (c) Credited, Rs.7,500.
- (d) Debited, Rs. 2,500.

Read the following hypothetical situation and answer question no. 9 and 10.

Ana and Anne started a partnership business on 1st April, 2022. Their capital contributions were Rs. 3, 00,000 and Rs. 1, 00,000 respectively. Ana rented her property to carry on business for Rs.2, 500 p.m. Interest on capitals @12% p.a. Ana, to get a salary of Rs. 4,000 p.m. Anne to get a commission of 2% of the net profit. Profits are to be shared in the ratio of 3:2. The profits for the year ended 31st March, 2023 before providing for rent was Rs. 2, 00,000.

**Dr. Profit and Loss Appropriation Account for the year ended 31<sup>st</sup> March, 2023 Cr.**

Particulars	Rs.	Particulars	Rs.
To Interest on capital: Ana	_____	By Profit and Loss A/c	_____(2)
Anne	_____		)
To Partner's Salary: Ana	48,000		
To Anne's commission	_____(1)		
To Profit transferred to Ana's Capital A/c	)		
Anne's Capital A/c	_____		
	_____		

9. The amount to be reflected in blank (1) will be:

- (a) Rs.3,720
- (b) Rs.3,400
- (c) Rs. 2,800
- (d) Rs.2,940

10. The amount to be reflected in blank (2) will be:

- (a) Rs.1,62,000
- (b) Rs. 1,74,500



- (c) Rs. 1,71,400  
(d) Rs.1,70,000

11. Which of the following is a right of a partner?

- (a) sharing profits and losses with other partners in the agreed ratio  
(b) inspecting and having a copy of the books of accounts  
(c) retiring from the firm without giving proper notice  
(d) taking part in the misconduct of the business

Choose the correct option:

- (i) Only (b) and (c)  
(ii) Only (c)  
(iii) Only (a) and (b)  
(iv) Only (a) and (d)

12. Skyline Ltd. took over running business worth Rs. 70,00,000 from Grand Ltd. by paying 20% through bank draft and balance by issue of shares of Rs.100 each at a premium of 10%. The entry to be passed by Skyline Ltd for settlement will be :-

(a)

Grand Ltd.	Dr.	70,00,000	
To Share Capital A/c			50,90,909
To Securities Premium A/c			509090
To Bank A/c			14,00,000
To Statement of Profit and Loss			1
(Settlement of amount due to vendors)			

(b)

Grand Ltd.	Dr.	70,00,000	
To Share Capital A/c			50,90,909
To Securities Premium A/c			5,09,090
To Bank A/c			14,00,001
(Settlement of amount due to vendors)			

(c)

Grand Ltd.	Dr.	70,00,000	
To Share Capital A/c			50,90,909
To Securities Premium A/c			5,00,090
To Bank A/c			14,00,000
(Settlement of amount due to vendors)			

(d)

Grand Ltd.	Dr.	70,00,000	
To Share Capital A/c			50,00,000
To Securities Premium A/c			5,09,090
To Bank A/c			14,00,000
(Settlement of amount due to vendors)			



13. Mayfair Ltd. forfeited 2,000 shares of Rs.10 each, Rs.7 called up, on which only Rs. 4 per share (including Rs.2 premium) and Rs.2 per share on first call has not been paid. Out of these 500 shares were re-issued as fully paid that Rs. 750 was transferred to Capital Reserve. On re-issue, how much amount will be transferred to Bank A/c?

- (a) Rs. 3,250
- (b) Rs. 4,250
- (c) Rs. 2,250
- (d) Rs. 5,500

14. David and Garry are partners in a firm with capitals of Rs. 90,000 and Rs. 80,000 respectively. Zenith brings Rs.70,000 as his capital for  $\frac{1}{4}$ <sup>th</sup> share in profits. Zenith's share of goodwill will be:

- (a) Rs. 34,000.
- (b) Rs. 29,000.
- (c) Rs.10,000.
- (d) Rs.14,000.

15. Edward and Hayward are partners. Edward draws a fixed amount at the beginning of every quarter. Interest on drawings is charged @10% p.a. At the end of the year, interest on Edward's drawings amounted to Rs.7,500. Drawings of Edward were:

- (a) Rs. 34,000 per quarter.
- (b) Rs. 44,000 per quarter
- (c) Rs. 30,000 per quarter
- (d) Rs. 60,000 per quarter

**OR**

Ayan, Azan and Aqib are partners carrying on furniture business. Ayan withdrew Rs. 5,000 at the end of each month. Azan withdrew Rs.10,000 at end of each quarter. Aqib withdrew Rs.40,000 at the end of each month for six months. The partnership deed provides for interest on drawings @ 12% p.a. The interest on drawing charged from Ayan, Azan and Aqib at the end of the year will be:

- (a) Ayan- Rs. 1,800, Azan- Rs.3,300, Aqib- Rs. 6,000
- (b) Ayan- Rs. 2,400, Azan- Rs. 1,200, Aqib- Rs. 5,000
- (c) Ayan- Rs. 1,400, Azan- Rs. 3,200, Aqib- Rs. 2,000
- (d) Ayan- Rs. 3,200, Azan- Rs. 2,300, Aqib- Rs. 8,000

16. At the time of dissolution, Harry, a creditor of the firm agreed to take over the furniture of the book value of Rs. 1, 00,000 at Rs. 89,000 and the balance in cash in full settlement of his account of Rs.1, 10,000.

Which journal entry will be passed for the balance to be paid in cash?

