

SAMPLE QUESTION PAPER
ACCOUNTANCY (055) CLASS-XII
2016-17

Time allowed – Three hours

Maximum Marks: 80

General Instructions:

- 1) This question paper contains two parts A and B.
- 2) Part A is compulsory for all.
- 3) Part B has two options – Financial Statements Analysis and Computerized Accounting.
- 4) Attempt only one option of Part B.
- 5) All parts of a question should be attempted at one place.

| <u>PART A: ACCOUNTING FOR PARTNERSHIP FIRMS AND COMPANIES</u> | | |
|--|---|-----|
| Q1. | <p>A, B and C are partners sharing profits and losses in the ratio of 5:3:2. C retired and his capital balance after adjustments regarding reserves, accumulated profits/ losses and gain/loss on revaluation was ₹2,50,000. C was paid ₹3,00,000 in full settlement. Afterwards D was admitted for 1/4th share. Calculate the amount of goodwill premium brought by D.</p> <p>Sol: Goodwill share of C= ₹3,00,000-₹2,50,000= ₹50,000 Firm's Goodwill = 50,000x10/2= ₹2,50,000 D's share in Goodwill= ₹2,50,000x1/4= ₹62,500</p> | (1) |
| Q2. | <p>A and B were partners in a firm. They admitted C as a new partner for 20% share in the profits. After all adjustments regarding general reserve, goodwill, gain or loss on revaluation, the balances in capital accounts of A and B were ₹3,85,000 and ₹4,15,000 respectively. C brought proportionate capital so as to give him 20% share in the profits. Calculate the amount of capital to be brought by C.</p> <p>Sol: Combined capital of A and B = ₹3,85,000+₹4,15,000= ₹8,00,000 C's share=1/5th of total capital Remaining share= 1-1/5 =4/5 4/5= ₹8,00,000 C's capital= ₹8,00,000x5/4x1/5= ₹2,00,000</p> | (1) |
| Q3. | <p>A and B are partners. The net divisible profit as per Profit and Loss Appropriation A/c is ₹2,50,000. The total interest on partner's drawing is ₹4,000. A's salary is ₹4,000 per quarter and B's salary is ₹40,000 per annum. Calculate the net profit/loss earned during this year.</p> <p>Sol. Net Profit during the year=Divisible profits + Salary to partners – Interest on Drawings = 2,50,000+16,000+40,000-4000= ₹3,02,000</p> | (1) |
| Q4. | <p>ABC Ltd. purchased for cancellation its own 5,000, 9% Debentures of ₹100 each for ₹95 per debenture. Brokerage charges ₹15,000 were incurred. Calculate the amount to be transferred to capital reserve.</p> <p>Amount paid for 5,000 Debentures=4,75,000+15,000= ₹4,90,000 The nominal value of debentures to be redeemed/cancelled= ₹5,00,000 Amount of profit on redemption to be transferred to capital reserve= ₹5,00,000--₹4,90,000= ₹10,000</p> | (1) |
| Q5. | <p>When can shares held by a shareholder be forfeited?</p> <p>Answer: Shares held by a shareholder can be forfeited for the non-payment of call money due.</p> | (1) |

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| Q6. | <p>A partnership firm has 50 members. All the partners have agreed to admit Ram and Mohan as new partners. Can Ram and Mohan be admitted? Give reason in support of your answer.</p> <p>Answer: No, Ram and Mohan can't be admitted as partners. Reason--- As per the Companies Miscellaneous Rules, 2014 the Maximum number of partners in a partnership firm can be 50.</p> | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------------------|---|-------------------|----------|---|--------------------------------------|--|--|--------------------------------|--|--|----------------------|---|----------|---------|-------------|---|---|---|----------|--|---|----------|--|----------------------------------|-------------------|--|--|-------|--|--|------------|-----|
| Q7. | <p>Explain with an imaginary example how issue of debenture as collateral security is shown in the balance sheet of a company when it is recorded in the books of accounts.</p> <p>A Ltd. obtained Loan of ₹1,00,000 from Indian Bank and issued 1200, 10% Debentures of ₹100 each as Collateral security. The company recorded the issue of debentures as collateral security by opening 'Debenture Suspense Account.' Present the issue of debentures in the Balance Sheet of the company.</p> <p>Treatment:</p> <p style="text-align: center;">An extract of Balance sheet of A Ltd. as at -----</p> <table border="1" data-bbox="279 797 1394 927"> <thead> <tr> <th>Particulars</th> <th>Note No.</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td colspan="3"><u>EQUITY AND LIABILITIES</u></td> </tr> <tr> <td colspan="3">Non-current liabilities</td> </tr> <tr> <td>Long Term Borrowings</td> <td style="text-align: center;">1</td> <td style="text-align: right;">1,00,000</td> </tr> </tbody> </table> <p><u>Notes to Accounts:</u></p> <table border="1" data-bbox="279 1016 1394 1323"> <thead> <tr> <th>Note No</th> <th>Particulars</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td>Long Term Borrowings Loan from Indian Bank</td> <td style="text-align: right;">1,00,000</td> </tr> <tr> <td></td> <td>1200, 10% Debentures of ₹100 each issued as Collateral Security</td> <td style="text-align: right;">1,20,000</td> </tr> <tr> <td></td> <td>Less: Debenture Suspense Account</td> <td style="text-align: right;"><u>(1,20,000)</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">-----</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">1,00,000/-</td> </tr> </tbody> </table> | Particulars | Note No. | ₹ | <u>EQUITY AND LIABILITIES</u> | | | Non-current liabilities | | | Long Term Borrowings | 1 | 1,00,000 | Note No | Particulars | ₹ | 1 | Long Term Borrowings Loan from Indian Bank | 1,00,000 | | 1200, 10% Debentures of ₹100 each issued as Collateral Security | 1,20,000 | | Less: Debenture Suspense Account | <u>(1,20,000)</u> | | | ----- | | | 1,00,000/- | (3) |
| Particulars | Note No. | ₹ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>EQUITY AND LIABILITIES</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non-current liabilities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Long Term Borrowings | 1 | 1,00,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Note No | Particulars | ₹ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Long Term Borrowings Loan from Indian Bank | 1,00,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1200, 10% Debentures of ₹100 each issued as Collateral Security | 1,20,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Less: Debenture Suspense Account | <u>(1,20,000)</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | ----- | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 1,00,000/- | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q8. | <p>Rekha, Sunita and Teena are partners in a firm sharing profits in the ratio of 3:2:1. Samiksha joins the firm. Rekha surrenders 1/4th of her share; Sunita surrenders 1/3rd of her share and Teena surrenders 1/5th of her share in favour of Samiksha. Find the new Profit sharing ratio.</p> <p>Rekha surrenders for Samiksha = $1/4 \times 3/6 = 3/24$ Sunita surrenders for Samiksha = $1/3 \times 2/6 = 2/18$ Teena surrenders for Samiksha = $1/5 \times 1/6 = 1/30$ New share of Rekha = $3/6 - 3/24 = 9/24$ New share of Sunita = $2/6 - 2/18 = 4/18$ New share of Teena = $1/6 - 1/30 = 4/30$</p> <p>Share of Samiksha = $3/24 + 2/18 + 1/30 = 97/360$</p> <p>New Ratio :- $9/24 : 4/18 : 4/30 : 97/360$ 135 : 80 : 48 : 97</p> | (3) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q9. | <p>King Ltd took over assets of ₹25,00,000 and liabilities of ₹6,00,000 of Queen Ltd. King Ltd paid the purchase consideration by issuing 10,000 equity shares of ₹100 each at a premium of 10% and ₹11,00,000 by a Bank Draft.</p> <p>Calculate Purchase consideration and pass necessary Journal entries in the books of King Ltd.</p> <p>Solution:</p> | (3) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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|--|------------------|
| Calculation of Purchase Consideration: | ₹ |
| Nominal Value of Shares issued = 10000 x 100 = | 10,00,000 |
| Securities premium Reserve = | 1,00,000 |
| Bank draft = | <u>11,00,000</u> |
| Purchase consideration = | <u>22,00,000</u> |

