Class XII Session 2025-26
Subject - Accountancy
Sample Question Paper - 7

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

General Instructions:

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

Part A:- Accounting for Partnership Firms and Companies

1. A, B and C sharing profits in the ratio of 2 : 2 : 1 have fixed capitals of ₹ 3,00,000, ₹ 2,00,000 and ₹ 1,00,000 respectively. After closing the accounts for the year ending 31st March, 2023 it was discovered that interest on capitals was provided @ 12% instead of 10% p.a. In the adjusting entry: **[1]**

 a) Cr. A ₹ 800; Cr. B ₹ 400 and Dr. C ₹ 1,200 b) Dr. A ₹ 800; Dr. B ₹ 400 and Cr. C ₹ 1,200

 c) Dr. A ₹ 1,200; Cr. B ₹ 800 and Cr. C ₹ 400 d) Cr. A ₹ 1,200; Dr. B ₹ 800 and Dr. C ₹ 400

 OR

 In the absence of the Partnership Deed, Interest on Capital

 a) is not allowed. b) is allowed at the borrowing rate.

 c) is allowed @ 6% per annum. d) is allowed @ 10% per annum.

2. **Assertion (A):** Partnership is a business entity which is not separate from its partners in any circumstances. **[1]**
 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.

 c) A is true but R is false. d) A is false but R is true.

3. ATH Ltd. issued a prospectus inviting applications for 12,000 shares of ₹ 10 each payable ₹ 3 on application, ₹ 5 on allotment and balance on call. Public had applied for certain number of shares and application money was **[1]**

received. Which of the following application money, if received restricts the company to proceed with the allotment of shares, as per SEBI guidelines?

a) ₹ 36,000 b) ₹ 45,000

c) ₹ 32,400 d) ₹ 30,000

OR

Girish Ltd. Purchased a running business from Bata Ltd. for a sum of ₹ 22,00,000 by issuing 20,000 fully paid Equity Shares of ₹ 100 each at a premium of 10%. Total Assets were ₹ 26,00,000 and Bills payable ₹ 2,50,000.
Amount of Goodwill/Capital Reserve will be:

a) 4,00,000 Capital Reserve b) 1,50,000 Goodwill

c) 4,00,000 Goodwill d) 1,50,000 Capital Reserve

4. A share of ₹ 10 each, issued at ₹ 4 premium out of which ₹ 7 (including ₹ 1 premium) was called-up and paid-up. The uncalled Capital will be ________. **[1]**

a) ₹ 4 per share b) ₹ 3 per share

c) ₹ 7 per share d) ₹ 8 per share

OR

MP Ltd. issued 5,000, 8% Debentures of ₹ 100 each at ₹ 95. It will credit 8% Debentures Account by

a) ₹ 5,00,000 or ₹ 4,75,000 as it decides b) ₹ 5,25,000

c) ₹ 5,00,000 d) ₹ 4,75,000

5. A and B are partners sharing profits in the ratio of 3 : 2. They decided to admit C as a new partner on 1st Apr. 2021 and profit sharing ratio becomes 3 : 1 : 1. C brought 1,20,000 as his capital. On 31 Mar. 2021 their capitals were A 1,50,000 and B 1,00,000. On the date of C's admission balance sheet shows Profit and Loss (Cr) balance 30,000. **[1]**
C's share of goodwill will be:

a) 40,000 b) 1,20,000

c) 80,000 d) 2,00,000

6. **[1]**

Match the followings:

(a) A’s capital = 2,00,000; B’s capital 3,00,000; Goodwill 50,000 (given in Balance sheet). Capital employed will be:	(i) 5,00,000
(b) Total assets = 10,00,000; Total assets includes miscellaneous expenditure 1,00,000; Outside liabilities = 4,00,000. Capital employed will be:	(ii) 5,50,000
(c) Normal profit = 48,000; Normal rate of return = 8% p.a. Capital employed will be:	(iii) 4,50,000
(d) A ’s capital = 2,50,000; B’s capital 3,00,000; Trade investment = 50,000. Capital employed will be:	(iv) 6,00,000

a) (a) - (iii), (b) - (i), (c) - (iv), (d) - (ii) b) (a) - (iv), (b) - (i), (c) - (iii), (d) - (ii)

c) (a) - (ii), (b) - (iii), (c) - (iv), (d) - (i) d) (a) - (iii), (b) - (ii), (c) - (iv), (d) - (i)

7. How would you close the partner’s drawings account? **[1]**

a) By transfer to capital or current account credit side

b) By transfer to current account credit side

c) By transfer to capital or current account debit side

d) By transfer to capital account credit side

8. P, Q and R are sharing profits and losses equally. R retires and the goodwill is appearing in the books at ₹ 30,000. Goodwill of the firm is valued at ₹ 1,50,000. Calculate the net amount to be credited to R's Capital A/c. **[1]**

a) ₹ 40,000

b) ₹ 10,000

c) ₹ 50,000

d) ₹ 60,000

OR

When a Partner died he will not be able to take his due amount then, will the due amount of deceased be paid and if yes to whom it is paid?

a) His Executor

b) Sacrificing partner

c) Remaining Partners

d) Not payable to anyone

9. On dissolution of a firm, its Balance Sheet revealed total creditors ₹ 50,000; Total Capital ₹ 48,000; Cash Balance ₹ 3,000. Its assets were realised at 12% less. Loss on realisation will be: **[1]**

a) ₹ 6,000

b) ₹ 11,400

c) ₹ 3,600

d) ₹ 11,760

10. X and Y are partners sharing profits equally. They admit Z for $\frac{1}{3}$ rd share in profits. Following information is available at the time of admission of Z. **[1]**

Liabilities	Amount	Assets	Amount
Workmen Compensation Reserve	60,000		

Additional information: There was a claim on account of Workmen Compensation for ₹ 30,000 out of which 24,000 was accepted by the firm.

What will be the impact on Y's Capital Account?

a) His Capital Account Credited with 30,000

b) His Capital Account Credited with 18,000

c) No impact at all

d) His Capital Account Credited with 15,000

OR

Geeta and Hari were partners in a firm sharing profits and losses in the ratio of 3 : 2. Krish was admitted as a new partner for $\frac{1}{5}$ th share in profits of the firm which he acquired from Geeta and Hari in the ratio of 2 : 3. Krish brought ₹ 1,00,000 as his share of capital and ₹ 50,000 as premium for goodwill in cash. The sacrificing ratio of Geeta and Hari will be:

a) 13 : 7

b) 3 : 2

c) 1 : 1

d) 2 : 3

11. X, Y and Z are partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. They decide to share future profits and losses in the ratio of 3 : 2 : 1. Each partner's gain or sacrifice due to the change in the ratio will be: **[1]**

a) X Nil; Y Sacrifice $\frac{1}{30}$; Z Gain $\frac{1}{30}$

b) X Nil; Y Gain $\frac{1}{30}$; Z Sacrifice $\frac{1}{30}$

c) X Sacrifice $\frac{1}{30}$; Y Gain $\frac{1}{30}$; Z Nil

d) X Gain $\frac{1}{30}$; Y Nil ; Z Sacrifice $\frac{1}{30}$

12. Rohit Limited issued 2,000, 9% Debentures of ₹ 100 each at ₹ 95 per debenture. 9% Debentures account will be credited by: **[1]**