- |                     |     |        |        |
|---------------------|-----|--------|--------|
| (a) Realisation A/c | Dr. | 35,000 |        |
| To Bank A/c         |     |        | 35,000 |
| (b) Realisation A/c | Dr. | 21,000 |        |
| To Bank A/c         |     |        | 21,000 |
| (c) Realisation A/c | Dr. | 11,000 |        |
| To Bank A/c         |     |        | 11,000 |



(d) Realisation A/c  
To Bank A/c

Dr. 15,000  
15,000

17. Mac, Jack and Lac were partners in a firm sharing profits and losses in the ratio of 2:2:1

**Balance Sheet (extract)  
as at 31st March, 2023**

<b>Liabilities</b> <b>(Rs)</b>	<b>(Rs)</b>	<b>Assets</b>
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Workmen's Compensation Reserve 5,00,000

On Jack's retirement from the firm on 1st April, 2023, he had a balance of Rs.8, 00,000 (cr.) in his capital account. The liability of Workmen's Compensation Reserve was Rs. 5, 75,000. You are required to pass journal entries and show how much amount is transferred to his loan account?

18. Viraf, Virat and Vaibhav were partners with capitals of Rs 2,30,000, Rs 1,20,000 and Rs.2,40,000. After distributing the profit of 5,20,000 for the year ended 31st March 2023 in their agreed ratio of 3:2:1 it was observed that:

Interest on capital was provided at 14% p.a. instead of 10% p.a.

You are required to pass adjustment entry.

OR

Eden and Ivon were partners in a firm sharing profits and losses in the ratio of 5:4. Their capitals were Rs.75,000 and Rs. 90,000 respectively. After the accounts for the financial year ending March 31, 2023 have been prepared, it is observed that interest on capital @ 10% per annum and salary to Eden @ Rs.9,000 per annum, as provided in the partnership deed has not been credited to the partners' capital accounts before distribution of profits.

You are required to give necessary rectifying entries using Profit and Loss Adjustment Account.

19. Glen Ltd. took over the running business of Hayward Ltd. having assets of Rs.22,00,000 and liabilities of Rs.6,00,000 by issuing 20,000, 11% Debentures of Rs. 100 each at 5% discount. You are required to pass the journal entries in the books of Glen Ltd. if debentures were redeemed at 10% premium.

OR

Frank Ltd. issued 1,00,000 Equity shares of Rs. 10 each. The amount was duly received except on 5,000 Equity shares on which Rs. 5 per share was received. These shares were forfeited and 2,500 Equity shares were reissued for Rs. 9 each fully paid-up.

You are required to prepare Share Forfeiture Account.

20. Kate and Vincet were partners in a firm. On 1st April, 2022, the firm had assets of Rs.90,000 including cash of Rs. 8,000. The partners' capital accounts showed a balance of Rs. 70,000 and reserves constituted the rest. The normal rate of return is 30% and average profits of the firm are valued at Rs. 47,000.

You are required to find out the value of goodwill of the firm at 4 years purchase of super profits.

21. Klen Ltd. was registered with an authorized capital of Rs. 10,00,000 divided into Equity Shares of Rs 10. Out of these 8,000 shares were issued to vendors as fully paid as purchase consideration for a business acquired. The company offered 20,000 shares for public





subscription and called up Rs.8 per share and received the entire amount..

You are required to prepare the Balance Sheet of the company as per Schedule III of Companies Act, 2013, showing Share Capital balance and also prepare Notes to Accounts.

22. Carol and Lacy were partners. They decided to dissolve their firm. Pass the journal entries for the following after various assets and external liabilities have been transferred to Realisation A/c:

1. Carol took over half of the investments worth Rs. 30,000 at 2% discount and the remaining investments were sold at a profit of 18% of the book value.
2. Lacy is allowed a remuneration of Rs. 13,000 for dissolution work and is to bear all the expenses of realisation which amounted to Rs. 5,000 were paid by the firm.
3. Carol had given a loan of Rs. 89,000 to the firm which was duly paid.
4. Lacy agreed to pay off her brother's loan of Rs. 13,000 at a discount of 5%.

23. Royal Fans Ltd. invited applications for 1,00,000 Equity Shares of Rs.100 each at a premium of 10%. The amount was payable as follows:

On Application	Rs. 50 per share
On Allotment	Rs. 35 per share (including premium)
On First and Final Call	Rs. 25 per share

Applications for 1,50,000 shares were received. Applicants for 25,000 shares did not get any allotment and their money returned. Allotment was made pro-rata to the remaining applicants. Excess application money was adjusted towards sum due on allotment. Mr. Hanoz who was allotted 600 shares failed to pay the amount due on allotment and call money. The company forfeited his shares and subsequently re-issued at Rs 110 per share fully paid-up. You are required to pass journal entries to record the above transactions in the books of the company.

**OR**

Phizer Ltd. invited applications for 4,000 equity shares of Rs 100 each at a premium 30 per share. The amount was payable as follows:

On Application	Rs. 40 (Including premium Rs 10)
On Allotment	Rs. 60 (Including premium Rs 20)
On First and Final Call	Rs. 40

Applications for 5,000 shares were received. Allotment was made to all the applicants on pro-rata basis. Excess application money was adjusted towards sum due on allotment. Rocky, to whom 40 shares were allotted, failed to pay allotment and call money. Ali, to whom 90 shares were allotted, failed to pay the call money. These shares were forfeited. The forfeited shares were re-issued @ Rs 80 per share fully paid-up.

You are required to pass journal entries to record the above transactions in the books of the company.

24. On 31<sup>st</sup> March 2023 the Balance sheet of Zoya and Zara who were sharing profits and losses in the ratio of 3:2 was as follows.





Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Creditors	29,000	Cash at bank	9,000
Bills payable	6,000	Debtors	20,000
General reserves	16,000	Less : Provision	1000
Capitals		Stock	15,000
Zoya	50,000	Land and Building	25,000
Zara	35,000	Plant and Machinery	30,000
	85,000	Goodwill	10,000
		Profit and Loss account	28,000
	1,36,000		1,36,000

They decided to admit Sara for  $\frac{1}{5}$ <sup>th</sup> share on 1<sup>st</sup> April, 2022 in the firm on the following terms:

- Goodwill of the firm is valued at Rs 28,000.
- Depreciate Plant and Machinery by 10%, appreciate Land and Building by 40%.
- The provision for doubtful debts was to be increased by Rs. 800.
- A liability of Rs. 1,000 included in the creditors is not likely to arise.
- New profit sharing ratio between Zoya, Zara and Sara shall be 5:3:2 respectively.
- Sara was to contribute capital equal to  $\frac{1}{5}$ <sup>th</sup> of the total capital of Zoya and Zara after all adjustments.

You are required to prepare Revaluation Account and Partners' Capital Accounts.

**OR**

Mark, Musk and Alen were partners in a firm sharing profits in 2:2:1 ratio, On 31.3.2023 Alen retires from the firm. On the date of Alen's retirement the Balance Sheet of the firm was as follows:

**Balance Sheet of Mark, Musk and Alen  
as at 31.3.2023**

Liabilities	(Rs.)	Assets	(Rs.)
Creditors	54,000	Bank	55,000
Bill Payable	24,000	Debtor	12,000
Outstanding Rent	4,400	Less: Provision for	
Provision for Legal Claim	12,000	Doubtful	800
Capitals :		Stock	18,000
Mark	92,000	Furniture	8,200
Musk	60,000	Premises	1,94,000
Alen	40,000		
	1,92,000		
	2,86,400		2,86,400

On Alen's retirement it was agreed that:

- Premises will be appreciated by 5%.
- Furniture will be appreciated by Rs. 2,000.
- Stock will be depreciated by 10%.
- Provision for bad debts was to be made at 5% on debtors.
- Provision legal damages to be made for Rs. 14,400.
- Goodwill of the firm is valued at Rs. 48,000.
- Rs. 50,000 from Alen's Capital A/c will be transferred to his Loan A/c and balance will be paid by cheque.



Prepare Revaluation A/c, Partners Capital A/c's and Balance Sheet of Mark and Musk after Alen's Retirement.

25. Ester, Emma and Lucy were partners in a firm sharing profits in the ratio of 2: 2: 1. The firm closes its books on 31st March every year. On 30th September, 2022 Lucy died. The partnership deed provided that on the death of a partner her executors will be entitled to the following:

- (a) Balance in her capital account which amounted to Rs. 3,15,000 and interest on capital @9%.
- (b) Her share in the profits of the firm till the date of her death amounted to Rs.70,000.
- (c) Her share in the goodwill of the firm. The goodwill of the firm on Lucy's death was valued at Rs. 1,50,000.

You are required to calculate the amount to be transferred to Lucy's Capital A/c.

26. Akon Ltd issued 12,000, 14% debentures of Rs 100 each on 1st April, 2021. The issue was fully subscribed. According to the terms of issue, interest on debentures is payable half- yearly on 30th September and 31st March and tax deducted at source is 15%.

You are required to pass the necessary entries related to the debenture interest for the half-yearly ending on 31st March, 2022 and transfer of interest on debentures to statement of profit and loss.

## **PART B**

### **Option - I**

#### **(Analysis of Financial Statements)**

27. Operating Cycle is the time between the acquisition of assets for processing and their realisation into:

- (a) Current Assets
- (b) Non- current Assets
- (c) Other Current Assets
- (d) Cash and Cash Equivalents

**OR**

Interest Accrued but not Due on Debentures will be shown under the heading:

- (a) Current Assets
- (b) Current Liabilities
- (c) Contingent liability
- (d) Non-current Assets

28. Vibgyor Ltd. has current assets worth Rs. 3,50,000 and it needs to pay off its obligations worth Rs.2,00,000. If the firm has to make a payment of a current liability worth Rs. 50,000, what will be the current ratio:

- (a) 3:1
- (b) 0.75:1
- (c) 1:1
- (d) 2:1

29. Statement I: Increase in provision for doubtful debts should be added back for calculating cash from operations.

Statement II: Dividend received is a Financing Activity.



- (a) Statement I is correct and Statement II is incorrect  
(b) Statement I and II is correct  
(c) Statement I and Statement II is incorrect  
(d) Statement I is incorrect, and Statement II is correct

OR

Decrease in Bank Overdraft is shown under which heading in a Cash Flow Statement?

- (a) Operating  
(b) Financing  
(c) Investing  
(d) Cash and Cash Equivalent

30. Prayas Ltd. made a profit of Rs. 1,75,000 after considering the following items:

- (i) Goodwill written off Rs. 6,000  
(ii) Depreciation on Furniture Rs.3,400  
(iii) Loss on sale of Building Rs. 89,000  
(iv) Gain on sale of Land Rs. 4,250

Operating Profit before Working Capital changes will be:

- (a) Rs. 2,25,149  
(b) Rs. 2,69,150  
(c) Rs. 2,35,160  
(d) Rs. 2,53,145

31. Classify the following items under Major heads and Sub heads (If any) in the Balance Sheet of Beltek Ltd. as per Schedule III of the Companies Act, 2013.