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| S.No. | Particulars | L.F | Debit ₹ | Credit ₹ |
|-------|---|-----|-----------------------|------------------------------------|
| i. | Sundry Assets A/c-----Dr Goodwill A/c (b/f) ----- Dr To Sundry Liabilities A/c To Queen Ltd. (Being the purchase of assets and liabilities of Queen Ltd.) | | 25,00,000 3,00,000 | 6,00,000 22,00,000 |
| ii. | Queen Ltd. -----Dr To Equity Share Capital A/c To Securities Premium Reserve A/c To Bank A/c (Being 10,000 Equity shares of ₹100 each issued at a premium of 10% and ₹11,00,000/- paid by Bank draft) | | 22,00,000 | 10,00,000 1,00,000 11,00,000 |

Q10 ABC Ltd was a cloth manufacturing company located in Delhi. Being a socially aware organization they wanted to set up a manufacturing plant in a backward area of Kashmir to provide employment to the local people. On July 17, 2014 a flood had hit the entire state of Jammu & Kashmir causing massive destruction and loss. The company wanted to help the people, so they decided to raise funds through issue of 50,000 Equity shares of ₹50 each to set up the plant in the rural area of Kashmir. Pass necessary Journal entries for the issue of shares and identify any two values that the company wanted to communicate to the society.

(3)

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| S.No. | Particulars | L.F | Debit ₹ | Credit ₹ |
|-------|---|-----|------------|-------------|
| (i) | Bank A/c ----- Dr. To Equity Share Application & Allotment A/c (Being the amount of application money received on 50,000 shares @ Rs.50 per share.) | | 25,00,000 | 25,00,000 |
| (ii) | Equity Share Application & Allotment A/c ---- Dr. To Equity Share Capital A/c (Being the amount transferred to Share Capital A/c) | | 25,00,000 | 25,00,000 |

Values which the Company wants to communicate to the Society:

- (i) Discharge of Social Responsibility.
- (ii) Generation of employment opportunities.
- (iii) Helping the needy people
- (iv) Sympathy for poor.

Q11 A,B,C and D were partners sharing profits in the ratio of 1:2:3:4. D retired and his share was acquired by A and B equally. Goodwill was valued at 3 years' purchase of average profit of last 4 years, which was ₹40,000. General Reserve showed a balance of ₹1,30,000 and D's Capital in the Balance Sheet was ₹3,00,000 at the time of D's retirement. You are required to record necessary Journal entries in the books of the firm and prepare D's capital account on his retirement.

(4)

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|----------------|--|-----|------------------|--------------------------------------|
| Date | PARTICULARS | L.F | DEBIT ₹ | CREDIT ₹ |
| (i) | A's Capital A/c _____ Dr. B's Capital A/c _____ Dr. To D's Capital A/c (Treatment of goodwill on retirement of D) | | 24,000 24,000 | 48,000 |
| (ii) | General Reserve _____ Dr. To A's Capital A/c To B's Capital A/c To C's Capital A/c To D's Capital A/c (General Reserve distributed) | | 1,30,000 | 13,000 26,000 39,000 52,000 |

| D's Capital Account | | | |
|----------------------------|----------|--------------------|----------|
| Dr. | ₹ | Cr. | ₹ |
| PARTICULARS | | PARTICULARS | |
| To D's Loan A/c | 4,00,000 | By Balance b/d | 3,00,000 |
| | | By A's Capital A/c | 24,000 |
| | | By B's Capital A/c | 24,000 |
| | | By General Reserve | 52,000 |
| | 4,00,000 | | 4,00,000 |

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Q12

Kavita, Meenakshi and Gauri are partners doing a paper business in Ludhiana. After the accounts of partnership have been drawn up and closed, it was discovered that for the years ending 31st March 2013 and 2014, interest on capital has been allowed to partners @ 6% p.a. although there is no provision for interest on capital in the partnership deed. Their fixed capitals were ₹ 2,00,000; ₹ 1,60,000 and ₹ 1,20,000 respectively. During the last two years they had shared the profits as under:

| Year | Ratio |
|---------------|-------|
| 31 March 2013 | 3:2:1 |
| 31 March 2014 | 5:3:2 |

You are required to give necessary adjusting entry on April 1, 2014.

Table Showing Adjustment

| | Kavita | Meenakshi | Gauri | Total |
|-------------------------------------|--------------|------------|--------------|--------|
| Interest on Capital (2012-13) Dr. | 12,000 | 9,600 | 7,200 | 28,800 |
| Interest on Capital (2013-14) Dr. | 12,000 | 9,600 | 7,200 | 28,800 |
| Total Dr. | 24,000 | 19,200 | 14,400 | 57,600 |
| Profit to be credited (2012-13) Cr. | 14,400 | 9,600 | 4,800 | 28,800 |
| Profit to be credited (2013-14) Cr. | 14,400 | 8,640 | 5,760 | 28,800 |
| Total Cr. | 28,800 | 18,240 | 10,560 | 57,600 |
| Adjustment | 4,800 Cr. | 960 Dr. | 3,840 Dr. | |

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| DATE | PARTICULARS | L.F | DEBIT ₹ | CREDIT ₹ |
|---------------|---|-----|--------------|-------------|
| 2014 APR 1 | Meenakshi's Current A/c _____ Dr. Gauri's Current A/c _____ Dr. To Kavita's Current A/c (Adjustment for interest on capital for the year 2012-13 and 2013-14) | | 960 3,840 | 4,800 |

Q13

On 31st March 2015 the Balance Sheet of Punit, Rahul and Seema was as follows

**Balance Sheet of Punit, Rahul and Seema
as at March 31, 2015**

| Liabilities | ₹ | Assets | ₹ |
|-------------|---------------|-----------|----------|
| Capitals: | | Buildings | 40,000 |
| Punit | 60,000 | Machinery | 60,000 |
| Rahul | 50,000 | Patents | 12,000 |
| Seema | <u>30,000</u> | Stock | 20,000 |
| | 1,40,000 | Cash | 42,000 |
| Reserves | 20,000 | | |
| Creditors | 14,000 | | |
| | 1,74,000 | | 1,74,000 |

They were sharing profit and loss in the ratio 5:3:2.

Seema died on October 1, 2015. It was agreed between her executors and the remaining partners that:

- (i) Goodwill be valued at 2 years' purchase of the average profits of the previous five years, which were: 2010-11: ₹ 30,000; 2011-12: ₹ 26,000; 2012-13: ₹ 24,000; 2013-14: ₹ 30,000

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- and 2014-15: ₹40,000
- (ii) Patents be valued at ₹16,000; Machinery at ₹56,000; Buildings at ₹60,000
- (iii) Profit for the year 2015-16 be taken as having been accrued at the same rate as that in the previous year.
- (iv) Interest on capital be provided at 10% p.a.
- (v) A sum of ₹15,500 was paid to her executors immediately.

