

D.A.V. INSTITUTIONS, CHHATTISGARH

SAMPLE QUESTION PAPER-09: 2023-24

CLASS –XII

SUBJECT: ACCOUNTANCY [055]

Time Allowed: 3 Hours

Maximum Marks: 80

General Instructions:

1. This question paper contains 34 questions. All questions are compulsory.
2. Question Nos.1 to 16 and 27 to 30 carries 1 mark each.
3. Questions Nos. 17 to 20,31 and 32 carries 3 marks each.
4. Questions Nos. 21,22 and 33 carries 4 marks each.
5. Questions Nos. 23 to 26 and 34 carries 6 marks each.
6. 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	<p>Which account is debited, when some amount of any installment of share capital is not received from any shareholder by the company?</p> <p>(a) Cash (b) Share Allotment (c) Calls-in-advance (d) Calls-in-arrears</p> <p style="text-align: center;">or</p> <p>One of the conditions, in addition to others, for allotment of shares is</p> <p>(a) full subscription by public (b) full payment on application (c) resolution in general meeting (d) receiving minimum subscription</p>	1
2	<p>Girish, Shrish and Manish are partners in a firm without any agreement. They have contributed ₹ 2,500, ₹ 1,500 and ₹ 1,000 by way of capital in the firm.</p>	1

	<p>Girish was unable to work for six months in a year due to illness. At the end of year, firm earned a profit of ₹ 750. Girish's share in the profit will be</p> <p>(a) ₹ 188 (b) ₹ 250 (c) ₹ 125 (d) ₹ 375</p>	
3	<p>Madhav, Girish and Jatin are partners sharing profits in the ratio of 12, 25 and 110. If Jatin retires and his share is taken up by Madhav, then the new ratio of remaining partners will be_____</p> <p>(a) 3 : 2 (b) 5 : 4 (c) 2 : 3 (d) 1 : 1</p>	1
4	<p>Sunrise Corporate Private Limited issued 20,000 equity shares of ₹ 10 each at a premium of ₹ 2 payable alongwith application. All the shares were applied and duly allotted. What will be the total amount at the time of application?</p> <p>(a) ₹ 2,40,000 (b) ₹ 2,60,000 (c) ₹ 2,00,000 (d) ₹ 2,20,000</p>	1
5	<p>A company Aaditya Developers Private Limited has 9% debentures of ₹ 10,00,000 and share capital of ₹ 7,50,000. For the year ended 31st March, 2020, the company suffered a loss of ₹ 5,00,000. The directors of the company requested the debenture holders to forego their interest, but they disagreed. What should the directors do?</p> <p>(a) Do not pay, it is not compulsory (b) If debenture holders agree, then do not pay (c) Pay interest whether they earn profits or occur losses (d) None of the above</p> <p style="text-align: center;">or</p>	1

	<p>Securities premium reserve account cannot be utilised for which of the following purpose?</p> <p>(i) Amortisation of preliminary expenses (ii) Distribution of dividend (iii) Issue of fully paid bonus shares (iv) Buy-back of own shares</p> <p>(a) (ii) and (iii) (b) (iii) and (iv) (c) (i) and (ii) (d) Only (ii)</p>	
6	<p>Half yearly interest payable on 4,000, 12% debentures of ₹ 100 each on 30th September, 2019. Company paid due interest on this date. Journalise it.</p> <p>(a) Interest on Debentures A/c Dr 40,000 To Bank A/c 40,000</p> <p>(b) Interest on Debentures A/c Dr 24,000 To Debentureholders' A/c 24,000</p> <p>(c) Debentureholders' A/c Dr 24,000 To Bank A/c 24,000</p> <p>(d) Both (b) and (c)</p>	1
7	<p>In the profit and loss appropriation account, net profit is always taken after</p> <p>(a) Manager's Commission (b) Interest on Partner's Loan (c) Both (a) and (b) (d) None of these</p> <p style="text-align: center;">or</p> <p>Profit and loss adjustment account is needed for_____</p> <p>(a) charge against profits (b) rectification of errors or omissions (c) appropriation of profits</p>	1