a) ₹ 10,000

b) ₹ 1,90,000

c) ₹ 2,00,000

d) ₹ 1,10,000

13. Interest on Debentures issued as Collateral Security is **[1]**

a) Certainly paid

b) may or may not be paid

c) paid

d) not paid

14. Debenture Holders are: **[1]**

a) Promoters of the company

b) Owners of the company

c) Auditors of the company

d) Creditors of the company

15. After which account it is assumed that dissolution of the firm stands closed? **[1]**

a) Memorandum Balance Sheet

b) Realisation A/c

c) Partners Capital A/c

d) Cash A/c

16. Amit and Vinay are partners sharing profits in the ratio of 4 : 3. Their Balance Sheet showed a balance of ₹ 56,000 in the General Reserve Account and a debit balance of ₹ 14,000 in Profit and Loss Account. They now decided to share the future profits equally. Instead of closing the General Reserve Account and Profit and Loss Account, it is decided to pass an adjustment entry for the same. In adjustment entry: **[1]**

a) Cr. Amit by ₹ 5,000; Dr. Vinay by ₹ 5,000

b) Dr. Amit by ₹ 5,000; Cr. Vinay by ₹ 5,000

c) Dr. Amit by ₹ 3,000; Cr. Vinay by ₹ 3,000

d) Cr. Amit by ₹ 3,000; Dr. Vinay by ₹ 3,000

17. Mita, Geeta and Mohit were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. With effect from 1st April, 2022, they mutually agreed to share profits and losses in the ratio of 2 : 2 : 1. It was agreed that: **[3]**

i. Goodwill of the firm was valued at ₹ 1,40,000.

ii. Profit on revaluation of assets and re-assessment of liabilities amounted to ₹ 1,20,000.

Pass necessary journal entries for the above transactions in the books of the firm. Show your working notes clearly.

OR

A and B are partners sharing profits in the ratio of 5: 4. They admit C for 1/3rd share, which he acquires in equal proportion from both. Find the new profit sharing ratio.

18. A and B were partners in a firm sharing profits and losses equally. Their firm was dissolved on 15th March, 2023, which resulted in a loss of ₹ 30,000. On that date the capital account of A showed a credit balance of ₹ 20,000 and that of B a credit balance of ₹ 30,000. The cash account had a balance of ₹ 20,000. You are required to pass the necessary journal entries for the (i) transfer of loss to the capital accounts of the partners and (ii) making final payment to the partners. **[3]**

19. Grapple Ltd. took over assets of ₹ 25,00,000 and liabilities of ₹ 5,00,000 from Allore Ltd. for an agreed purchase consideration of ₹ 18,00,000. Grapple Ltd. issued 11% Debentures of ₹ 100 each at 20% premium in satisfaction of the purchase consideration. **[3]**

Pass necessary journal entries in the books of Grapple Ltd. Show your workings clearly.

20. Madhu, Raj, Atul and Prachi were partners in a firm sharing profit and losses in the ratio of 3 : 2 : 4 : 1. With effect from 1st April, 2023, they decided to share profits and losses equally. Their Balance Sheet showed a General Reserve of ₹ 1,00,000. The goodwill of the firm was valued at ₹ 20,00,000. **[3]**

Pass necessary journal entries for the above on account of change in the profit sharing ratio. Show your working clearly.

21. Anand Ltd. offered 22,000 equity shares of ₹ 100 each to the public at a premium of ₹ 20 per share. The amount per share was payable as ₹ 30 on application; ₹ 50 (including premium) on allotment; and the balance on first and final call. 20,000 shares were subscribed by the public. All calls were made. A shareholder holding 1,000 shares failed to pay the first and final call money. His share were forfeited. Show **Share Capital** in the Balance Sheet of Anand Ltd. Also, prepare **Note to Accounts**. **[4]**

22. The capital accounts of X and Y showed balances of ₹ 40,000 and ₹ 20,000 as on April 01, 2022. They shared profits in the ratio of 3:2. They were allowed interest on capital @ 10% p.a. and interest on drawings @ 12% p.a. X also advanced a loan of ₹ 10,000 to the firm on August 01, 2022. **[4]**

During the year, X withdrew ₹ 1,000 per month at the beginning of every month whereas Y withdrew ₹ 1,000 per month at the end of every month.

The Profit for the year ended 31st March, 2023, before the above-mentioned adjustments, was ₹ 20,960. Show the distribution of profits and prepare the partner's Capital Accounts.

23. Zee Ltd. invited applications for issuing 40,000 shares of ₹ 10 each at a premium of ₹ 2 per share. The amount was payable as follows: **[6]**

On Application - ₹ 4 per share

On Allotment - ₹ 5 per share (including premium)

On First call - ₹ 2 per share

On Second and Final call - Balance

Applications were received for 60,000 shares. Applications for 12,000 shares were rejected and money returned to the applicants. The shares were allotted on pro-rata basis to the applicants of 48,000 shares. The excess money received on application was adjusted towards sums due on allotment.

All shareholders paid the allotment money except one shareholder who had applied for 1,200 shares. His shares were forfeited immediately after allotment. First call was made thereafter and all the money due was received. The second and final call was not yet made.

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

24. X, Y and Z were partners in a firm sharing profits in the ratio of $\frac{1}{2} : \frac{1}{3} : \frac{1}{6}$ respectively. The Balance Sheet of the firm as at 31st March, 2023 stood as follows: **[6]**

Liabilities		**₹**	**Assets**		**₹**
Creditors		9,500	Cash at Bank		1,250
Bills Payable		2,500	Debtors	8,000	
Reserve Fund		6,000	Less: Provision for Doubtful Debts	(250)	7,750
Capitals:			Stock		12,500
X	20,000		Motor Vans		4,000
Y	15,000		Machinery		17,500
Z	12,500	47,500	Buildings		22,500

		65,500			**65,500**

Y retired from the firm on 1st April, 2023 subject to the following conditions:

i. Goodwill of the firm be valued at ₹ 9,000.
ii. Machinery would be depreciated by 10% and motor vans by 15%.
iii. Stock would be appreciated by 20% and Buildings by 10%.
iv. The provision for doubtful debts would be increased by ₹ 975.
v. Liability for workmen's compensation to the extent of ₹ 825 would be created.

It was agreed that X and Z would share profits in future in the ratio of 3 : 2 respectively.

You are required to prepare the Revaluation Account, Capital Accounts of the partners and the Balance Sheet of the firm after the retirement of Y.

25. On 31st March 2022, the Balance Sheet of A and B, who were sharing profits in the ratio of 3 : 2 was as follows : **[6]**

Liabilities		**Amount (₹)**	**Assets**		**Amount (₹)**
Sundry Creditors		2,50,000	Cash at Bank		1,30,000
Investment Fluctuation Reserve		50,000	Sundry Debtors	7,50,000	
Capitals :			Less: Provision for doubtful debt	(30,000)	7,20,000
A	10,00,000		Stock		4,50,000
B	8,00,000	18,00,000	Investments		2,00,000
			Plant & Machinery		6,00,000
		21,00,000			**21,00,000**

They decide to admit C as a partner. A sacrifices $\frac{2}{15}$ from his share while B sacrifice $\frac{1}{6}$th of his share in favour of C.

The following adjustments were agreed upon :

i. C shall bring ₹ 1,50,000 as his share of goodwill premium and shall bring in proportionate capital.
ii. Stock was undervalued by 10% and Plant and Machinery was overvalued by 20%.
iii. Market value of investments is ₹ 2,20,000.
iv. Debtors to the extent of ₹ 10,000 were unrecorded.
v. 5% provision for doubtful debts is required on sundry debtors.

Prepare Revaluation Account, Partner's Capital Accounts and the Balance Sheet of the reconstituted firm.