Prepare Revaluation Account, Seema's Capital Account and Seema's executors Account.

| Dr. | | | | Revaluation Account | | Cr. | |
|------------------------|----|--------|--------------|---------------------|--------|-----|--|
| Particulars | LF | ₹ | Particulars | LF | ₹ | | |
| To Machinery | | 4,000 | By Patents | | 4,000 | | |
| To Profit Distributed: | | | By Buildings | | 20,000 | | |
| Punit 10,000 | | | | | | | |
| Rahul 6,000 | | | | | | | |
| Seema 4,000 | | 20,000 | | | | | |
| | | 24,000 | | | 24,000 | | |

| Dr. | | | | Seema's Capital Account | | | | Cr. | |
|-------|---------------------------|----|--------|-------------------------|--------------------|----|--------|-----|--|
| Date | Particulars | LF | ₹ | Date | Particulars | LF | ₹ | | |
| 2015 | | | | 2015 | | | | | |
| Oct 1 | To Seema's Executor's A/c | | 55,500 | Apr1 | By Balance b/d | | 30,000 | | |
| | | | | Oct1 | By Reserves | | 4,000 | | |
| | | | | Oct1 | By Punit's Capital | | 7,500 | | |
| | | | | Oct1 | By Rahul's Capital | | 4,500 | | |
| | | | | Oct1 | By Revaluation A/c | | 4,000 | | |
| | | | | Oct1 | By P & L Suspense | | 4,000 | | |
| | | | | Oct1 | By Int. on Capital | | 1,500 | | |
| | | | 55,500 | | | | 55,500 | | |

| Dr. | | | | Seema's Executor's Account | | | | Cr. | |
|-------|--------------------------------|----|--------|----------------------------|------------------------|----|--------|-----|--|
| Date | Particulars | LF | ₹ | Date | Particulars | LF | ₹ | | |
| 2015 | | | | 2015 | | | | | |
| Oct 1 | To Bank A/c | | 15,500 | Oct 1 | By Seema's Capital A/c | | 55,500 | | |
| Oct 1 | To Seema's Executor's Loan A/c | | 40,000 | | | | | | |
| | | | 55,500 | | | | 55,500 | | |

Working Note:

Average Profit = $(30,000 + 26,000 + 24,000 + 30,000 + 40,000) / 5 = ₹30,000$

Goodwill = $30,000 \times 2 = ₹60,000$

Seema's share of Profit for 6 months = $40,000 \times 6 / 12 \times 2 / 12 = ₹4,000$

Interest on Seema's Capital = $30,000 \times 10 / 100 \times 6 / 12 = ₹1,500$

- Q14** Ruchi Ltd issued 42,000, 7% Debentures of ₹100 each on 1st April, 2011, redeemable at a premium of 8% on 31st March 2015. The company decided to create required Debenture Redemption Reserve on 31st March 2014. The company invested the funds as required by law in a fixed deposit with State Bank of India on 1st April, 2014 earning interest @ 10% per annum. Tax was deducted at source by the bank on interest @ 10% per annum. Pass necessary Journal Entries regarding issue and redemption of debentures. (6)

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ISSUE OF DEBENTURES

| Date | Particulars | L.F. | Debit ₹ | Credit ₹ |
|------|-------------|------|------------|-------------|
| | | | | |

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| | | | | |
|-----------------|---|--|-----------------------|-----------------------|
| 2011 April 1 | Bank A/c -----Dr. To Debenture Application & Allotment A/c (Being the Application and allotment money received on issue of Debentures) | | 42,00,000 | 42,00,000 |
| April 1 | Debenture Application & Allotment A/c -----Dr. Loss on Issue of Debenture A/c -----Dr. To 7% debenture A/c To Premium on Redemption of Debenture A/c (Being allotment of Debentures redeemable at 8% premium) | | 42,00,000 3,36,000 | 42,00,000 3,36,000 |

REDEMPTION OF DEBENTURES:

| Date | Particulars | L.F. | Debit ₹ | Credit ₹ |
|-----------------|---|------|-----------------------|--------------------|
| 2014 Mar 31 | Surplus i.e. balance in Statement of Profit & Loss Dr. To Debenture redemption Reserve A/c (Being the profits transferred to Debenture Redemption Reserve) | | 10,50,000 | 10,50,000 |
| 2014 April 1 | Debenture Redemption Investment A/c -----Dr. To Bank A/c (Being the Investment made as fixed deposit as per Companies Act, 2013 earning Interest @ 10%) | | 6,30,000 | 6,30,000 |
| 2015 Mar 31 | Bank A/c ----- Dr. TDS collected A/c ----- Dr., To Debenture Redemption Investment A/c To Interest Earned A/c (Being the fixed deposit encashed on Redemption and interest received @ 10% p.a.) | | 6,86,700 6,300 | 6,30,000 63,000 |
| Mar 31 | 7% Debenture A/c ----- Dr. Premium on Redemption of Debenture A/c ----- Dr. To Debentureholder's A/c (Being amount due to Debenture holders) | | 42,00,000 3,36,000 | 45,36,000 |
| Mar 31 | Debenture holder's A/c ----- Dr. To Bank A/c (Being the amount due paid on redemption) | | 45,36,000 | 45,36,000 |
| Mar 31 | Debenture Redemption Reserve A/c -----Dr. To General Reserve A/c (Being Debenture Redemption Reserve transferred to General Reserve) | | 10,50,000 | 10,50,000 |

Q15 Hema and Garima were partners in a firm sharing profits in the ration of 3:2. On March 31, 2015, their Balance Sheet was as follows:

Balance Sheet of Hema and Garima
as at March 31, 2015

| Liabilities | ₹ | Assets | ₹ |
|-------------------------|----------|-----------|----------|
| Creditors | 36,000 | Bank | 40,000 |
| Garima's Husband's Loan | 60,000 | Debtors | 76,000 |
| Hema's Loan | 40,000 | Stock | 2,00,000 |
| Capitals: | | Furniture | 20,000 |
| Hema 2,00,000 | | Leasehold | 1,00,000 |
| Garima 1,00,000 | 3,00,000 | Premises | |
| | 4,36,000 | | 4,36,000 |

(6)

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On the above date the firm was dissolved. The various assets were realized and liabilities were settled as under:

- (i) Garima agreed to pay her husband's loan.
- (ii) Leasehold Premises realized ₹1,50,000 and Debtors ₹2,000 less.
- (iii) Half the creditors agreed to accept furniture of the firm as full settlement of their claim and remaining half agreed to accept 5% less.
- (iv) 50% Stock was taken over by Hema on cash payment of ₹90,00 and remaining stock was sold for ₹94,000.
- (v) Realisation expenses of ₹10,000 were paid by Garima on behalf of firm.
- (vi) Pass necessary journal entries for the dissolution of the firm.