Particulars	Amount
Building under construction.	80,000
Unpaid Dividend	63,000
Securities Premium	47,000
Interest Accrued and due on Unsecured Loan.	6,000
Design	49,000
Mortgage Loan	1,10,000

32. Following is the Balance Sheet of Yorkshire Ltd. as at 31<sup>st</sup> March, 2023



Particulars	31.3.2023
<b>I. EQUITY AND LIABILITIES:</b>	
(1) Shareholders' funds	
(a) Share capital	2,10,000
(b) Reserves and surplus	2,800
(2) Non- Current liabilities	
Long term Borrowings( 12% Debentures)	60,000
(2) Current liabilities	
(a) Trade Payable	20,000
(b) Other current liabilities	2,000
(c) Short-term provisions	20,000
<b>TOTAL</b>	<b>3,14,800</b>
<b>II. ASSETS:</b>	
(1) Non-current Assets	
(a) Property, Plant and Equipment and Intangible Assets	
(i) Property, Plant and Equipment	1,96,400
(ii) Intangible Assets	18,800
(b)Non-current investments	14,000
(2) Current assets	
(a) Inventories	31,200
(b) Trade Receivables	43,200
(c) Cash and Cash Equivalents	11,200
<b>TOTAL</b>	<b>3,14,800</b>

You are required to calculate:

- Debt to Equity Ratio
- Current Ratio
- Return on Investment

33. Following is the Balance Sheet of Meridian Ltd. as at 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2023.



Particulars	Note No.	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
<b>I. EQUITY AND LIABILITIES:</b>			
1. Shareholders' Funds			
a) Share Capital		10,00,000	5,00,000
b) Reserves and Surplus		2,00,000	3,00,000
2. Non-current Liabilities			
Long term Borrowings		8,00,000	5,00,000
3. Current Liabilities			
Trade Payables		4,00,000	2,00,000
<b>Total</b>		<b>24,00,000</b>	<b>15,00,000</b>
<b>II. ASSETS:</b>			
1. Non-Current Assets			
a) Property, Plant and Equipment and Intangible Assets			
(i) Property, Plant and Equipment		15,00,000	10,00,000
2. Current Assets			
Cash and Cash Equivalents		9,00,000	5,00,000
<b>Total</b>		<b>24,00,000</b>	<b>15,00,000</b>

You are required to prepare a Common Size Balance Sheet.

**OR**

Prepare Comparative Statement of Profit and Loss of Gem Ltd. from the following:

Particulars	Note No.	2023	2022
Revenue from operations		20,00,000	15,00,000
Other income		10,00,000	4,00,000
Expenses		21,00,000	15,00,000

Rate of income tax was 50%.

34. From the following Balance Sheet of Havels Ltd., you are required to prepare a Cash Flow Statement:

**Havels Ltd.**  
**Balance Sheet as at 31-3-2023**



Particulars	Note No.	31-3-23 (Rs.)	31-3-22 (Rs.)
I. Equity and Liabilities			
(1) Shareholders Funds			
(a) Share Capital	1	7,90,000	5,80,000
(b) Reserves and Surplus		4,60,000	1,20,000
(2) Non - Current Liabilities			
Long term Borrowings	2	5,00,000	3,00,000
(3) Current Liabilities			
(a) Short term borrowings	3	1,15,000	42,000
(b) Short term Provisions	4	1,18,000	46,000
<b>Total</b>		<b>19,83,000</b>	<b>10,88,000</b>
II. Assets	5		
(1) Non-Current Assets	6		
(a) Property, Plant and Equipment and Intangible Assets			
(i) Property, Plant and Equipment		9,80,000	6,35,000
(ii) Intangible Assets		2,68,000	1,70,000
(2) Current Assets			
(a) Current Investments		1,40,000	70,000
(b) Trade Receivables		4,40,000	1,50,000
(c) Cash and Cash Equivalents		1,55,000	63,000
<b>Total</b>		<b>19,83,000</b>	<b>10,88,000</b>



### Notes to Accounts:

Not e No.	Particulars	31-3-23 (Rs.)	31-3-22 (Rs.)
1.	Reserve and Surplus Surplus (Balance in statement of Profit & Loss) General Reserve	3,20,000 1,40,000	60,000 60,000
		4,60,000	1,20,000
2.	Long-term Borrowing 12% Debentures	5,00,000	3,00,000
		5,00,000	3,00,000
3.	Short-term Borrowing Bank Overdraft	1,15,000	42,000
		1,15,000	42,000
4.	Short-term Provisions Provision for Tax	1,18,000	46,000
		1,18,000	46,000
5.	Plant and Machinery Less: Accumulated Depreciation	11,00,000 (1,20,000)	7,50,000 (1,15,000)
		9,80,000	6,35,000
6.	Intangible Assets Patents	2,68,000	1,70,000
		2,68,000	1,70,000

### Additional Information:

12% debentures were issued on 1st September, 2022





# CBSE

## ADDITIONAL PRACTICE QUESTIONS-Marking Scheme

### Accountancy (055)

### Class XII | 2023–24

Maximum marks: 80

Time Allowed: 3 hours

#### 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 the 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 as per the subject opted.
5. Question Nos.1 to 16 and 27 to 30 carries 1 mark each.
6. Questions Nos. 17 to 20, 31 and 32 carries 3 marks each.
7. Questions Nos. from 21, 22 and 33 carries 4 marks each.
8. Questions Nos. 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.

#### Section A

Q No	Question	Ma rks
1	(b) Current A/c will be debited	1
2	(a) Both A and R are correct, and R is the correct explanation of A.	1
3	(c) Articles of Association	1
	(b) will not be entitled to interest on such debentures.	1
4	(b) Debited with 9,000	1
	(d) Sam needs to return Rs.5,50,000 to the firm.	1