OR

Anjali, Bhanu and Reena are partners sharing profits in the proportion of 3 : 2 : 1 and their Balance Sheet on March 31, 2023, stood as follows:

Balance Sheet

as at March 31, 2023

Liabilities		**Amount ₹**	**Assets**	**Amount ₹**

Bills Payable		12,000	Buildings	21,000
Creditors		14,000	Cash in Hand	12,000
Contingency Reserve		12,000	Bank	13,700
Capitals:			Debtors	12,000
Anjali	20,000		Bills Receivable	4,300
Bhanu	12,000		Stock	1,750
Reema	8,000	40,000	Investment	13,250
		78,000		**78,000**

Bhanu died on June 12, 2023 and according to the deed of the said partnership her executors are entitled to be paid as under:

i. The capital to her credit at the time of her death and interest thereon @ 10% per annum.
ii. Her proportionate share of reserve fund.
iii. Her share of profits for the intervening period will be based on the sales during that period, which were calculated as ₹ 1,00,000. The rate of profit during past three years had been 10% on sales.
iv. Goodwill according to her share of profit to be calculated by taking twice the amount of the average profit of the last three years less 20%. The profits of the previous years were:
   2021 – ₹ 8,200
   2022 – ₹ 9,000
   2023 – ₹ 9,800

The investments were sold at par and her executors were paid out. Pass the necessary journal entries and write the account of the executors of Bhanu.

26. Sagar Ltd. was registered with an authorised capital of Rs. 1,00,00,000 divided into 1,00,000. Equity Shares of Rs 100 each. The company offered for public subscription 60,000 Equity Shares. Applications for 56,000 shares were received and an allotment was made to all the applicants. All the calls were made and were duly received except the second and final call of Rs. 20 per share on 700 shares. Prepare Balance Sheet of the company showing the different types of share capital. **[6]**

OR

On 1st April 2023, Saniya Ltd. issued 30,000 Equity Shares of ₹ 10 each at a premium of ₹ 4 per share, payable as follows:

₹ 6 on application (including ₹ 1 premium),
₹ 2 on the allotment (including ₹ 1 premium),
₹ 3 on the first call (including ₹ 1 premium), and
₹ 3 on second and final call (including ₹ 1 premium).

Applications were received for 45,000 shares, of which applications for 9,000 shares were rejected and their money was refunded. Rest of the applicants were issued shares on pro rata basis. Harish, to whom 600 shares were allotted, did not pay the allotment money and his shares were forfeited after allotment. Manoj, who applied for 1,080 shares did not pay the two calls and his shares were forfeited.

1,200 forfeited shares were reissued as fully paid-up on receipt of ₹ 9 per share, the whole of Manoj's shares being included.

Prepare Cash Book and Pass necessary Journal entries. Also, show share capital in the Balance Sheet of the company.

Part B :- Analysis of Financial Statements

27. Long term provisions does not include: **[1]**

a) Provision for warranty
b) Provision for Gratuity
c) Provision for employees benefit
d) Provision for earned leave

28. On the basis of following data, a Company's Gross Profit Ratio will be: **[1]**

Net Profit ₹ 80,000; Wages ₹ 10,000; Office Expenses ₹ 30,000; Selling Expenses ₹ 20,000; Total Revenue from Operations ₹ 5,00,000.

a) 4%
b) 6%
c) 26%
d) 28%

OR

Opening Inventory of a firm is ₹ 80,000. Cost of revenue from operations is ₹ 6,00,000. Inventory Turnover Ratio is 5 times. Its closing Inventory will be:

a) ₹ 1,20,000
b) ₹ 1,60,000
c) ₹ 80,000
d) ₹ 2,00,000

29. Dividend received on shares held for sale by financial enterprise is shown in Cash Flow Statement under **[1]**

a) General Activities.
b) Operating Activities
c) Financing Activities.
d) Investing Activities.

OR

Short - term highly liquid investments which are readily convertible into a known amount of cash and which are subject to an insignificant risk of change in the value are called ________.

a) Non-current Investment
b) Cash Equivalents
c) Non-current Assets
d) Cash at Bank

30. An example of cash flow from investing activity is: **[1]**

a) purchase of raw materials for cash
b) sale of investment by non-financial enterprise.
c) repayment of long-term loan
d) issue of debenture

31. Following is the Comparative Statement of Profit and Loss of ABC Ltd. : **[3]**

COMPARATIVE STATEMENT OF PROFIT & LOSS

for the years ended 31st March, 2022 and 2023

	Particulars	**Note No.**	**2021-22**	**2022-23**	**Absolute Change (Increase or Decrease)**	**Percentage Change (Increase or Decrease)**
	1		2	3	4	5
			A	B	B - A = C	$\frac{C}{A} \times 100 = D$
			₹	₹	₹	%
I.	Revenue from Operations		50,00,000	____	____	50.00

II.	Add: Other Income		2,00,000	____	(____)	(25.00)
	Total Income I + II		____	____	____	____
III.	Less: Expenses		____	____	15,00,000	50.00
	Profit before Tax		_____	____	____	____
	Less : Tax		____	____	1,00,000	25.00
	Profit after Tax		____	____	____	____

You are required to

i. Fill in the missing figures in the Comparative Statement of Profit & Loss; and
ii. Compute the Net Profit Ratio for both the years.

OR

What do you mean by Common Size Statements?

32. Compute Revenue from Operations, Other Income and Total Revenue for a **financial company** from the following particulars: **[3]**

	₹
Interest on loans given	40,00,000
Fees received for arranging loans	5,00,000
Miscellaneous Income	15,000
Profit on sale of Building	2,00,000
Profit on sale of Investments	1,20,000

33. The Current Ratio of a company is 2 : 1. State giving reasons which of the following transactions would improve, reduce or not change the ratio: **[4]**

a. Purchase of goods for cash ₹ 60,000
b. Purchase of fixed assets for cash ₹ 2,00,000
c. Sale of goods costing ₹ 20,000 for ₹ 23,000 on credit
d. Issue of shares ₹ 10,00,000

OR

The quick ratio of a company is 2 : 1. State with giving reasons, (for any four) which of the following would improve, reduce or not change the ratio

i. Purchase of machinery in cash.
ii. Purchase of goods on credit.
iii. Sale of furniture at the price at which it is purchased.
iv. Sale of goods at a profit.
v. Cash received from debtors.

34. The Balance Sheet of A Ltd. as at 31-3-2023 and 31-3-2022 were as follows: **[6]**

Particulars	**Note No.**	**31.3.2023 (₹)**	**31.3.2022 (₹)**

L EQUITY AND LIABILITIES:			
(1) Shareholder's Funds:			
(a) Share Capital		60,000	50,000
(b) Reserve and Surplus	1	41,000	46,000
(2) Non-Current Liabilities:			
Long-term Borrowings		25,000	20,000
(3) Current Liabilities:			
(a) Trade Payables		12,000	10,000
(b) Short term Provision	2	17,000	20,000
TOTAL		**1,55,000**	**1,46,000**
II. ASSETS:			
(1) Non-Current Assets:			
(a) Property, Plant and Equipment and Intangible Assets			
(i) Property, Plant and Equipment (Machinery)		1,00,000	90,000
(2) Current Assets:			
{a) Inventory		24,000	20,000
(b) Trade Receivables		26,000	32,000
(c) Cash & Cash Equivalents		5,000	4,000
TOTAL		**1,55,000**	**1,46,000**

Notes:

(1)	Reserve & Surplus:	31.3.2023 (₹)	31.3.2022 (₹)
	General Reserve	8,000	5,000
	Profit & Loss Balance	33,000	41,000
		41,000	**46,000**
(2)	Short term Provision:		
	Income Tax Provision	17,000	20,000

Additional Information:

i. Depreciation written off on machinery was ₹ 18,000.

ii. Interest paid on Long-term Borrowings amounted to ₹ 3,000.

iii. Income tax of ₹ 15,000 has been paid.