Sol:

Journal

| Date | Particulars | Dr.(₹) | Cr.(₹) |
|------|---|----------------------|--|
| 1 | Realisation A/c Dr. To Debtors A/c To Stock A/c To Furniture A/c To Leasehold Premises A/c (Being Assets transferred to Realisation A/c) | 3,96,000 | 76,000 2,00,000 20,000 1,00,000 |
| 2. | Creditors A/c Dr. Garima's Husband's Loan A/c Dr. To Realisation A/c (Being third party liabilities transferred to Realisation A/c) | 36,000 60,000 | 96,000 |
| 3 | Bank A/c To Realisation A/c (Being Assets realized) | Dr. 4,08,000 | 4,08,000 |
| 4 | Realisation A/c Dr. To Bank A/c (Being creditors paid) | 17,100 | 17,100 |
| 5 | Realisation A/c To Garima's Capital A/c (Being realization expenses and Garima's husband loan paid off by Garima) | Dr. 70,000 | 70,000 |
| 6 | Realisation A/c Dr. To Hema's Capital A/c To Garima's Capital A/c (Being profit on realization distributed among partners) | 20,900 | 12,540 8,360 |
| 7 | Hema's Loan A/c Dr. To Bank A/c (Being Hema's loan paid) | 40,000 | 40,000 |
| 8 | Hema's Capital A/c Dr. Garima's Capital A/c Dr. To Bank A/c (Being amount paid to partners at final settlement of accounts) | 2,12,540 1,78,360 | 3,90,900 |

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Q16 P and Q were partners in a firm sharing profits in 3:2 ratio. R was admitted as a new partner for 1/4th share in the profits on April 1, 2015. The Balance Sheet of the firm on March 31, 2015 was as follows: (8)

Balance Sheet of P and Q
as at March 31, 2015

| Liabilities | ₹ | Assets | ₹ |
|-----------------|----------|-----------|----------|
| Creditors | 20,000 | Cash | 20,000 |
| General Reserve | 16,000 | Debtors | 18,000 |
| Capitals: | | Stock | 20,000 |
| P 96,000 | | Furniture | 12,000 |
| Q 68,000 | 1,64,000 | Machinery | 40,000 |
| | | Buildings | 90,000 |
| | 2,00,000 | | 2,00,000 |

The term of agreement on R's admission were as follows:

- R brought in cash ₹60,000 for his capital and ₹30,000 for his share of goodwill.
- Building was valued at ₹1,00,000 and Machinery at ₹36,000.
- The capital accounts of P and Q were to be adjusted in the new profit-sharing ratio. Necessary cash was to be brought in or paid off to them as the case may be.

Prepare Revaluation Account, Partner's Capital Account and the Balance Sheet of P, Q and R.

OR

Khushboo, Leela and Meena were partners in a firm sharing profits in the ratio of 5:3:2. Their Balance Sheet on March 31, 2015 was as follows:

Balance Sheet of Khushboo, Leela and Meena
As at March 31, 2015

| Liabilities | ₹ | Assets | ₹ |
|-----------------|----------|-------------------|----------|
| Creditors | 70,000 | Bank | 44,000 |
| Capitals: | | Debtors | 24,000 |
| Khushboo 90,000 | | Stock | 60,000 |
| Leela 56,000 | | Buildings | 1,40,000 |
| Meena 60,000 | 2,06,000 | Profit & Loss A/c | 8,000 |
| | 2,76,000 | | 2,76,000 |

On April 1, 2015 Leela retired on the following terms:

- Building was to be depreciated by ₹10,000.
- A Provision of 5% was to be made on Debtors for doubtful debts.
- Salary outstanding was ₹4,800
- Goodwill of the firm was valued at ₹1,40,000.
- Leela was to be paid ₹20,800 through cheque and the balance was to be paid in two equal quarterly installments (starting from June 30, 2015) along with interest @ 10% p.a.

Prepare Revaluation Account, Leela's Capital Account and her Loan Account till it is finally paid.

Solution:

| Dr. Revaluation Account | | | | | | Cr. | |
|-------------------------|----|--------|--------------|----|--------|-----|--|
| Particulars | LF | ₹ | Particulars | LF | ₹ | | |
| To Machinery | | 4,000 | By Buildings | | 10,000 | | |
| To Profit Distributed: | | | | | | | |
| P 3,600 | | | | | | | |
| Q 2,400 | | 6,000 | | | | | |
| | | 10,000 | | | 10,000 | | |

| Dr. Partners' Capital Account | | | | | | | | Cr. | | | |
|-------------------------------|---|---|---|-------------|---|---|---|-----|--|--|--|
| Particulars | P | Q | R | Particulars | P | Q | R | | | | |
| | ₹ | ₹ | ₹ | | ₹ | ₹ | ₹ | | | | |
| | | | | | | | | | | | |

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| | | | | | | | |
|----------------|----------|--------|--------|-------------------------|----------|--------|--------|
| To Cash A/c | 19,200 | 16,800 | | By Balance b/d | 96,000 | 68,000 | |
| To Balance c/d | 1,08,000 | 72,000 | 60,000 | By General Reserve | 9,600 | 6,400 | 60,000 |
| | | | | By Cash A/c | | | |
| | | | | By Premium for Goodwill | 18,000 | 12,000 | |
| | | | | By Revaluation A/c | 3,600 | 2,400 | |
| | 1,27,200 | 88,800 | 60,000 | | 1,27,200 | 88,800 | 60,000 |

**Balance Sheet of P,Q and R
as at April 1, 2015**

| Liabilities | ₹ | Assets | ₹ |
|-----------------|----------|--------------------------------------|----------|
| Creditors | 20,000 | Building | 1,00,000 |
| Capital: | | Machinery | 36,000 |
| P 1,08,000 | | Cash | |
| Q 72,000 | | (20,000+60,000+30,000-19,200-16,800) | 74,000 |
| R <u>60,000</u> | 2,40,000 | Debtors | 18,000 |
| | | Stock | 20,000 |
| | | Furniture | 12,000 |
| | 2,60,000 | | 2,60,000 |

OR

Dr. **Revaluation Account** *Cr.*

| Particulars | LF | ₹ | Particulars | LF | ₹ |
|-----------------------------|----|--------|----------------------|----|--------|
| To Buildings | | 10,000 | By Loss Distributed: | | |
| To Prov. for Doubtful Debts | | 1,200 | Khushboo 8,000 | | |
| To Salary Outstanding | | 4,800 | Leela 4,800 | | |
| | | | Meena 3,200 | | 16,000 |
| | | 16,000 | | | 16,000 |

Dr. **Leela's Capital Account** *Cr.*

| Particulars | LF | ₹ | Particulars | LF | ₹ |
|----------------------|----|--------|-----------------------|----|--------|
| To Profit & Loss A/c | | 2,400 | By Balance b/d | | 56,000 |
| To Revaluation A/c | | 4,800 | By Khushboo's Capital | | 30,000 |
| To Bank A/c | | 20,800 | By Meena's Capital | | 12,000 |
| To Leela's Loan A/c | | 70,000 | | | |
| | | 98,000 | | | 98,000 |

Dr. **Leela's Loan Account** *Cr.*

| Date | Particulars | LF | ₹ | Date | Particulars | LF | ₹ |
|---------|-------------|----|--------|---------|--------------------|----|--------|
| 2015 | | | | 2015 | | | |
| June 30 | To Bank A/c | | 36,750 | Apr 1 | By Leela's Capital | | 70,000 |
| Sep 30 | To Bank A/c | | 35,875 | June 30 | By Interest | | 1,750 |
| | | | | Sep 30 | By Interest | | 875 |
| | | | 72,625 | | | | 72,625 |