- 5 (b) Credited to Profit and Loss A/c 1
- 6 (d) Underwriter's A/c Dr 1  
To 8% Debentures A/c  
(Commission due to them)
- Or
- (b) Debenture holders are the creditors of a company.
- 7 (d) Assertion (A) is correct, but Reason (R) is incorrect 1
- 8 (c) Retiring Partner's Loan A/c 1  
(b) Debited, Rs.5,000.
- 9 (b) Rs.3,400 1
- 10 (d) Rs.1,70,000 1
- 11 (iv) Only (a) and (d) 1
- 12 (b) 1
- |                                       |     |           |           |
|---------------------------------------|-----|-----------|-----------|
| Grand Ltd.                            | Dr. | 70,00,000 |           |
| To Share Capital A/c                  |     |           | 50,90,909 |
| To Securities Premium A/c             |     |           | 5,09,090  |
| To Bank A/c                           |     |           | 14,00,001 |
| (Settlement of amount due to vendors) |     |           |           |
- 13 (b) Rs. 4,250 1
- 14 (c) Rs.10,000. 1
- 15 (c) Rs. 30,000 per quarter
- (a) Ayan- Rs. 1,800, Azan- Rs.3,300, Aqib- Rs. 6,000
- 16 (b) Realisation A/c Dr. 21,000 1  
To Bank A/c 21,000



17

Date	Particulars	L.F	Dr.	Cr.
1.	Workmen Compensation Reserve A/c -Dr.		5,00,000	
	Revaluation A/c -Dr.		75,000	
	To Provision for Workmen Compensation Claim A/c (Provision made for workmen claim and shortfall charged to revaluation account)			5,75,000
2.	Mac's Capital A/c -Dr.			
	Jack's Capital A/c -Dr.		30,000	
	Lac's Capital A/c -Dr.		30,000	
	To Revaluation A/c (Loss on revaluation debited to Partner's Capital A/c in their old profit-sharing ratio)		15,000	75,000
3.	Jack's Capital A/c -Dr.			
	To Jack's Loan A/c (Amount due to Jack transferred to his Loan A/c)		7,70,000	
				7,70,000

18

Partners over credited with 4% 9,200	4,800	9,600	23,600
Rs. 23,600 will be divided in the ratio 3:2:1	11,800	7,867	3,933
Net effect			
	2,600(Cr)	3,067(Cr)	5,667(Dr.)
Vaibhav's Capital A/c Dr	5,667		
To Viraf's Capital A/c	2,600		
To Virat's Capital A/c	3,067		
(interest excessive charged, now rectified)			

OR

3

3

3



Profit and Loss Adjustment A/c Dr. 16,500  
To Eden's Capital A/c 7,500  
To Ivon's Capital A/c 9,000  
(Interest on capital omitted earlier now provided)  
Profit and Loss Adjustment A/c Dr. 9,000  
To Eden's Capital A/c 9,000  
(Salary omitted earlier now provided)  
Eden's Capital A/c Dr. 14,167  
Ivon's Capital A/c Dr. 11,333  
To Profit and Loss Adjustment A/c 25,500  
(Loss on Adjustment transferred to partners)

19

Sundry Assets A/c Dr. 22,00,000  
Goodwill A/c( Balancing Figure) Dr. 3,00,000  
To Sundry Liabilities A/c 6,00,000  
To Hayward Ltd. A/c 19,00,000  
(Business purchased of Hayward Ltd. comprising of Assets and Liabilities)  
(ii) Hayward Ltd. A/c Dr. 19,00,000  
Loss on Issue of Debentures A/c Dr. 3,00,000  
To 11% Debentures A/c 20,00,000  
To Premium on Redemption of Debentures A/c 2,00,000  
(Debentures issued to Hayward Ltd. at Discount, redeemable at Premium)  
(iii) Statement of Profit and Loss Dr 3,00,000  
To Loss on Issue of Debentures A/c 3,00,000  
(Loss on Issue of Debentures written off)

3

OR

Dr Share Forfeiture Account		Cr	
particulars	amount	particulars	amount
	2,500		
To Share Capital A/c		By Share Capital A/c	25,000
To Capital Reserve A/c	10,000		
To Balance c/d	12,500		
	25,000		25,000

3



20

1. Normal Profit = Capital invested x Normal rate of return/100 = 90,000 x 30/100 = Rs. 27,000
2. Super Profit = Average Profit - Normal Profit = 47,000 - 27,000 = Rs. 20,000
3. Value of Goodwill = Super Profit x No. of year's purchase = 20,000 x 4 = Rs. 80,000

21

**Balance Sheet (Extract)**  
as at.....

3

Particulars	Note No.	Amount Current year	Amount Previous Year
<b>I. EQUITY AND LIABILITIES:</b>			
<b>Shareholder's Funds</b>			
(a) Share Capital	1		
Notes to Accounts:			Amount
<b>(1) Share Capital:</b>			
<b>Authorised Capital:</b>			
1,00,000 Equity Shares of Rs 10 each			10,00,000
<b>Issued Capital:</b>			
28,000 Equity Shares of Rs 10 each (Out of above 8,000 shares were issued to vendors)			2,80,000
<b>Subscribed Capital:</b>			
<b>Subscribed and Fully Paid Capital:</b>			
8,000 Equity Shares of Rs 10 each fully Called-up 80,000			
<b>Subscribed but not Fully Paid Capital:</b>			2,40,000
20,000 Equity Shares of Rs 10 each, Rs. 8 Called-up 1,60,000			

22

**Journal**

4

Date	Particulars	L.F	Dr.	Cr.
------	-------------	-----	-----	-----



1.	Carol's Capital A/c Bank Ac To Realisation A/c (Half of the investments taken over by Carol and the remaining half realised cash)	Dr. Dr.	14,700 17,700	32,400
2.	Realisation A/c To Lacy's Capital A/c To Bank Ac (Remuneration allowed to Lacy and expenses paid by the firm on her behalf)	Dr.	13,000	8,000 5,000
3.	Carol's Loan A/c To Bank Ac (Carol's Loan paid off)	Dr.	89,000	89,000
4.	Realisation A/c To Lacy's Capital A/c (Brother's loan at a discount of 5% taken over by Lacy)	Dr.	12,350	12,350