Prepare a Cash-Flow Statement.

Solutions

Part A:- Accounting for Partnership Firms and Companies

1.

(c) Dr. A ₹ 1,200; Cr. B ₹ 800 and Cr. C ₹ 400

Explanation:

Dr. A ₹ 1,200; Cr. B ₹ 800 and Cr. C ₹ 400

IOC= 300000X2%=6000

IOC= 200000X2%= 4000

IOC= 100000X2%= 2000

Profit = 12000 in 2:2:1 ratio i.e., 4800,4800,2400

difference = 6000-4800=1200, 4800-4000= 800, 2400-2000= 400

OR

(a) is not allowed.

Explanation:

is not allowed.

2.

(d) A is false but R is true.

Explanation:

A is false but R is true.

3.

(d) ₹ 30,000

Explanation:

ATH Ltd. has not received minimum subscription of 90% at the stage of application, i.e., (12,000 shares $\times$ ₹ 3) $\times$ $\frac{90}{100}$ = ₹ 32,400.

If the company receives ₹ 30,000, it will not be able to allot the shares.

OR

(d) 1,50,000 Capital Reserve

Explanation:

2600000 - 2450000

= 1,50,000 Capital Reserve

4. **(a)** ₹ 4 per share

Explanation:

Uncalled Capital = Face Value - Called-up

= ₹ 10 - ₹ 6 (₹ 7 - ₹ 1)

= ₹ 4 per share

OR

(c) ₹ 5,00,000

Explanation:

5000x100= ₹ 5,00,000

5. **(a)** 40,000

Explanation:

Total capital of the firm = 1,20,000 X 5/1 = 6,00,000

Existing capital of the firm = 1,50,000 + 1,00,000 + 1,20,000 + 30,000 = 4,00,000

goodwill = 6,00,000 - 4,00,000

2,00,000

C’s share = 2,00,000 X 1/5 = 40,000

6. **(a)** (a) - (iii), (b) - (i), (c) - (iv), (d) - (ii)

Explanation:

capital employed =

(a) capital balances - goodwill = 5,00,000 -50,000 =4,50,000

(b) 10,00,000 - 4,00,000 - 1,00,000 = 5,00,000

(c) 48,000 x 8/ 100 = 6,00,000

(d) 3,00,000 +2,50,000 = 5,50,000

7.

(c) By transfer to capital or current account debit side

Explanation:

By transfer to capital or current account debit side

8. **(a)** ₹ 40,000

Explanation:

₹ 40,000

OR

(a) His Executor

Explanation:

In case of death of a partner, the amount due to him will be paid to his legal heirs or his executors as suggested by partner itself. Executors are the legal heirs or the family/relatives.

9.

(b) ₹ 11,400

Explanation:

Asset = total creditors + total capital - cash balance

Asset = 50,000 + 48,000 - 3,000 = 95,000

Loss on realisation = 95,000 $\times \frac{12}{100}$ = ₹ 11,400

10.

(b) His Capital Account Credited with 18,000

Explanation:

His Capital Account Credited with 18,000

OR

(d) 2 : 3

Explanation:

Geeta's Sacrifice: $\frac{1}{5} \times \frac{2}{5} = \frac{2}{25}$

Hari's Sacrifice: $\frac{1}{5} \times \frac{3}{5} = \frac{3}{25}$

Sacrificing Ratio of Geeta : Hari $= \frac{2}{25} : \frac{3}{25}$ = 2 : 3

11.

(b) X Nil; Y Gain $\frac{1}{30}$; Z Sacrifice $\frac{1}{30}$

Explanation:

X Nil; Y Gain $\frac{1}{30}$; Z Sacrifice $\frac{1}{30}$

12.

(c) ₹ 2,00,000

Explanation:

₹ 2,00,000 (2000x100)

13.

(d) not paid

Explanation:

not paid

14.

(d) Creditors of the company

Explanation:

Debenture holders are the creditors of a company because they are paid first at the time of liquidation. Their payment (Principal amount and interest) is fixed, which has to be paid either firm is in profit or loss. Debenture holders are a lender who has provided loans to the company.

15.

(d) Cash A/c

Explanation:

At the time of dissolution of partnership firm, all accounts will be closed and at the end, cash or bank account is prepared. Both sides of the cash/ banks account will be equal automatically without adding any balancing figure at the end. There should be no balance in cash A/c.

16.

(d) Cr. Amit by ₹ 3,000; Dr. Vinay by ₹ 3,000

Explanation:

Sacrificing ratio = Old ratio - New ratio

Amit :- $\frac{4}{7} - \frac{1}{2} = \frac{8-7}{14} = \frac{1}{14}$

Vinay :- $\frac{3}{7} - \frac{1}{2} = \frac{6-7}{14} = \frac{(-1)}{14}$ gain

Total adjusted amount = 56,000 -14,000 (profit and loss debit balance)

= 42,000

Amit's share = 42,000 $\times \frac{1}{14}$ = 3,000 (Credit)

Vinay's share = 42,000 $\times \frac{1}{14}$ = 3,000 (Debit)

17.

Books of Mita, Geeta and Mohit

Journal

Date	Particulars		L.F.	Debit Amount (₹)	Credit Amount (₹)
2022 April 1	Geeta's Capital A/c	Dr.		14,000	
	To Mita's Capital A/c				14,000
	(Goodwill adjusted on change in profit sharing ratio)				
April 1	Revaluation A/c	Dr.		1,20,000	
	To Mita's Capital A/c				60,000

	To Geeta's Capital A/c				36,000
	To Mohit's Capital A/c				24,000
	(Profit on revaluation of assets and re-assessment of liabilities transferred to partners in old profit sharing ratio)				

Working Notes:-

Calculation of Gain/Sacrifice = Old share - New share

Mita's share = $\frac{5}{10} - \frac{2}{5} = \frac{1}{10}$ (Sacrifice)

Geeta's share = $\frac{3}{10} - \frac{2}{5} = \left(\frac{-1}{10}\right)$ (Gain)

Mohit's share= $\frac{2}{10} - \frac{1}{5}$ = Nil

OR

C acquired his 1/3rd share equally from A and B

So sacrificing;

A to C = 1/3 × 1/2 = 1/6

B to C = 1/3 × 1/2 = 1/6

New profit sharing ratio will be -

A= 5/9 - 1/6 = 7/18

B= 4/9 - 1/6 = 5/18

C= 1/3

New ratio is ***7:5:6***

18. **JOURNAL**

Date	Particulars		L.F.	Dr. (₹)	Cr. (₹)
2023, March 15	A's Capital A/c	Dr.		15,000	
	B's Capital A/c	Dr.		15,000	
	To Realisation A/c (Transfer of loss on realisation)				30,000
	A's Capital A/c	Dr.		5,000	
	B's Capital A/c	Dr.		15,000	
	To Bank A/c (Final payment made to partners)				20,000

19. In the books of Grapple Ltd.

JOURNAL

Date	Particulars		L.F.	Dr. Amount (₹)	Cr. Amount (₹)
	Sundry Assets A/c	Dr.		25,00,000	
	To Liabilities A/c				5,00,000
	To Allore Ltd.				18,00,000
	To Capital Reserve A/c				2,00,000
	(Assets acquired and liabilities taken over from Allore Ltd.)				
	Allore Ltd.	Dr.		18,00,000	
	To 11% Debentures A/c				15,00,000
	To Securities Premium A/c				3,00,000
	(Purchase consideration settled by issuing 15,000 11% debentures at 20% premium)				