	(d) None of these									
8	<p>Gajanand, Anand and Devanand are partners sharing profits and losses in the ratio of 2 : 2 : 1. The extract of their Balance Sheet is as follows</p> <table border="1"> <thead> <tr> <th>Liabilities</th> <th>Amount (₹)</th> <th>Assets</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td>Stock</td> <td>2,40,000</td> </tr> </tbody> </table> <p>If the value of stock is to be reduced by ₹ 40,000, then what will be the amount of stock at which it will be shown in reconstituted balance sheet?</p> <p>(a) ₹ 40,000 (b) ₹ 2,00,000 (c) ₹ 2,40,000 (d) ₹ 2,80,000</p> <p style="text-align: center;">or</p> <p>Ravi and Yuvi are partners in a firm sharing profits equally. Their capitals were ₹ 45,000 and ₹ 50,000 respectively. Hari was admitted for $\frac{1}{3}$rd share in profits/losses and brought ₹ 85,000 as capital. Calculate the amount of goodwill.</p> <p>(a) ₹ 1,60,000 (b) ₹ 75,000 (c) ₹ 2,55,000 (d) Can't be determined</p>	Liabilities	Amount (₹)	Assets	Amount (₹)			Stock	2,40,000	1
Liabilities	Amount (₹)	Assets	Amount (₹)							
		Stock	2,40,000							
	<p>Read the following hypothetical situation and answer the following questions 9 and 10</p> <p>Naresh, Bhuban and Amit were partners in a firm manufacturing denim jeans situated in Noida. They were sharing profits and losses in the ratio of 5:3:2. They were doing good business and were interested in its expansion in Agra. For this Bhuban took the responsibility and visit to Agra by his own car. While returning, his car met with an accident. After one month of treatment,</p>									

9.	<p>on 1-07-23 he died. It was agreed between Bhuban's executors and the remaining partners</p> <p>(i) Goodwill of the firm be valued at 2 and half year purchase of average profit for the last three years. The profit of the last three years 2020-21 ₹40,000; 2021-22 ₹60,000; 2022-23 - ₹74,000.</p> <p>(ii) Profit of deceased partner upto the date of death will be calculated on the basis of profit of the last year.</p> <p>Bhuban's share of Goodwill will be:</p> <p>(a) ₹50,500 (b) ₹ 43,500 (c) ₹ 52,500 (d) ₹ 51,250</p>	1
10	<p>Bhuban's share of profit till the date of his death :</p> <p>₹ 6,650 (b) ₹ 9,000 (c) ₹ 7,500 (d) ₹ 5,550</p>	1
11	<p>Calvin, Justin and Devin are partners in a firm sharing profits equally. With effect from 1st April, 2021, they decided to share profits in the ratio 3 : 2 : 1. In adjustment entry, what will be the treatment and amount for Justin if goodwill of firm is ₹ 5,000?</p> <p>(a) Credit ₹ 5,000 (b) Debit ₹ 10,000 (c) Debit ₹ 5,000 (d) No treatment</p>	1
12	<p>Aadesh and Sudesh are partners sharing profits and losses in the ratio of 7 : 5. They agree to admit Devesh their manager, into partnership who is to get $\frac{1}{6}$ th share in the profits. He acquires this share as $\frac{1}{24}$ th from Aadesh and $\frac{1}{8}$ th from Sudesh. The new profit sharing ratio will be</p> <p>(a) 7 : 13 : 4 (b) 7 : 5 : 6 (c) 5 : 7 : 6 (d) 13 : 7 : 4</p>	1