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Q17. Surya Ltd with a Registered capital of 10,00,000 Equity Shares of ₹10 each, issued 1,00,000 Equity Shares payable ₹3 on Application, ₹2 on Allotment, ₹3 on First Call and ₹2 on Second and Final call. The amount due on Allotment was duly received except from Mr. X holding 6,000 shares. His shares were immediately forfeited. On the first call being made, Mr. Y holding 5,000 Equity shares paid the entire balance on his holding. Second call was not made.
Pass the necessary Journal Entries to record the transactions and show how the Share Capital will be presented in the Balance Sheet of the Company. Also prepare notes to accounts. (8)

OR

a) Nidhi Ltd. Issued 2,000 Shares of ₹100 each. All the money was received except on 200 shares on which only ₹90 per share were received. These shares were forfeited and out of the forfeited shares 100 shares were reissued at ₹80 each as fully paid up. Pass necessary Journal entries for the above transactions and prepare the Forfeited Share Account.

b) Complete the following Journal Entries:

| Date | Particulars | L.F | Debit | Credit |
|------|--|-----|-------|--------|
| i. | -----Dr To----- To----- (Being the forfeiture of 1000 shares of ₹10 each, ₹8 called up, on which allotment money of ₹2 and First Call of ₹3 has not been received.) | | ----- | ----- |
| ii. | -----Dr To----- To----- (Being reissue of 1000 forfeited shares fully paid up at ₹11 per share) | | ----- | ----- |
| iii. | -----Dr To----- (Being gain on the reissue of shares transferred to capital reserve Account) | | ----- | ----- |

Sol.

Surya Limited

Journal

| Date | Particulars | L.F | Debit ₹ | Credit ₹ |
|------|--|-----|--------------------|------------------|
| i | Bank A/c Dr. To Equity Share Application A/c (Being the application money received on 1,00,000 shares @ ₹3 per share received) | | 3,00,000 | 3,00,000 |
| ii | Equity Share Application A/c To Equity Share Capital A/c (Being the application money transferred to Share Capital A/c) | | 3,00,000 | 3,00,000 |
| iii | Equity Share Allotment A/c Dr. To Equity Share Capital A/c (Being Allotment made due on 1,00,000 Equity Shares @ ₹2 per share) | | 2,00,000 | 2,00,000 |
| iv. | Bank A/c Dr. Calls in Arrears A/c To Equity Share Allotment A/c (Being the Allotment money received except for 6,000 shares) | | 1,88,000 12,000 | 2,00,000 |
| v. | Equity Share Capital A/c Dr. To Share Forfeited A/c To Calls in Arrears A/c (Being 6,000 shares forfeited for non-payment of allotment money) | | 30,000 | 18,000 12,000 |



| | | | | | |
|-----|--|-----|--|----------|--------------------|
| vi | Equity Share First Call A/c To Equity Share Capital A/c (Being First Call made due on 94,000 Equity Shares @ ₹3 per share) | Dr. | | 2,82,000 | 2,82,000 |
| vii | Bank A/c To Equity Share First Call A/c To Calls in Advance A/c (Being the First Call money received on 94,000 Equity Shares @ ₹3 per share and ₹2 per share on 5,000 shares received in Advance) | Dr. | | 2,92,000 | 2,82,000 10,000 |

Balance Sheet of Surya Ltd.
as at-----

| Particulars | Note No | ₹ |
|--------------------------------------|---------|-----------------|
| <u>EQUITY AND LIABILITIES</u> | | |
| 1. Shareholder's Funds | 1 | <u>7,70,000</u> |
| Share Capital | | |

Notes to Accounts:

| Note No | | ₹ |
|----------|---|---------------------|
| <u>1</u> | <u>Share Capital</u> Authorised Share Capital 10,00,000 Equity Shares of ₹10 each. | <u>1,00,000,000</u> |
| | Issued Share Capital 1,00,000 Equity Shares of ₹10 each | <u>10,00,000</u> |
| | Subscribed Share capital Subscribed but not fully paid-up 94,000 equity shares of ₹10 each, ₹8 Called up 7,52,000 Add: Share Forfeited Account <u>18,000</u> | <u>7,70,000</u> |

OR

a)

| Date | Particulars | L.F | Debit ₹ | Credit ₹ |
|------|---|-----|----------------|-----------------|
| i | Share Capital A/c Dr. To Forfeited Share A/c To Calls in Arrears A/c (Being 200 shares forfeited for non-payment of call money of ₹10 per share) | | 20,000 | 18,000 2,000 |
| ii | Bank A/c Dr. Forfeited Share A/c Dr. To Share Capital A/c (Being 100 shares re-issued for ₹80 per share as fully paid up) | | 8,000 2,000 | 10,000 |
| iii. | Forfeited Share A/c Dr. To Capital Reserve (Being Allotment made due on 1,00,000 Equity Shares ₹2 per share) | | 7,000 | 7,000 |

Forfeited Share Account

| Particulars | ₹ | Particulars | ₹ |
|-------------------------------|-------|-------------------------------|--------|
| To Share Capital A/c (100X20) | 2,000 | By Share Capital A/c (200X90) | 18,000 |
| To Capital Reserve (100X70) | 7,000 | | |
| To Balance c/d | | | |

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| | | | |
|--|--------|--|--------|
| | 9,000 | | |
| | 18,000 | | 18,000 |

b) JOURNAL

| Date | Particulars | L.F | Debit ₹ | Credit ₹ |
|------|--|-----|------------|-------------------------|
| I | Share Capital A/c Dr To Forfeited Share A/c To Share Allotment A/c To share First Call A/c (Being the forfeiture of 1000 shares, ₹ `8 called up, on which allotment money of ₹2 and First Call of ₹3 has not been received.) | | 8,000 | 3,000 2,000 3,000 |
| II | Bank A/c Dr To Share Capital A/c To securities Premium Reserve A/c (Being reissue of 1000 forfeited shares fully paid up at ₹11 per share) | | 11,000 | 10,000 1,000 |
| III | Share Forfeited A/c Dr To Capital Reserve A/c (Being gain on the reissue of shares transferred to capital reserve Account) | | 3,000 | 3,000 |

**PART – B
Option-I
ANAYSIS OF FINANCIAL STATEMENTS**

Q18. The patents of X ltd. increased from ₹3,00,000 in 2013-14 to ₹3,50,000 in 2014-15. What will be its treatment while preparing Cash Flow Statement for the year ended 31st March 2015? (1)

Sol. It will be taken as purchase of Patents of ₹ 50,000 and will be shown under Cash from Investing Activities as an outflow of cash.

Q19. Kartik Mutuals, a mutual fund company, provides you the following information: (1)

| | 31 st March 2013 | 31 st March 2014 |
|-------------------|-----------------------------|-----------------------------|
| Proposed Dividend | ₹20,000 | ₹15,000 |

Additional Information:

Equity Share Capital raised during the year ₹3,00,000

10% bank loan repaid was ₹1,00,000

Dividend received during the year was ₹20,000

Find out the cash flow from financing activities.