23

### Journal

6

Date	Particulars	L.F	Dr.	Cr.
	Bank A/c (1,50,000 X 50) To Share Application A/c (Application money received on 1,50,000 shares)	Dr	75,00,000	75,00,000
	Share Application A/c To Share Capital A/c (1,00,000 X 50) To Share Allotment A/c To Bank A/c ( Amount transferred to share capital and excess adjusted)	Dr	75,00,000	50,00,000 12,50,000 12,50,000
	Share Allotment A/c To Share Capital A/c To Securities Premium A/c (Allotment due)	Dr	35,00,000	25,00,000 10,00,000
	Bank A/c To Share Allotment A/c (Allotment money received)	Dr	22,36,500	22,36,500
	Share First & Final Call A/c To Share Capital A/c (Call money due)	Dr	25,00,000	25,00,000
	Bank A/c(99,400 x 25) To Share First & Final Call A/c (Call money received)	Dr	24,85,000	24,85,000
	Share Capital A/c(600 x 100)	Dr	60,000	



Securities Premium A/c	Dr	6,000	
To Share Forfeiture A/c			37,500
To Share Allotment A/c			13,500
To Share First & Final Call A/c			15,000
(Shares forfeited for non-payment of allotment & call)			
Bank A/c(600 x 110)	Dr		
To Share Capital A/c		66,000	
To Securities Premium A/c			60,000
(Shares reissued at fully paid-up)			6,000
Share Forfeiture A/c	Dr		
To Capital Reserve A/c		37,500	
(Gain on reissued shares transferred)			37,500

### Working notes:

Mr. Hanoz has been allotted 600 shares

If shares allotted were 600, shares applied for were =  $1,25,000/1,00,000 \times 600 = 750$  shares

Excess Application money received from Mr. Hanoz:

750 shares – 600 shares = 150 shares x Rs. 50 = Rs. 7,500

Amount due from Mr. Hanoz on Allotment:

600 shares x Rs. 35 = Rs. 21,000

Less:- Excess received on application from Mr. Hanoz = Rs. 7,500

Net amount due from Mr. Hanoz, not been received = Rs. 13,500

Total amount due on allotment 1,00,000 x Rs. 35 = Rs. 35,00,000

Less:- Excess received on applications = Rs. 12,50,000

Less:- Amount not been received from Mr. Hanoz = Rs. 13,500

Net amount received on allotment in cash = Rs. 22,36,500

OR

6

### Journal

Date	Particulars	L.F	Dr.	Cr.
	Bank A/c (5,000 X 40) Dr		2,00,000	
	To Equity Share Application A/c			2,00,000
	(Application money received on 5,000 shares)			
	Equity Share Application A/c Dr		2,00,000	
	To Equity Share Capital A/c (4,000 x 30)			1,20,000
	To Equity Share Allotment A/c(1,000 x 40)			40,000
	To Securities Premium A/c (4,000 x10)			40,000
	( Amount transferred to share capital and excess adjusted)			
	Equity Share Allotment A/c (4,000 x 60) Dr		2,40,000	
	To Equity Share Capital A/c(4,000 x 40)			1,60,000
	To Securities Premium A/c			80,000
	(Allotment due)			





Bank A/c	Dr	1,98,000	
To Equity Share Allotment A/c (Allotment money received)			1,98,000
Equity Share First & Final Call A/c	Dr	1,60,000	
To Equity Share Capital A/c (Call money due)			1,60,000
Bank A/c	Dr	1,54,800	
To Equity Share First & Final Call A/c (Call money received)			1,54,800
Equity Share Capital A/c (130 x 100)	Dr	13,000	
Securities Premium A/c (130 x 20)	Dr	2,600	
To Equity Share Forfeiture A/c			8,400
To Equity Share Allotment A/c			2,000
To Equity Share First & Final Call A/c (Shares forfeited for non-payment of allotment & call)			5,200
Bank A/c (130 x 80)	Dr		
Forfeited shares A/c (130 x 20)	Dr.	10,400	
To Equity Share Capital A/c (Shares reissued at Rs. 80 fully paid-up)		2,600	13,000
Share Forfeiture A/c (8,400 – 2,600)	Dr		
To Capital Reserve A/c (Gain on reissued shares transferred)		5,800	5,800

#### Working notes:

1. Excess application money adjusted on allotment =  $(5,000 - 4,000) \times \text{Rs } 40 = \text{Rs } 40,000$

2. Amount not received from defaulter shareholders:

#### Calculation for Rocky

Shares allotted to Rocky = 40

Shares applied for by Rocky =  $40 \times 5,000 / 4,000 = 50$

Application money received =  $50 \times 40 = 2,000$

Application money due on shares allotted =  $40 \times 40 = 1,600$

Excess Application money adjusted on allotment =  $\text{Rs } 2,000 - \text{Rs } 1,600 = \text{Rs } 400$

Allotment money due on shares allotted =  $40 \times 60 = 2,400$

Allotment money due but not received (Calls-in-Arrears) =  $\text{Rs } 2,400 - \text{Rs } 400 = \text{Rs } 2,000$

Call money due but not received =  $40 \times 40 = \text{Rs } 1,600$

#### Calculation for Ali

Shares allotted to Ali = 90

Call money due but not received =  $90 \times 40 = \text{Rs } 3,600$

3. Calculation of amount received on allotment later on:

Total allotment money due ( $4,000 \times \text{Rs } 60$ ) =  $\text{Rs } 2,40,000$

Less: Excess application money adjusted (WN 1) =  $\text{Rs } 40,000$   
=  $2,00,000$