13	<p>Assertion (A): Interest on partner's capital may be shown in profit and loss account. Reason (R): If partners treat interest on capital as a charge, it is to be paid compulsorily. Alternatives</p> <p>(a) Assertion (A) is false, but Reason (R) is true</p> <p>(b) Assertion (A) is true, but Reason (R) is false</p> <p>(c) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)</p> <p>(d) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)</p>	1
14	<p>Lucky and Jacky are partners sharing profit or loss in ratio of 2: 1. Lucky surrenders 14th of his share and Jacky surrenders 13rd of his share in favour of Nicky a new partner. What will be Nicky's share?</p> <p>(a) $\frac{13}{36}$</p> <p>(b) $\frac{5}{18}$</p> <p>(c) $\frac{7}{12}$</p> <p>(d) $\frac{5}{12}$</p> <p style="text-align: center;">or</p> <p>Riyaz and Fiyaz are sharing profits and losses in the ratio of 3 : 2. Siraz is admitted with 1/5th share in profits of the firm which he gets entirely from Zehaan. Find out the new profit sharing ratio.</p> <p>(a) 2 : 2 : 1</p> <p>(b) 2 : 2 : 2</p> <p>(c) 12 : 8 : 5</p> <p>(d) 8 : 12 : 5</p> <p>DIRECTION : Read the following hypothetical situation and answer Q.No. 15 and 16 Zoya, Riya and Priya decided to start a partnership to manufacture toys. Zoya contributed ₹ 10,000 and Riya contributed ₹ 5,000 as their capital. Priya is specially abled but is very creative and intelligent. She did not contribute any capital.</p>	1

	<p>The terms of partnership were as follows</p> <p>(i) Zoya, Riya, Priya will share profit in 2 : 2 : 1 ratio.</p> <p>(ii) Interest on capital will be provided to Zoya, Riya @ 6% p.a.</p> <p>Due to shortage of capital, Zoya contributed ₹ 2,500 Riya on 30th September, 2020 and contributed ₹ 1,000 on 1st January, 2021 as additional capital.</p> <p style="text-align: center;">Dr. Profit and Loss Appropriation A/c Cr.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">Particulars</th> <th style="width: 17%;">Amount (₹)</th> <th style="width: 33%;">Particulars</th> <th style="width: 17%;">Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>To Interest on Capital</td> <td></td> <td></td> <td></td> </tr> <tr> <td> Zoya</td> <td>.....</td> <td></td> <td></td> </tr> <tr> <td> Riya</td> <td>.....</td> <td></td> <td></td> </tr> <tr> <td>To Salary (Zoya)</td> <td style="text-align: center;">1,200</td> <td></td> <td></td> </tr> <tr> <td>To Profit Transferred to Capital A/cs</td> <td></td> <td></td> <td></td> </tr> <tr> <td> Zoya</td> <td>.....</td> <td></td> <td></td> </tr> <tr> <td> Riya</td> <td>.....</td> <td></td> <td></td> </tr> <tr> <td> Priya</td> <td>.....</td> <td></td> <td></td> </tr> <tr> <td></td> <td>.....</td> <td></td> <td>.....</td> </tr> </tbody> </table>	Particulars	Amount (₹)	Particulars	Amount (₹)	To Interest on Capital				Zoya			Riya			To Salary (Zoya)	1,200			To Profit Transferred to Capital A/cs				Zoya			Riya			Priya	
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15	<p>Interest on capital allowed to Zoya and Riya will amount to</p> <p>(a) Zoya ₹ 150, Riya ₹ 60</p> <p>(b) Zoya ₹ 750, Riya ₹ 360</p> <p>(c) Zoya ₹ 600, Riya ₹ 300</p> <p>(d) Zoya ₹ 675, Riya ₹ 315</p>	1																																								
16	<p>Show the distribution of profit between Zoya, Riya, Priya.</p> <p>(a) Zoya = ₹ 5,868, Riya = ₹ 5,868, Priya = ₹ 2,934</p> <p>(b) Zoya = ₹ 5,700, Riya = ₹ 5,750, Priya = ₹ 5,000</p> <p>(c) Zoya = ₹ 5,000, Riya = ₹ 6,000, Priya = ₹ 5,500</p> <p>(d) None of the above</p>	1																																								