Sol. ₹

Proceeds from Equity share capital: 3,00,000

Repayment of Bank Loan: (1,00,000)

2,00,000

Dividend Paid:(20,000)

1,80,000

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| | | |
|------|---|-----|
| | ----- Note: Dividend received during the year ₹20,000 will be shown in the Investing Activities. | |
| Q20. | <p>Mudra Ltd. Is in the process of preparing its Balance Sheet as per Schedule III, Part I of the Companies Act, 2013 and provides its true and fair view of the financial position.</p> <ol style="list-style-type: none"> Under which head and sub-head will the company show 'Stores and Spares' in its Balance Sheet? What is the accounting treatment of 'Stores and Spares' when the Company will calculate its Inventory Turnover Ratio? The management of Mudra Ltd. wants to analyse its Financial Statements. State any two objectives of such analysis. Identify the value being followed by Mudra Ltd. <p>Sol.</p> <ol style="list-style-type: none"> Head: Current Assets Sub head ; Inventories While calculating Inventory Turnover Ratio it is not included in Inventories Objectives – Assessing the ability of the enterprise to meet its short term and long term commitments, Assessing the earning capacity of the enterprise Values: Transparency, Honesty, Abiding by law | (4) |
| Q21. | <ol style="list-style-type: none"> X Ltd. has a current ratio 3.5:1 and quick ratio of 2:1. If excess of current assets over quick assets represented by Inventory is ₹24,000, calculate current assets and current liabilities. From the following information, calculate Inventory Turnover Ratio. Revenue from Operations: ₹4,00,000, Average Inventory : ₹55,000, The rate of Gross Loss on Revenue from Operations was 10%. <p>Sol.</p> <ol style="list-style-type: none"> <p>Current Ratio = 3.5:1 Quick Ratio = 2:1 Let Current Liabilities = x</p> <p>Current Assets = 3.5x And Quick Assets = 2x</p> <p>Inventory = Current Assets – Quick Assets 24,000 = 3.5x – 2x 24,000 = 1.5x</p> <p>x = Rs.16,000</p> <p>Current Assets = 3.5x = 3.5 x ₹16,000 = ₹56,000</p> <p>Verification : Current Ratio = Current Assets : Current Liabilities = ₹56,000 : ₹16,000 = 3.5:1</p> <p>Quick Ratio = Quick Assets : Current Liabilities = ₹32,000 : ₹16,000 = 2:1</p> <p>Revenue from Operations = ₹4,00,000 Gross Loss = 10% of ₹4,00,000 = ₹40,000</p> <p>Cost of Revenue from Operations = Revenue from Operations + Gross Loss = ₹4,00,000 + ₹40,000</p> | (4) |

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| | = ₹4,40,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|------------------|---------------------------|--------------|-------------------------|-----------------------------------|-----------|-----------|--|--------------------------------|--|--|--|--------------------|----------|-----------|-----------------|------------------------|---|-------------|--------------|------------------------------------|---------------------------|-------------|-------------------------|--------------------------|-----------|-----------|----------|--------------------------------|--|--|--|---------------------------|-------------------------------|----------|----------|-------------------|----|--------------------|----------|---------------------------|--------|--------|----------------|--------------|----------|------------------|------------------|-------------------|-----------|-----------|-----------|-------|------------------|----------|-----------|----------|-------|------------------|-----------|-----------|----------|-------|-----|
| | <p>Inventory Turnover Ratio = Cost of Goods Sold/ Average Inventory = ₹4,40,000 / ₹55,000 = 8 times.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q22. | <p>From the following Statement of profit and loss of the Sakhi Ltd for the years ended 31st March 2016, prepare Comparative Statement of Profit & Loss.</p> <p style="text-align: center;">STATEMENT OF PROFIT & LOSS for the years ended 31st March, 2016</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">2014-15 ₹</th> <th style="text-align: center;">2015-16 ₹</th> </tr> </thead> <tbody> <tr> <td>Revenue from operations</td> <td style="text-align: right;">25,00,000</td> <td style="text-align: right;">40,00,000</td> </tr> <tr> <td>Expenses:</td> <td></td> <td></td> </tr> <tr> <td> (a) Employee benefit expenses were 5% of Revenue from operations</td> <td></td> <td></td> </tr> <tr> <td> (b) Other expenses</td> <td style="text-align: right;">5,90,000</td> <td style="text-align: right;">6,80,000</td> </tr> <tr> <td>Rate of Tax 35%</td> <td></td> <td></td> </tr> </tbody> </table> <p>Sol.</p> <p style="text-align: center;">STATEMENT OF PROFIT & LOSS For the years ended 31st March 2015 & 2016</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">2014-15 ₹</th> <th style="text-align: center;">2015-16 ₹</th> <th style="text-align: center;">Absolute Change (in `)</th> <th style="text-align: center;">%age Change</th> </tr> </thead> <tbody> <tr> <td>Revenue from operations</td> <td style="text-align: right;">25,00,000</td> <td style="text-align: right;">40,00,000</td> <td style="text-align: right;">15,00,000</td> <td style="text-align: center;">60</td> </tr> <tr> <td>Expenses:</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> (a) Employee benefit Expenses</td> <td style="text-align: right;">1,25,000</td> <td style="text-align: right;">2,00,000</td> <td style="text-align: right;">75,000</td> <td style="text-align: center;">60</td> </tr> <tr> <td> (b) Other expenses</td> <td style="text-align: right;">5,90,000</td> <td style="text-align: right;">6,80,000</td> <td style="text-align: right;">90,000</td> <td style="text-align: center;">15.25</td> </tr> <tr> <td>Total expenses</td> <td style="text-align: right;">7,15,000</td> <td style="text-align: right;">8,80,000</td> <td style="text-align: right;">1,65,000</td> <td style="text-align: center;">23.08</td> </tr> <tr> <td>Profit before tax</td> <td style="text-align: right;">17,85,000</td> <td style="text-align: right;">31,20,000</td> <td style="text-align: right;">13,35,000</td> <td style="text-align: center;">74.79</td> </tr> <tr> <td>Less: Taxes @35%</td> <td style="text-align: right;">6,24,750</td> <td style="text-align: right;">10,92,000</td> <td style="text-align: right;">4,67,250</td> <td style="text-align: center;">74.79</td> </tr> <tr> <td>Profit after tax</td> <td style="text-align: right;">11,60,250</td> <td style="text-align: right;">20,28,000</td> <td style="text-align: right;">8,67,750</td> <td style="text-align: center;">74.79</td> </tr> </tbody> </table> | Particulars | 2014-15 ₹ | 2015-16 ₹ | Revenue from operations | 25,00,000 | 40,00,000 | Expenses: | | | (a) Employee benefit expenses were 5% of Revenue from operations | | | (b) Other expenses | 5,90,000 | 6,80,000 | Rate of Tax 35% | | | Particulars | 2014-15 ₹ | 2015-16 ₹ | Absolute Change (in `) | %age Change | Revenue from operations | 25,00,000 | 40,00,000 | 15,00,000 | 60 | Expenses: | | | | | (a) Employee benefit Expenses | 1,25,000 | 2,00,000 | 75,000 | 60 | (b) Other expenses | 5,90,000 | 6,80,000 | 90,000 | 15.25 | Total expenses | 7,15,000 | 8,80,000 | 1,65,000 | 23.08 | Profit before tax | 17,85,000 | 31,20,000 | 13,35,000 | 74.79 | Less: Taxes @35% | 6,24,750 | 10,92,000 | 4,67,250 | 74.79 | Profit after tax | 11,60,250 | 20,28,000 | 8,67,750 | 74.79 | (4) |
| Particulars | 2014-15 ₹ | 2015-16 ₹ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Revenue from operations | 25,00,000 | 40,00,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Expenses: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (a) Employee benefit expenses were 5% of Revenue from operations | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (b) Other expenses | 5,90,000 | 6,80,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rate of Tax 35% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Particulars | 2014-15 ₹ | 2015-16 ₹ | Absolute Change (in `) | %age Change | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Revenue from operations | 25,00,000 | 40,00,000 | 15,00,000 | 60 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Expenses: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (a) Employee benefit Expenses | 1,25,000 | 2,00,000 | 75,000 | 60 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (b) Other expenses | 5,90,000 | 6,80,000 | 90,000 | 15.25 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total expenses | 7,15,000 | 8,80,000 | 1,65,000 | 23.08 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit before tax | 17,85,000 | 31,20,000 | 13,35,000 | 74.79 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Less: Taxes @35% | 6,24,750 | 10,92,000 | 4,67,250 | 74.79 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit after tax | 11,60,250 | 20,28,000 | 8,67,750 | 74.79 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q23. | <p>Following is the Balance Sheets of Akash Ltd. as at 31-3-2014.</p> <p style="text-align: center;">Akash Ltd. Balance Sheet</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">PARTICULARS</th> <th style="text-align: center;">NOTE NO.</th> <th style="text-align: center;">2013-14 ₹</th> <th style="text-align: center;">2012-13 ₹</th> </tr> </thead> <tbody> <tr> <td>I EQUITY & LIABILITIES</td> <td></td> <td></td> <td></td> </tr> <tr> <td> (1) Shareholders' Funds</td> <td></td> <td></td> <td></td> </tr> <tr> <td> (a) Share Capital</td> <td></td> <td style="text-align: right;">15,00,000</td> <td style="text-align: right;">14,00,000</td> </tr> <tr> <td> (b) Reserves & Surplus</td> <td style="text-align: center;">1</td> <td style="text-align: right;">2,50,000</td> <td style="text-align: right;">1,10,000</td> </tr> <tr> <td> (2) Non-Current Liabilities</td> <td></td> <td></td> <td></td> </tr> <tr> <td> (a) Long Term Borrowings</td> <td></td> <td style="text-align: right;">2,00,000</td> <td style="text-align: right;">1,25,000</td> </tr> <tr> <td> (3) Current Liabilities</td> <td></td> <td></td> <td></td> </tr> <tr> <td> (a) Short term borrowings</td> <td style="text-align: center;">2</td> <td style="text-align: right;">12,000</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td> (b) Trade Payable</td> <td></td> <td style="text-align: right;">15,000</td> <td style="text-align: right;">83,000</td> </tr> <tr> <td> (c) Short term provisions</td> <td style="text-align: center;">3</td> <td style="text-align: right;">18,000</td> <td style="text-align: right;">11,000</td> </tr> <tr> <td style="text-align: center;">TOTAL</td> <td></td> <td style="text-align: right;">19,95,000</td> <td style="text-align: right;">17,39,000</td> </tr> </tbody> </table> | PARTICULARS | NOTE NO. | 2013-14 ₹ | 2012-13 ₹ | I EQUITY & LIABILITIES | | | | (1) Shareholders' Funds | | | | (a) Share Capital | | 15,00,000 | 14,00,000 | (b) Reserves & Surplus | 1 | 2,50,000 | 1,10,000 | (2) Non-Current Liabilities | | | | (a) Long Term Borrowings | | 2,00,000 | 1,25,000 | (3) Current Liabilities | | | | (a) Short term borrowings | 2 | 12,000 | 10,000 | (b) Trade Payable | | 15,000 | 83,000 | (c) Short term provisions | 3 | 18,000 | 11,000 | TOTAL | | 19,95,000 | 17,39,000 | (6) | | | | | | | | | | | | | | | |
| PARTICULARS | NOTE NO. | 2013-14 ₹ | 2012-13 ₹ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| I EQUITY & LIABILITIES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (1) Shareholders' Funds | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (a) Share Capital | | 15,00,000 | 14,00,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (b) Reserves & Surplus | 1 | 2,50,000 | 1,10,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (2) Non-Current Liabilities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (a) Long Term Borrowings | | 2,00,000 | 1,25,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (3) Current Liabilities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (a) Short term borrowings | 2 | 12,000 | 10,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (b) Trade Payable | | 15,000 | 83,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (c) Short term provisions | 3 | 18,000 | 11,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL | | 19,95,000 | 17,39,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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|-----------|-------------------------------|---|-----------|------------------|------------------|
| II | (1) Non-Current Assets | | | | |
| | (a) Fixed Assets | | | | |
| | (i) Tangible assets | 4 | 18,60,000 | 16,10,000 | |
| | (ii) Intangible assets | 5 | 50,000 | 30,000 | |
| | (2) Current Assets | | | | |
| | (a) Current Investments | | 8,000 | 5,000 | |
| | (b) Inventories | | 37,000 | 59,000 | |
| | (c) Trade Receivables | | 26,000 | 23,000 | |
| | (d) Cash & Cash Equivalents | | 14,000 | 12,000 | |
| | TOTAL | | | 19,95,000 | 17,39,000 |