Less: Allotment money due but not received (WN 2) =  $\text{Rs } 2,000$

Amount received on Allotment =  $\text{Rs } 1,98,000$



3. Calculation of amount received on first and final Call later on:

Total first and final Call money due (4,000 x Rs. 40) = Rs.1,60,000

Less: first and final Call money due but not received [3,600+1,600] = Rs.5,200

Amount received on first and final Call = Rs. 1,54,800

24 **Dr. Revaluation Account Cr. 6**

Particulars	Rs.	Particulars	Rs.
To Plant and Machinery	3,000	By Land and Building	10,000
To Provision on Doubtful Debts		By Creditors	1,000
To Profit transferred to	800		
Zoya's Capital A/c 4320			
Zara's Capital A/c 2880			
	7,200		
	<b>11,000</b>		<b>11,000</b>

**Dr. Partners' Capital Accounts**

**Cr.**

Particulars	Zoya	Zara	Sara	Particulars	Zoya	Zar a	Sa ra
To Goodwill A/c	6,000	4,000	-----	By Balance b/d	50,000	35,	
To Profit and Loss	16,80	11,20		By General reserves	9,600	000	
A/c	0	0		A/c	4320	6,4	
To Balance c/d	43,92	31,88		By Revaluation A/c	2,800	00	
	0	0		By Premium for		288	
				Goodwill A/c		0	
						2,8	
						00	
	<b>66,72</b>	<b>47,08</b>			<b>66,720</b>	<b>47,</b>	
	<b>0</b>	<b>0</b>				<b>08</b>	
						<b>0</b>	
To Balance c/d	43,92	31,88	15,16	By Balance b/d	43,920	31,	
	0	0	0	By Bank A/c <sup>(3)</sup>		880	15,
							16
							0
	<b>43,92</b>	<b>31,88</b>	<b>15,16</b>		<b>43,920</b>	<b>31,</b>	<b>15</b>
	<b>0</b>	<b>0</b>	<b>0</b>			<b>88</b>	<b>,1</b>
						<b>0</b>	<b>60</b>

**Notes to the solution:**

1. Goodwill of the firm is valued at Rs 28,000.

Sara's share of goodwill = 28,000 x 1/5 = 5,600

Sacrificing Ratio=Old ratio – New ratio

Zoya = 3/5 – 5/10 = 1/10



$$\text{Zara} = 2/5 - 3/10 = 1/10$$

1:1

2. Calculation of Sara's Capital:

Combined capitals of Zoya and Zara = 43,920 + 31,880 = 75,800

Sara's Capital = 75,800 x 1/5 = 15,160

2 marks for Revaluation A/c

2 marks for Partners' Capital Accounts

2 marks for Notes to the solution

OR

Dr		Revaluation Account		Cr	
Particulars		(Rs.)	Assets	(Rs.)	
To Stock		1,800	By Premises	9,700	
To Provision for legal Claim		2,400	By Furniture	2,000	
To Profit Transferred			By Provision For doubtful debts	200	
Mark	3,080				
Musk	3,080				
Alen	1,540				
		7,400			
		11,900			
				11,900	

Dr				Partners Capital Account				Cr			
Particulars				Mark	Musk	Alen		Particulars	Mark	Musk	Alen
To Alen's Capital A/c				4,800	4,800			By Balance b/d	92,000	60,000	40,000
To Alen's Loan A/c						50,000		By Revaluation A/c	3,080	3,080	1,540
To Bank A/c						1,140		By Mark's Capital A/c			4,800
To Balance c/d								By Musk's Capital A/c			4,800
				90,280	58,280						
				95,080	63,080	51,140			95,080	63,080	51,140

**Balance Sheet**  
**as at 31<sup>st</sup> March 2023**

Liabilities	(Rs.)	Assets	(Rs.)
Creditors	54,000	Bank	53,860
Bill Payable	24,000	Debtors	12,000
Outstanding Rent	4,400	Less provision	600
	14,400	Stock	11,400
	50,000		16,200



Provision for legal claims	90,280	Furniture	10,200
Alen's Loan	58,280	Premises	2,03,700
Mark			
Musk	2,95,360		2,95,360

**Working Note:**

1. New Provision of bad debts on debtors (5%) = 5% of Rs. 12,000 = 600 provision Rs. 800 as given in the balance Sheet. Excess of Rs. 200 is profit transferred to revaluation A/c

2. Goodwill of the firm = 48,000

Alen's share =  $48,000 \times \frac{1}{5}$  = Rs. 9,600 be given to Mark and Musk in Gaining Ratio i.e. 1:1.

Goodwill contributed by Mark = = Rs. 4,800.

Goodwill contributed by Musk = = Rs. 4,800.

3. Alen's total amount due on retirement = Rs 51,140

Less: amount transferred to his loan A/c = Rs. 50,000

Amount to be paid by cheque = Rs. 1,140

2 marks for Revaluation A/c

2 marks for Partners' Capital Accounts

2 marks for Balance Sheet

25	<b>Dr.</b>	<b>Lucy's Capital Account</b>		<b>Cr.</b>	6
	<b>Particulars</b>	<b>Amount</b>	<b>Particulars</b>	<b>Amount</b>	
	To Lucy's Executor's A/c	4,29,175	By Balance b/d	3,15,000	
			By Ester's Capital A/c	15,000	
			By Emma's Capital A/c	15,000	
			By interest on capital A/c	14,175	
			By Profit and Loss		
			Suspense A/c	70,000	
		4,29,175		4,29,175	

26	<b>Journal</b>				6
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Date	Particulars	L.F	Dr.	Cr.
------	-------------	-----	-----	-----



2022				
Mar 31	Interest on Debentures A/c	Dr.	84,000	
	To Debentureholders A/c			71,400
	To TDS Payable A/c			12,600
	(Half-yearly interest due on debentures and tax deducted at source)			
Mar 31	Debentureholders A/c	Dr	71,400	
	To Bank A/c			71,400
	(Payment of interest)			
Mar 31	TDS Payable A/c	Dr.	12,600	
	To Bank A/c			12,600
	(TDS deposited in government Account)			
Mar 31	Statement of Profit and Loss	Dr	1,68,000	
	To Interest on Debentures A/c			1,68,000
	(Interest transferred to Statement of Profit and Loss)			