Working Note:

No. of debentures = $\frac{(Purchase\ Consideration)}{Issue\ Price} = \frac{18,00,000}{120}$ = 15,000

20. **Books of Madhu, Raj, Atul and Prachi**

Journal

Date	**Particulars**		**L.F.**	**Dr. Amount ₹**	**Cr. Amount ₹**
2023 April 1	General Reserve A/c	Dr.		1,00,000	
	To Madhu's Capital A/c				30,000
	To Raj's Capital A/c				20,000
	To Atul's Capital A/c				40,000
	To Prachi's Capital A/c				10,000
	(Distribution of General Reserve in old profit-sharing ratio)				
2023 April 1	Raj's Capital A/c	Dr.		1,00,000	
	Prachi's Capital A/c	Dr.		3,00,000	
	To Madhu's Capital A/c				1,00,000
	To Atul's Capital A/c				3,00,000
	(Adjustment for Goodwill on account of change in profit sharing ratio)				

Working notes:

Calculation of gain/ sacrifice

Gaining Share = New share - Old share

Madhu = $\frac{1}{4} - \frac{3}{10} = \frac{-1}{20}$ (Sacrifice)

Raj = $\frac{1}{4} - \frac{2}{10} = \frac{1}{20}$ (Gain)

Atul = $\frac{1}{4} - \frac{4}{10} = \frac{-3}{20}$ (Sacrifice)

Prachi = $\frac{1}{4} - \frac{1}{10} = \frac{3}{20}$ (Gain)

21. **Anand Ltd.**

BALANCE SHEET as at ...

Particulars	**Note No.**	**₹**
I. EQUITY & LIABILITIES		
Shareholder' s Funds		
Share Capital	1	19,60,000

Note to Accounts

1. Share Capital	**₹**
Authorised Capital	
... Equity Shares of ₹ 100 each	...
Issued Capital	
22,000 Equity Shares of ₹ 100 each	22,00,000
Subscribed Capital	
Subscribed and Fully Paid-up	
19,000 Equity Shares of ₹ 100 each	19,00,000
Forfeited Shares A/c (1,000 × ₹ 60)	60,000
	19,60,000

22. **PROFIT AND LOSS APPROPRIATION ACCOUNT**

for the year ended 31st March, 2023

Dr.			**Cr.**		
Particulars		**₹**	**Particulars**		**₹**
To interest on Capital:			By Profit & Loss A/c - being profit	20,960	
X	4,000		Less: Interest on X's loan @ 6% p.a. for 8 months(1)	400	20,560
Y	2,000	6,000	By Interest on drawings:		
To Profits transferred to			X	780(3)	
X's Capital A/c	9,600		Y	660(4)	1,440
Y's Capital A/c	6,400	16,000			
Total		**22,000**	**Total**		**22,000**

CAPITAL ACCOUNTS

Dr.							**Cr.**
Date	**Particulars**	**X ₹**	**Y ₹**	**Date**	**Particulars**	**X ₹**	**Y ₹**
2023				2022			
Mar-31	To Drawings	12,000	12,000	April 1 2023	By Balance b/d	40,000	20,000
Mar-31	To Interest on Drawings	780	660	Mar-31	By Interest on Capital	4,000	2,000
Mar-31	To Balance c/d	40,820	15,740	Mar-31	By Profit & Loss Appropriation A/c	9,600	6,400
	Total	**53,600**	**28,400**		**Total**	**53,600**	**28,400**

Notes:

1. If a partner has given loan to the firm and if the rate of interest on such loan has not been given in the question, then under the Partnership Act, interest at the rate of 6% p.a. is to be allowed on such loan.
2. The amount of partner’s loan and the interest on loan is not recorded in the Capital Account of that partner. Interest on partner’s loan is credited to Partner’s Loan A/c.
3. Interest on X's drawings will be calculated as under:

Date of withdrawals	**Amount (₹) × Months =**	**Products**
1st April, 2022	1000 × 12 =	12,000
1st May, 2022	1,000 × 11 =	11,000
1st June, 2022	1,000 × 10 =	10,000
1st July, 2022	1,000 × 9 =	9,000
1st August, 2022	1,000 × 8 =	8,000
1st September, 2022	1,000 × 7 =	7,000
1st October, 2022	1,000 × 6 =	6,000
1st November, 2022	1,000 × 5 =	5,000
1st December, 2022	1,000 × 4 =	4,000
1st January, 2023	1,000 × 3 =	3,000
1st February, 2023	1,000 × 2 =	2,000
1st March, 2023	1,000 × 1 =	1,000

Total	12,000	78,000

Interest on drawings = $78,000 \times \frac{12}{100} \times \frac{1}{12}$ = ₹780

Alternative method : (By computing for $6\frac{1}{2}$ months) :—

Interest on drawings : $12,000 \times \frac{12}{100} \times \frac{6.5}{12} = ₹780.$

4. Interest on Y's drawings will be calculated as under:-

Date of withdrawals	**Amount (₹) $\times$ Months =**	**Products**
30th April, 2022	1000 $\times$ 11 =	11,000
31st May, 2022	1,000 $\times$ 10 =	10,000
30th June, 2022	1,000 $\times$ 9 =	9,000
31st July, 2022	1,000 $\times$ 8 =	8,000
31st August, 2022	1,000 $\times$ 7 =	7,000
30th September, 2022	1,000 $\times$ 6 =	6,000
31st October, 2022	1,000 $\times$ 5 =	5,000
31st November, 2022	1,000 $\times$ 4 =	4,000
31st December, 2022	1,000 $\times$ 3 =	3,000
31st January, 2023	1,000 $\times$ 2 =	2,000
28th February, 2023	1,000 $\times$ 1 =	1,000
31st March, 2023	1,000 $\times$ 0 =	0
Total	12,000	66,000

Interest on Drawings = $66,000 \times \frac{12}{100} \times \frac{1}{12}$ = ₹660

Alternative method : (By computing for $5\frac{1}{2}$ months) :-

Interest on Drawings = $12,000 \times \frac{12}{100} \times \frac{5.5}{12} = ₹660.$

23. **Books of Zee Ltd.**

Journal

Date	**Particular**		**L.F.**	**Dr. Amount (₹)**	**Cr. Amount (₹)**
	Bank A/c	Dr.		2,40,000	
	To Share Application A/c				2,40,000
	(Application money received on 60,000 shares)				
	Share Application A/c	Dr.		2,40,000	
	To Share Capital A/c				1,60,000
	To Share Allotment A/c				32,000
	To Bank A/c				48,000
	(Application money transferred to share capital A/c, excess money received adjusted towards allotment and refunded)				
	Share Allotment A/c	Dr.		2,00,000	
	To Share Capital A/c				1,20,000
	To Securities Premium A/c				80,000
	(Amount due on allotment)				

	Bank A/c	Dr.		1,63,800	
	Calls in arrears A/c	Dr.		4,200	
	To Share Allotment A/c				1,68,000
	(Allotment money received, except on 1,000 shares)				
	Alternatively,				
	Bank A/c	Dr.		1,63,800	
	To Share Allotment A/c				1,63,800
	(Allotment money received, except on 1,000 shares)				
	Share Capital A/c	Dr.		7,000	
	Securities Premium A/c	Dr.		2,000	
	To Share Forfeiture A/c				4,800
	To Calls in Arrears A/c				4,200
	(1,000 shares forfeited for non-payment of allotment money)				
	Alternatively,				
	Share Capital A/c	Dr.		7,000	
	Securities Premium A/c	Dr.		2,000	
	To Share Forfeiture A/c				4,800
	To Share Allotment A/c				4,200
	(1,000 shares forfeited for non-payment of allotment money)				
	Share First Call A/c	Dr.		78,000	
	To Share Capital A/c				78,000
	(Amount due on First call on 39,000 shares)				
	Bank A/c	Dr.		78,000	
	To Share First Call A/c				78,000
	(First call money received, except on 1,000 shares)				