Notes to Accounts:-

| Note No | PARTICULARS | 2013-14 | 2012-13 |
|----------|---|-------------------------|-----------------------|
| | | ₹ | ₹ |
| <u>1</u> | Reserves and Surplus:- Surplus (balance in Statement of Profit and Loss) | 2,50,000 | 1,10,000 |
| <u>2</u> | Short Term Borrowings Bank overdraft | 12,000 | 10,000 |
| <u>3</u> | Short term provisions Provision for Tax | 18,000 | 11,000 |
| <u>4</u> | Tangible Assets Machinery Accumulated Depreciation | 20,00,000 (1,40,000) | 17,00,000 (90,000) |
| <u>5</u> | Intangible Assets Patents | 50,000 | 30,000 |

Additional Information:

- (i) Tax paid during the year amounted to ₹16,000.
- (ii) Machine with a net book value of ₹10,000 (Accumulated Depreciation ₹40,000) was sold for ₹2,000.

Prepare Cash Flow Statement.

**Cash Flow Statement
For the year ended 31st March, 2014**

| Particulars | | ₹ |
|--|--------|----------|
| <u>I – CASH FLOW FROM OPERATING ACTIVITIES</u> | | |
| Surplus: Balance in the Statement of Profit & Loss (closing) | | 2,50,000 |
| Less: Surplus: Balance in the Statement of Profit & Loss (beginning) | | 1,10,000 |
| | | 1,40,000 |
| Add: Provision for Tax | | 23,000 |
| Net Profit before Tax and Extraordinary Items | | 1,63,000 |
| Add: Non-Cash and Non-operating Expenses: | | |
| Depreciation | 90,000 | |
| Loss on Sale of Machine | 8,000 | 98,000 |
| | | 2,61,000 |
| Add: Decrease in Current Assets & Increase in Current Liabilities | - | |
| Inventories | 22,000 | 22,000 |