1 ½ mark for each entry

- 27 (d) Cash and Cash Equivalents 1
- (b) Current Liabilities 1
- 28 (d) 2:1 1
- 29 (a) Statement I is correct and Statement II is incorrect 1
- (b) Financing
- 30 (b) Rs. 2,69,150 1

31

S.No	Items	Heading	Sub-heading	
1.	Building under construction	Non-current Assets	Property, Plant and Equipment and Intangible Assets- Capital Work in Progress	3
2.	Unpaid Dividend	Current liabilities	Other current liabilities	
3.	Securities Premium	Shareholders' funds	Reserves and surplus	
4.	Interest Accrued and due on Unsecured Loan.	Current liabilities	Other current liabilities	
5.	Design	Non-current Assets	Property, Plant and Equipment and	



			Intangible Assets- Intangible Assets
6.	Mortgage Loan	Non- Current liabilities	Long term Borrowings

- 32 (i) Debt to Equity Ratio = Debt/ Equity 3  
Debt to Equity Ratio =  $60,000/2,12,800 = 0.28:1$   
(ii) Current Ratio = Current assets/ Current liabilities  
Current Ratio =  $85,600/42,000 = 2.03:1$   
(iii) Return on Investment = Net Profit before Interest and Tax/ Capital Employed x 100  
Return on Investment =  $2,800 + 7,200(60,000 \times 12\%) / 2,72,800 \times 100$   
Return on Investment =  $10,000/2,72,800 \times 100 = 3.66\%$   
1 mark each

- 33 **Meridian Ltd** 4  
**Common Size Balance Sheet**  
**as at 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2023**

Particulars	Note No.	Absolute Amounts		Percentage of Balance Sheet Total	
		2022	2023	2022	2023
<b>I. EQUITY AND LIABILITIES:</b>				<b>(%)</b>	<b>(%)</b>
1. Shareholders' Funds					
a) Share Capital		5,00,000	10,00,000	33.33	41.67
b) Reserves and Surplus		3,00,000	2,00,000	20.00	8.33
2. Non-current Liabilities					
Long term Borrowings		5,00,000	8,00,000	33.34	33.33
3. Current Liabilities					
Trade Payables		2,00,000	4,00,000	13.33	16.67
<b>Total</b>		<b>15,00,000</b>	<b>24,00,000</b>	<b>100.00</b>	<b>100.00</b>
<b>II. ASSETS:</b>					
1. Non-Current Assets					
a) Property, Plant and Equipment and Intangible Assets					
(i) Property, Plant and Equipment		10,00,000	15,00,000	66.67	62.50
2. Current Assets					
Cash and Cash Equivalents		5,00,000	9,00,000	33.33	37.50
<b>Total</b>		<b>15,00,000</b>	<b>24,00,000</b>	<b>100.00</b>	<b>100.00</b>

OR

**Comparative Statement of Profit and Loss of Gem Ltd**

4



for the year ended 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2023

Particulars	Note no.	2022 (A)	2023 (B)	Absolute Change (C = B - A)	Percentage change (D = C/A × 100)
I. Revenue from operations		15,00,000	20,00,000	5,00,000	33.33
II. Add: Other income		4,00,000	10,00,000	6,00,000	150.00
III. Total Income (I + II)		19,00,000	30,00,000	11,00,000	57.89
IV. Less: Expenses		15,00,000	21,00,000	6,00,000	40.00
V. Profit before Tax (III - IV)		4,00,000	9,00,000	5,00,000	125.00
VI. Less: Tax (50%)		2,00,000	4,50,000	2,50,000	125.00
VII. Profit after Tax (V - VI)		2,00,000	4,50,000	2,50,000	125.00

34

Cash Flow Statement of Havels Ltd

6

Particulars	Amount (Rs.)	Amount (Rs.)
A. Cash Flow from Operating Activities		
Net Profit before Tax	4,58,000	
Add: Interest on 12% debentures	50,000	
Depreciation for the year	5,000	
Operating Profit Before Working Capital Changes	5,13,000	
Less: Increase in the value of trade receivables	(2,90,000)	
Cash generated from operations	2,23,000	
Less: Tax paid	46,000	
<b>Cash Flow from Operating Activities</b>		<b>1,77,000</b>
B. Cash Flow from Investing Activities		
Purchase of plant and machinery	(3,50,000)	
Purchase of Patents	(98,000)	
<b>Net Cash used in Investing Activities</b>		<b>(4,88,000)</b>
C. Cash Flow from Financing Activities		
Increase in Bank Overdraft	73,000	
Proceeds from issue of 12% Debentures	2,00,000	





Proceeds from issue of shares	2,10,000	
Interest on 12% debentures	(50,000)	
<b>Cash Flow from Financing Activities</b>		<b>4,33,000</b>
Net Increase/Decrease in Cash & Cash Equivalents		1,62,000
Add: Cash and Cash Equivalents as on 31 <sup>st</sup> March 2022		
Cash and Bank balance	70,000	
Current investments	63,000	1,33,000
Cash and Cash Equivalents as on 31 <sup>st</sup> March 2023		
Cash and Bank balance	1,55,000	
Current investments	1,40,000	2,95,000
Surplus as on 31 <sup>st</sup> March 2023	3,20,000	
Less: Surplus as on 31 <sup>st</sup> March 2022	(60,000)	
	2,60,000	
Add: Transfer to General Reserve	80,000	
Provision for tax created during the year	1,18,000	
Profit before tax and extraordinary items		4,58,000