24. **REVALUATION ACCOUNT**

Dr.				**Cr.**
Particulars		**₹**	**Particulars**	**₹**
To Machinery A/c		1,750	By Stock A/c	2,500
To Motor Vans A/c		600	By Buildings A/c	2,250
To Provision for Doubtful Debts A/c		975		
To Workmen's compensation Reserve A/c		825		
To Revaluation Profit transferred to:				
X's Capital	300			
Y's Capital	200			
Z's Capital	100	600		
		4,750		**4,750**

PARTNER'S CAPITAL ACCOUNTS

Dr.							Cr.
Particulars	**X (₹)**	**Y (₹)**	**Z (₹)**	**Particulars**	**X (₹)**	**Y (₹)**	**Z (₹)**
To Y's Capital A/c	900	____	2,100	By Balance b/d	20,000	15,000	12,500
To Y's Loan A/c	____	20,200	____	By Reserve Fund A/c	3,000	2,000	1,000
To Balance c/d	22,400	____	11,500	By Revaluation A/c	300	200	100
				By X's Capital A/c	____	900	____
				By Z's Capital A/c	____	2,100	____
	23,300	**20,200**	**13,600**		**23,300**	**20,200**	**13,600**

BALANCE SHEET OF X AND Z

as at 1st April, 2023

Liabilities		**₹**	**Assets**		**₹**
Creditors		9,500	Cash at Bank		1,250
Bills Payable		2,500	Debtors	8,000	
Workmen's Compensation		825	Less: Provision for Doubtful Debts	(1,225)	6,775
Y's Loan		20,200	Stock		15,000
Capital Account balances:			Motor Vans		3,400
X	22,400		Machinery		15,750
Z	11,500	33,900	Buildings		24,750
		66,925			**66,925**

W.N.:

i. X Gains = $\frac{3}{5} - \frac{1}{2} = \frac{6-5}{10} = \frac{1}{10} \times \frac{3}{3} = \frac{3}{30}$

Z Gains = $\frac{2}{5} - \frac{1}{6} = \frac{12-5}{30} = \frac{7}{30}$

Thus, Gaining Ratio of X and Z = $\frac{3}{30} : \frac{7}{30}$ or 3 : 7

ii. Y's share of Goodwill = ₹ $9,000 \times \frac{1}{3}$ = ₹ 3,000

This is to be contributed by X and Z in their gaining ratio of 3 : 7 as under

X: $3,000 \times \frac{3}{10}$ = ₹ 900

Z: $3,000 \times \frac{7}{10}$ = ₹ 2,100

25. **Revaluation Account**

Dr.				Cr.
Particulars	**Amount**	**Particulars**		**Amount**
To Plant & Machinery A/c	1,00,000	By Stock A/c		50,000
To Provision for Doubtful Debts A/c	8,000	By Investments A/c		20,000
		By Debtors A/c		10,000
		By revaluation Loss transferred to		
		A's Capital A/c	16,800	
		B's Capital A/c	11,200	28,000
	1,08,000			**1,08,000**

Partner's Capital Account

Dr.							Cr.
Particulars	**A**	**B**	**C**	**Particulars**	**A**	**B**	**C**

To Revaluation A/c	16,800	11,200		By Balance b/d	10,00,000	8,00,000	
				By Investment A/c	30,000	20,000	
				By premium for goodwill A/c	1,00,000	50,000	
To Balance c/d	11,13,200	8,58,800	4,93,000				
				By Bank A/c			4,93,000
	11,30,000	**8,70,000**	**4,93,000**		**11,30,000**	**8,70,000**	**4,93,000**

Balance Sheet

Dr.					**Cr.**
Liabilities		**Amount**	**Assets**		**Amount**
Sundry Creditors		2,50,000	Cash		7,73,000
Capital account balances:			Sundry Debtors (7,50,000 + 10,000)	7,60,000	
			Less: Provision for Debtors	(38,000)	7,22,000
A	11,13,200				
B	8,58,800		Stock		5,00,000
C	4,93,000	24,65,000	Machinery		5,00,000
			Investment		2,20,000
		27,15,000			**27,15,000**

Working Note:-

Actual value of Stock = ₹ 4,50,000 $\times \frac{100}{90}$ = ₹ 5,00,000

Actual value of Plant & Machinery = ₹ 6,00,000 $\times \frac{100}{120}$ = ₹ 5,00,000

Calculation of Sacrificing Ratio:-

A's Sacrifice = $\frac{2}{15}$

B's Sacrifice = $\frac{2}{5} \times \frac{1}{6} = \frac{1}{15}$

Sacrifice Ratio = 2 : 1

Calculation of New Ratio:-

A's New Ratio = $\frac{3}{5} - \frac{2}{15} = \frac{9-2}{15} = \frac{7}{15}$

B's New Ratio = $\frac{2}{5} - \frac{1}{15} = \frac{6-1}{15} = \frac{5}{15}$

C's New Ratio = $\frac{2}{15} + \frac{1}{15} = \frac{2+1}{15} = \frac{3}{15}$

New Ratio = 7 : 5 : 3

Calculation of Capital:-

Capital of A and B = ₹ 11,13,200 + ₹ 8,58,500 = ₹ 19,72,000

Total Capital of the firm = ₹ 19,72,000 $\times \frac{5}{4}$ = ₹ 24,65,000

C's Capital = ₹ 24,65,000 $\times \frac{1}{5}$ = ₹ 4,93,000

OR

JOURNAL

Date	**Particulars**		**L.F.**	**Amount ₹**	**Amount ₹**
2023 June 12	Interest on Capital A/c[1]	Dr.		240	
	To Bhanu's Capital A/c				240
	(Interest credited to Bhanu's Capital Account)				
June 12	Contingency Reserve A/c	Dr.		4,000	
	To Bhanu's Capital A/c				4,000

	(Transfer of Bharti's share of Reserve to her Capital Account)				
June 12	Profit & Loss Suspense A/c	Dr.		3,333	
	To Bhanu's Capital A/c				3,333
	(Transfer of $\frac{2}{6}$th share of profit i.e. ₹ 10,000 $\times$ $\frac{2}{6}$)				
June 12	Anjali's Capital A/c	Dr.		3,600	
	Reema's Capital A/c	Dr.		1,200	
	To Bhanu's Capital A/c(2)				4,800
	(Adjustment of Bhanu's share of goodwill into the Capital Accounts of Anjali and Reema in their gaining ratio i.e., 3 : 1)				
June 12	To Bank A/c	Dr.		13,250	
	To Investments A/c				13,250
	(Sale of investments)				
June 12	Bhanu's Capital A/c	Dr.		24,373	
	To Bhanu's Executor's A/c				24,373
	(Amount due to Bhanu transferred to her Executor's Account)				
June 12	Bhanu's Executor's A/c	Dr.		24,373	
	To Bank A/c				24,373
	(Amount paid to Bhanu's Executors)				