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| | | |
|--|--------|-----------------|
| | | 2,83,000 |
| Less: Increase in Current Assets & Decrease in Current Liabilities | | |
| Trade Receivables | 3,000 | |
| Trade Payables | 68,000 | 71,000 |
| Cash generated from Operating Activities | | 2,12,000 |
| Less: Income Tax paid | | (16,000) |
| Cash Flow From Operating Activities | | 1,96,000 |
| <u>II – CASH FLOW FROM INVESTING ACTIVITIES</u> | | |
| Sale Of Machinery | | 2,000 |
| Purchase of Machinery | | (3,50,000) |
| Purchase of Patents | | (20,000) |
| Cash Used in Investing Activities | | (3,68,000) |
| <u>III – CASH FLOW FROM FINANCING ACTIVITIES</u> | | |
| Proceeds form Issue of Share Capital | | 1,00,000 |
| Proceeds from Long term Borrowings | | 75,000 |
| Increase in Bank Overdraft | | 2,000 |
| Cash Flow From Financing Activities | | 1,77,000 |
| <u>IV – NET INCREASE IN CASH & CASH EQUIVALENTS</u> (I+II+III) | | |
| | | 5,000 |
| <u>V – CASH & CASH EQUIVALENTS IN THE BEGINNING OF THE YEAR</u> | | |
| Current Investments | 5,000 | |
| Cash & Cash Equivalents | 12,000 | 17,000 |
| <u>VI – CASH & CASH EQUIVALENTS AT THE END OF THE YEAR</u> | | |
| Current Investments | 8,000 | |
| Cash & Cash Equivalents | 14,000 | 22,000 |

WORKING NOTES:

| Dr. Machinery Account | | Cr. | |
|------------------------|------------------|----------------------------------|------------------|
| PARTICULARS | ₹ | PARTICULARS | ₹ |
| To Balance b/d | 17,00,000 | By Bank A/c (Sale) | 2,000 |
| To Bank A/c (purchase) | 3,50,000 | By Loss on Sale of Machinery A/c | 8,000 |
| | | By Depreciation A/c | 40,000 |
| | | By Balance c/d | 20,00,000 |
| | <u>20,50,000</u> | | <u>20,50,000</u> |

| Dr. Accumulated Depreciation Account | | Cr. | |
|--------------------------------------|---|-------------|---|
| PARTICULARS | ₹ | PARTICULARS | ₹ |

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| | | | | | |
|-----|---|------------------------|---|------------------|-----|
| | To Machinery A/c (sold Asset) To Balance c/d | 40,000 1,40,000 | By Balance b/d By Statement of Profit & Loss | 90,000 90,000 | |
| | | <u>1,80,000</u> | | <u>1,80,000</u> | |
| | Dr. Provision for Tax Account Cr. | | | | |
| | PARTICULARS | ₹ | PARTICULARS | ₹ | |
| | To Bank A/c (Tax paid) | 16,000 | By Balance b/d | 11,000 | |
| | To Balance c/d | 18,000 | By Statement of profit & Loss | 23,000 | |
| | | 34,000 | | 34,000 | |
| | PART – B Option-II Computerised Accounting | | | | |
| 18. | While navigating in the workbook, which of the following commands is used to move to the beginning of the Current row: a. [ctrl] + [home] b. [page up] c. [Home] d. [ctrl] + [Back space] | | | | (1) |
| | Sol: (c) | | | | |
| 19. | Join line in the context of Access table means: a. Graphical representation of tables between tables b. Lines bonding the data within table c. Line connecting two fields of a table d. Line connecting two records of a table | | | | (1) |
| | Sol: (b) | | | | |
| 20. | Enumerate the basic requirements of computerized accounting system for a business organization. | | | | (4) |
| | <p>Sol: The computerized accounting is one the database-oriented applications wherein the transaction data is stored in well-organized database. The user operates on such database using the required interface and also takes the required reports by suitable transformations of stored data into information. Therefore, the fundamentals of computerized accounting include all the basic requirements of any database-oriented application in computers.</p> <p>Accounting framework..... [2] It is the application environment of the computerized accounting. A healthy accounting framework in terms of accounting principles, coding and grouping structure is a pre-condition for any computerized accounting system.</p> <p>Operating procedure..... [2] A well-conceived and designed operating procedure blended with suitable operating environment of the enterprise is necessary to work with the computerized accounting system.</p> | | | | |
| 21. | The generation of ledger accounts is not a necessary condition for making trial balance in a computerized accounting system. Explain. | | | | (4) |
| | <p>Sol: In computerized accounting system, every day business transactions are recorded with the help of computer software. Logical scheme is applied for codification of account and transaction. Every account and transaction is assigned a unique code. The grouping of accounts is done from the first stage. [Briefly explaining what is account groups and hierarchy of ledger.] The hierarchy of ledger accounts is maintained and the data is transferred into Ledger accounts automatically by the computer. In order to produce ledger accounts the stored transaction data is processed to appear as classified so</p> | | | | |

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| | | |
|-----|---|-----|
| | that same is presented in the form of report. The preparation of financial statements is independent of producing the trial balance. | |
| 22. | <p>Internal manipulation of accounting records is much easier in computerized accounting than in manual accounting. How?</p> <p>Sol: Internal manipulation of accounting records is much easier in computerized accounting due to the following:</p> <ol style="list-style-type: none"> i. Defective logical sequence at the programming stage ii. Prone to hacking | (4) |
| 23. | <p>Computerisation of accounting data on one hand stores voluminous data in a systematic and organized manner whereas on the other hand suffers from threats of vulnerability and manipulations. Discuss the security measures you would like to employ for securing the data from such threats.</p> <p>Sol: Every accounting software ensures data security, safety and confidentiality. Therefore every, software should provide for the following:</p> <ul style="list-style-type: none"> • Password Security: Password is a mechanism, which enables a user to access a system including data. The system facilitates defining the user rights according to organization policy. Consequently, a person in an organization may be given access to a particular set of a data while he may be denied access to another set of data. • Data Audit: This feature enables one to know as to who and what changes have been made in the original data thereby helping and fixing the responsibility of the person who has manipulated the data and also ensures data integrity. Basically, this feature is similar to Audit Trial. • Data Vault: Software provides additional security through data encryption | (6) |

ACCOUNTANCY (055)

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| Units | Accounting for Partnership Firms and Companies | 1 mark Question | 3 marks Questions | 4 marks Questions | 6 marks Questions | 8 marks Questions | Total |
|--------------|---|------------------------------|------------------------|-------------------------|-------------------|-------------------|--------------|
| Part A | | | | | | | |
| Unit 1 | Accounting for Partnership Firms | 1(U) 2(H) 3(U) 6(E) | 2(K) | 11(K) 12(K) | 13(K) 15(K) | 16(U) | 35 |
| Unit 2 | Accounting for Companies | 4(K) 5(K) | 7(A) 9(A) 10 (E) | - | 14(H) | 17(H) | 25 |
| Part B | Financial Statements Analysis | - | - | 20(U) 21(A) 22(A) | - | - | 12 |
| Unit 3 | Analysis for Financial Statements | | | | | | |
| Unit 4 | Cash Flow Statement | 18(K) 19(H) | - | - | 23(A) | - | 08 |
| Total | | 1(8) | 3(4) | 4(5) | 6(4) | 8(2) | 80(23) |

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ACCOUNTANCY (055)

CLASS-XII (2016-17)

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| S.No. | Typology of Questions | 1 mark Question | 3 marks Question | 4 marks Question | 6 marks Question | 8 marks Question | Total |
|--------------|-----------------------|-----------------|------------------|------------------|------------------|------------------|--------|
| 1 | Remembering | 4,5,18 | 8 | 11 | 13 | - | 6 |
| 2 | Understanding | 1,3 | - | 12,20 | 15 | 16 | 6 |
| 3 | Application | - | 7,9 | 21,22 | 23 | - | 5 |
| 4 | HOTS | 2,19 | - | - | 14 | 17 | 4 |
| 5 | Evaluation | 6 | 10 | | | | 2 |
| Total | | 1(8) | 3(4) | 4(5) | 6(4) | 8(2) | 80(23) |

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