17	<p>Rashmi, Lavina and Shekhar were partners in a firm manufacturing denim jeans situated in Noida. They were sharing profits and losses in the ratio of 5:3:2. They were doing good business and were interested in its expansion in Agra. For this Lavina took the responsibility and visit to Agra by his own car. While returning, her car met with an accident. After one month of treatment, on 1-07-22 she died. It was agreed between Lavina's Executor and the remaining partners</p> <p>(i) Goodwill of the firm be valued at 2.5 years purchase of average profit for the last three years. The profit of the last three years was 2019-20 ₹ 40,000; 2020-21 ₹ 60,000; 2021-22 ₹ 74,000 respectively.</p> <p>(ii) Profit of deceased partner upto the date of death will be calculated on the basis of profit of the last year.</p> <p>Rashmi and Shekhar also decided to pay the entire amount immediately to the executors of Lavina. Based on the above information you are required to answer the following questions.</p> <p>I. Calculate Lavina's share of goodwill.</p> <p>II. In which ratio the Amount of goodwill will be compensated by remaining partners?</p> <p>III. Find Lavina's share of Profit till the date of death.</p>	3
18	<p>Pawan, Jeevan and Madan are partners in a firm. Their capital accounts on 1st April, 2022, stood at ₹ 2,00,000, ₹ 1,20,000 and ₹ 1,60,000 respectively. Each partner withdrew ₹ 15,000 during the financial year 2021-22.</p> <p>As per the provisions of their partnership deed:</p> <p>(a) Interest on capital was to be allowed @ 5% per annum.</p> <p>(b) Interest on drawings was to be charged @ 4% per annum.</p> <p>(c) Profits and losses were to be shared in the ratio 5:4:1.</p> <p>The net profit of ₹ 72,000 for the year ended 31st March 2022, was divided equally amongst the partners without providing for the terms of the deed.</p> <p>You are required to pass a single adjustment entry to rectify the error (Show workings clearly).</p> <p style="text-align: center;">or</p>	3