BHANU'S CAPITAL ACCOUNT

Date	Particulars	Amount ₹	Date	Particulars	Amount ₹
2023 June 12	Bhanu's Executor's A/c	24,373	2023 April 1	By Balance b/d	12,000
			June 12	By Interest on Capital	240
			June 12	By Contingency Reserve	4,000
			June 12	By Profit & Loss Suspense	3,333
			June 12	By Anjali's Capital A/c	3,600
			June 12	By Reema's Capital A/c	1,200
		24,373			**24,373**

BHANU'S EXECUTORS ACCOUNT

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2023 June 12	To Bank A/c		24,373	2023 June 12	By Bhanu's Capital A/c		24,373

Working Notes

1. **Calculation of Interest on Capital:**
   Number of days from April 1, 2023 to June 12, 2023 = 73
   Interest on Capital = 12,000 $\times \frac{73}{365} \times \frac{10}{100}$ = 240
2. **Calculation of Goodwill:**

Average Profit = $\frac{8,200+9,000+9,800}{3}$	9,000
Less: 20% of 9,000	1,800

	7,200
Goodwill = 7,200 × 2	₹ 14,400
Bhanu's share of Goodwill = 14,400 × $\frac{2}{6}$	₹ 4,800

26. **Balance sheet of Sagar Ltd.**

as at 31st March 2015 (An Extract)

Particulars	**Note No.**	**(Rs.)**
1. Equity and liabilities		
I. Shareholders' Funds Share Capital	1	55,86,000
II. **Assets** **Current Assets** Cash and Cash Equivalents	2	55,86,000

Notes to Accounts

1. Share Capital		**(Rs.)**
Authorised Capital 1,00,000 Equity Shares of Rs 100 each		1,00,00,000
Issued Capital 60,000 Equity Shares of Rs 100 each		60,00,000
Subscribed Capital		
Subscribed and fully paid - up: 55,300 Equity Shares of Rs 100 each		55,30,000
Subscribed but not Full paid-up 700 Equity Shares of Rs. 100 each;	70,000	
Less: Calls-in-Arrears (700*20)	(14,000)	56,000
		55,86,000
2. **Cash and Cash Equivalents:** Cash at Bank		55,86,000

It is noted that when number of shares applied are less than the number of shares offered to public for subscription it is called case of under subscription. In this case accounting entries are made on the basis of shares applied since allotment is made in full to all the applicants.

OR

In the Books of Saniya Ltd.

CASH BOOK

Dr.			**Cr.**
Particulars	**₹**	**Particulars**	**₹**
To Equity Shares Application A/c (45,000 × ₹ 6)	2,70,000	By Equity Shares Application A/c (9,000 shares x ₹ 6)	54,000
To Equity Shares Allotment A/c (WN 1)	23,520	By Balance c/d	4,21,320
To Equity Shares First Call A/c (WN 2) (28,500 shares × ₹ 3)	85,500		
To Equity Shares Second and Final Call A/c (WN 2) (28,500 shares × ₹ 3)	85,500		
To Equity Share Capital A/c (1,200 shares × ₹ 9)	10,800		
	4,75,320		**4,75,320**

JOURNAL

Date	Particulars		L.F.	Dr. (₹)	Cr. (₹)
	Equity Shares Application A/c	Dr.		2,16,000	
	To Equity Share Capital A/c (30,000 × ₹ 5)				1,50,000
	To Securities Premium A/c (30,000 × ₹ 1)				30,000
	To Equity Shares Allotment A/c (6,000 × ₹ 6) (Application money adjusted)				36,000
	Equity Shares Allotment A/c (30,000 × ₹ 2)	Dr.		60,000	
	To Equity Share Capital A/c (30,000 × ₹ 1)				30,000
	To Securities Premium A/c (30,000 × ₹ 1) (Allotment money due on 30,000 shares)				30,000
	Equity Share Capital A/c (600 × ₹ 6)	Dr.		3,600	
	Securities Premium A/c (WN 5)	Dr.		480	
	To Equity Shares Allotment A/c [WN 1 (b)]				480
	To Forfeited Shares A/c (600 shares of Harish forfeited for non-payment of allotment money)				3,600
	Equity Shares First Call A/c (29,400 × ₹ 3)	Dr.		88,200	
	To Equity Share Capital A/c (29,400 × ₹ 2)				58,800
	To Securities Premium A/c (29,400 × ₹ 1) (First call money due on 29,400 shares)				29,400
	Equity Shares Second and Final Call A/c (29,400 × ₹ 3)	Dr.		88,200	
	To Equity Share Capital A/c (29,400 × ₹ 2)				58,800
	To Securities Premium A/c (29,400 × ₹ 1) (Second and final call due on 29,400 shares)				29,400
	Equity Share Capital A/c (900 × ₹ 10)	Dr.		9,000	
	Securities Premium A/c (900 × ₹ 2)	Dr.		1,800	
	To Equity Shares First Call A/c (900 × ₹ 3)				2,700
	To Equity Shares Second and Final Call A/c (900 × ₹ 3)				2,700
	To Forfeited Shares A/c (900 shares of Manoj forfeited for non-payment of both the calls)				5,400
	Forfeited Shares A/c (1,200 × ₹ 1)	Dr.		1,200	
	To Equity Share Capital A/c (Discount on reissue adjusted against the credit balance of Forfeited Shares Account)				1,200
	Forfeited Shares A/c	Dr.		6,000	
	To Capital Reserve A/c (WN 3) (Gain (profit) on reissue transferred to Capital Reserve)				6,000

BALANCE SHEET OF SANIYA LTD. as at ...

Particulars	Note No.	₹
I. EQUITY AND LIABILITIES		

Shareholders' Funds		
Share Capital	1	2,98,800

Notes to Accounts

Particulars	**₹**
1. Share Capital	
Authorised Capital	
...Equity Shares of ₹ 10 each	...
Issued Capital	
30,000 Equity Shares of ₹ 10 each	3,00,000
Subscribed Capital	
Subscribed and Fully Paid-up	
29,700 Equity Shares of ₹ 10 each	2,97,000
Forfeited Shares A/c	1,800
	2,98,800

Working Notes:

1.

(a) Excess amount received from Harish on application:	
600 shares were allotted to Harish	
Therefore, he must have applied for $= \frac{36,000}{30,000} \times 600$ = 720 share	
Excess application money received from Harish:	
(720 shares - 600 shares) × ₹ 6 = 120 Shares × ₹ 6 = ₹ 720.	
(b) Amount due but not paid by Harish on allotment:	**₹**
600 shares × ₹ 2	1,200
Less: Excess application money adjusted on allotment [₹ 600 as a part of Share Capital (600 × ₹ 1) and balance ₹ 120 as a part of securities Premium]	720
Amount due but not paid by Harish	480
(c) Amount received on allotment:	
Total amount due on allotment (30,000 × ₹ 2)	60,000
Less: Excess application money adjusted (6,000 × ₹ 6)	(36,000)
	24,000
Less: Amount due but not paid by Harish [WN 1(b)]	(480)
Net amount received on allotment	**23,520**

2. Manoj applied for 1,080 shares.
   Therefore, he must have been allotted $= \frac{30,000}{36,000} \times 1,080$ = 900 shares
   He has not paid first and second and final call money, as such
   a. First call money will be received on 29,400 shares - 900 shares as Manoj = 28,500 shares.
   b. Second and final call money will be received on 29,400 shares - 900 shares of Manoj = 28,500 shares
3. Amount Transferred to Capital Reserve:

1,200 shares have been reissued which include 900 shares of Manoj and the balance 300 of Harish.	**₹**
(a) Amount forfeited in respect of Manoj's shares	5,400
	1,800

(a) Amount forfeited in respect of Harish's shares $\left(₹3,600 \times \frac{300}{600}\right)$	
	7,200
Less: Loss on reissue of 1,200 shares @ ₹ 1 each	(1,200)
Gain on reissue to be transferred to Capital Reserve	6,000

4. Balance in Forfeited Shares Account:

Profit on 600 shares of Harish	3,600
Therefore, the balance of Forfeited Shares A/c on 300 unissued shares $\left(\frac{₹3,600}{600} \times 300\right)$	1,800

It should be noted that forfeited amount of shares not yet reissued will be shown in the Balance Sheet as a part of Capital.

5. Securities premium on 600 shares allotted to Harish = 600 $\times$ ₹ 1 = ₹ 600, out of this ₹ 120 is already received as surplus application money. Balance of ₹ 480 has not been received by the company. Therefore, at the time of forfeiture, Securities Premium Account will be debited by ₹ 480 to cancel it, because Securities Premium Account was credited at the time of allotment. This should also be considered at the time of forfeiture of Manoj's shares.

Part B :- Analysis of Financial Statements

27.

(c) Provision for employees benefit

Explanation:

Long-term provisions don't include the provision for employees benefit.

28.

(c) 26%

Explanation:

gross profit ratio = $\frac{gross\ profit}{Revenue\ from\ operation} \times 100$

Gross profit ratio = $\frac{1,30,000}{5,00,000} \times 100$ = 26%

Gross profit = 80,000 + 30,000 + 20,000 = 1,30,000

OR

(b) ₹ 1,60,000

Explanation:

Inventory turnover ratio = $\frac{Cost\ of\ good\ sold}{Average\ inventory}$

Average inventory =$\frac{6,00,000}{5}$ = ₹ 1,20,000

Average inventory = $\frac{opening\ inventory+closing\ inventory}{2}$

Closing inventory = ₹ 2,40,000 - ₹ 80,000 = ₹ 1,60,000

29.

(b) Operating Activities

Explanation:

Operating Activities

OR

(b) Cash Equivalents

Explanation:

Short term investments which can be converted into cash in a very short period of time is treated as Cash and Cash equivalents. It includes cash in hand, cash at bank, current investment.

30.

(b) sale of investment by non-financial enterprise.

Explanation:

purchase -sale of investments are part of investing activities.

31. i. COMPARATIVE STATEMENT OF PROFIT & LOSS

for the years ended 31st March, 2022 and 2023

Particulars		**Note No.**	**2021-22**	**2022-23**	**Absolute Change (Increase or Decrease)**	**Percentage Change (Increase or Decrease)**
	1		2	3	4	5
			A	B	B - A = C	$\frac{C}{A}\times$ 100 = D
			₹	₹	₹	%
I.	Revenue from Operations		50,00,000	75,00,000	25,00,000	50.00
II.	Add: Other Income		2,00,000	1,50,000	(50,000)	(25.00)
	Total Income I + II		52,00,000	76,50,000	24,50,000	47.12
III.	Less: Expenses		30,00,000	45,00,000	15,00,000	50.00
	Profit before Tax		22,00,000	31,50,000	9,50,000	43.18
	Less : Tax		4,00,000	5,00,000	1,00,000	25.00
	Profit after Tax		18,00,00	26,50,000	8,50,000	47.22

ii. Net Profit Ration = = $\frac{\text{Net Profit After Tax}}{\text{Revenue from Operations}}\times$ 100

$2021-22=\frac{18{,}00{,}000}{50{,}00{,}000}\times 100$ = 36%

$2022-23=\frac{26{,}50{,}000}{75{,}00{,}000}\times 100$ = 35.33%

OR

The common size statements are those statements wherein figures reported are converted into percentages to some common base. Each percentage shows the relation of the individual item to its respective base.

In the common size income statement, revenue from operations is assumed to be 100 and all other figures expressed as a percentage of sales.

In the common size balance sheet, the total of the Balance Sheet is assumed to be 100, and figures are expressed as a percentage of the total i.e., on the basis of the total figure.

32.

	Particulars	**₹**	**₹**
I.	**Revenue from Operations:**		
	Interest on loans given	40,00,000	
	Fees received for arranging loans	5,00,000	
	Profit on sale of investments	1,20,000	46,20,000
II.	**Other Income:**		
	Miscellaneous Income	15,000	
	Profit on sale of Building	2,00,000	2,15,000
	Total Revenue (I + II)		48,35,000

33.

S. No.	**Effect on Ratio**	**Reason**
a	No change	No change in both current assets and current liabilities.
b	Decline	Current assets decrease with no change in current liabilities.

c	Improve	Current assets increase with no change in current liabilities.
d	Improve	Current assets increase with no change in current liabilities.

OR

i. **Purchase of Machinery for Cash**
   Effect Reduce
   Reason Purchase of machinery for cash will decrease the quick assets because there is a cash outflow in the business, but the current liabilities will remain unchanged.
ii. **Purchase of Goods on Credit**
   Effect Reduce
   Reason Purchase of goods on credit will increase the current liabilities because we have to pay it afterwards, but the quick assets will remain unchanged
iii. **Sale of Furniture at Cost at which it is purchased**
   Effect Improve
   Reason Sale of furniture at cost price at which it is purchased will increase the quick assets because there is an inflow of cash in the business, but the current liabilities will remain unchanged
iv. **Sale of Goods at a Profit**
   Effect Improve
   Reason Sale of goods at a profit will increase the quick assets because by sale quick assets will increase, but the current liabilities will remain unchanged.
v. **Cash Received from Debtors**
   Effect No change
   Reason Cash received from debtors will not change the quick assets because the quick assets are increased and decreased with the same amount as the cash recieved added in cash and the same amount is subtracted from debtors, and the current liabilities remain unchanged.

34. **Cash Flows Statement**

for the year ended 31st March, 2023

Particulars	**Details**	**Amount (₹)**
A. Cash flows from Operating Activities:		
Net profit before Tax:		7,000
Adjustments for non-cash and non-operating items:		
Add: Depreciation on Fixed Assets	18,000	
Interest Paid on Long term Borrowings	3,000	21,000
Operating profit before working capital changes		**28,000**
Add: Decrease in Current Assets:		
Trade Receivables	6,000	
Add: Increase in Current Liabilities:		
Trade Payables	2,000	
Less: Increase in Current Assets:		
Inventory	(4,000)	4,000
		32,000
Less: Income Tax paid for 2022		(15,000)
Net Cash from Operating Activities		**17,000**
B. Cash Flow From Investing Activities:		
Purchase of Fixed Assets	(28,000)	(28,000)
Net Cash from Investing Activities		**(28,000)**

C. Cash Flow from Financing Activities:		
Issue of Share Capital	10,000	
Proceeds from Long term Borrowings	5,000	
Interest on Long term Borrowings	(3,000)	12,000
Net Cash from Financing Activities		**12,000**
Net Increase in cash and cash equivalents 17,000 - 28,000 + 12,000		1,000
Add: Cash and Cash equivalents in the beginning of the period		4,000
Cash and Cash equivalents at the end of the period		**5,000**

Working Note:-

1. **Calculation of Net Profit before Tax:**

Net Loss for the year (33,000 - 41,000)	(8,000)
Add: Provision for Tax for 2023	12,000
Add: Transfer to General Reserve	3,000
Net Profit before Tax	**7,000**

2. **Provision for tax A/c**

Particulars	₹	Particulars	₹
To cash	15,000	By Balance b/d	20,000
To Balance c/d	17,000	By Profit & Loss	12,000
	32,000		**32,000**