	<p>Aman and Bunty are partners in a firm. The firm maintains fluctuating capital accounts and the balance of the same as on 31-03-2022 amounted to ₹ 1,60,000 and ₹ 1,40,000 for Aman and Bunty respectively. Their drawings during the year were ₹ 30,000 each.</p> <p>As per partnership deed interest on capital @25% p.a. on opening capitals had been provided to them. Calculate opening capitals of partners given that their profits were ₹ 90,000. Show your workings clearly. Also pass journal entries for providing interest on partners' capitals.</p>																															
19	<p>Earth Limited purchased a machinery from Moon Limited and the purchase consideration was paid as follows:</p> <p>(a) By issuing 5,000, 11% Debentures of ₹ 100 each at a discount of 10%.</p> <p>(b) Balance by giving a promissory note of ₹ 1,82,000 after 3 months.</p> <p>Pass necessary journal entries for the purchase of machinery and payment to Moon Limited in the books of Earth Limited.</p> <p style="text-align: center;">or</p> <p>Complete the following journal entries:</p> <p>Journal Entries</p> <table border="1" data-bbox="302 1167 1302 1883"> <thead> <tr> <th data-bbox="302 1167 396 1306">Date</th> <th data-bbox="396 1167 984 1306">Particulars</th> <th data-bbox="984 1167 1062 1306">L.F</th> <th data-bbox="1062 1167 1182 1306">Dr. (₹)</th> <th data-bbox="1182 1167 1302 1306">Cr. (₹)</th> </tr> </thead> <tbody> <tr> <td></td> <td>Equity Share Capital A/c</td> <td>Dr.</td> <td>.....</td> <td>.....</td> </tr> <tr> <td></td> <td>Securities Premium A/c</td> <td>Dr.</td> <td>.....</td> <td>.....</td> </tr> <tr> <td></td> <td style="padding-left: 40px;">To Calls-in-Arrears A/c</td> <td></td> <td>.....</td> <td>.....</td> </tr> <tr> <td></td> <td style="padding-left: 40px;">To _____</td> <td></td> <td>.....</td> <td>.....</td> </tr> <tr> <td></td> <td>(For 13,000 equity shares of ₹ 50 each issued at a premium of ₹ 8 per share forfeited for the non-payment of allotment money (including premium) of ₹ 23 and first and final call of ₹ 20 per share were not made)</td> <td></td> <td></td> <td>.....</td> </tr> </tbody> </table>	Date	Particulars	L.F	Dr. (₹)	Cr. (₹)		Equity Share Capital A/c	Dr.		Securities Premium A/c	Dr.		To Calls-in-Arrears A/c			To _____			(For 13,000 equity shares of ₹ 50 each issued at a premium of ₹ 8 per share forfeited for the non-payment of allotment money (including premium) of ₹ 23 and first and final call of ₹ 20 per share were not made)			3
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20	<p>Disha, Laxmi and Archana are partners sharing profits and losses in the ratio of 3:2:1. With effect from 1st April, 2022 they agree to share profits equally. For this purpose, goodwill is to be valued at two year's purchase of the average profit of last 2 years which were as follows:</p> <p>Year ending on 31st March, 2021 ₹ 1,90,000 (Profit)</p> <p>Year ending on 31st March, 2022 ₹ 70,000 (Loss)</p> <p>On 1st April, 2021 a Laptop costing ₹ 50,000 was purchased and debited to internet expenses account, on which depreciation is to be charged @ 20% p.a by Straight Line Method.</p> <p>Journalise the transaction along with the working notes.</p>	3																									
21	<p>From the following information fill empty spaces.</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>L.F.</th> <th>Dr. (₹)</th> <th>Cr. (₹)</th> </tr> </thead> <tbody> <tr> <td></td> <td>Share Capital A/c Dr.</td> <td></td> <td>.....</td> <td>.....</td> </tr> <tr> <td></td> <td>Securities Premium A/c Dr.</td> <td></td> <td>1,000</td> <td>3,500</td> </tr> <tr> <td></td> <td>To Share Forfeiture A/c</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>To Call in Arrears A/c</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)		Share Capital A/c Dr.			Securities Premium A/c Dr.		1,000	3,500		To Share Forfeiture A/c					To Call in Arrears A/c				4
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	Being _____ shares forfeited for non-payment of ₹ _____ including premium of ₹ 2 per share)			
	Bank A/c Dr. Share Forfeiture A/c Dr. To Share Capital A/c (Being _____ shares reissued at ₹ 9 per share as fully paid)	
	Share forfeiture A/c Dr. To Capital Reserve A/c (Being forfeiture money transferred to capital reserve)		600	600
22	<p>Pass necessary journal entries in the following cases on the dissolution of a partnership firm of partners Rakesh, Gopal, Sudhir and Manish:</p> <p>(i) Realization expenses of ₹ 5,000 were to borne by Rakesh, a partner. However, it was paid by Gopal.</p> <p>(ii) Investments costing ₹ 25,000 (comprising 1000 shares), had been written off from the books completely. These shares are valued at ₹ 20 each and were divided amongst the partners.</p> <p>(iii) Gopal's loan of ₹ 50,000 settled at ₹ 48,000.</p> <p>(iv) Machinery (book value ₹ 6,00,000) was given to creditor at a discount of 20%.</p>			4
23	<p>Bandhan Group Limited issued a prospectus inviting applications for 5,00,000 equity shares of ₹ 10 each issued at a premium of 10% payable as:</p> <p>₹ 3 on Application</p> <p>₹ 5 on Allotment (including premium) and ₹ 3 on call.</p>			6

	<p>Applications were received for 6,60,000 shares.</p> <p>Allotment was made as follows:</p> <p>(a) Applicants of 4,00,000 shares were allotted in full.</p> <p>(b) Applicants of 2,00,000 shares were allotted 50% on pro rata basis.</p> <p>(c) Applicants of 60,000 shares were issued letters of regret.</p> <p>A shareholder to whom 500 shares were allotted under category (a) paid full amount on shares allotted to him along with allotment money. Another shareholder to whom 1,000 shares were allotted under category (b) failed to pay the amount due on allotment. His shares were immediately forfeited. These shares were then reissued at ₹ 14 per share as ₹ 7 paid up. Call has not yet been made. Journalise.</p> <p style="text-align: center;">or</p> <p>Kamal Footworks Limited has offered 50,000 equity shares of ₹ 100 each at a premium of ₹ 20, payable as follows:</p> <p>Application ₹ 50</p> <p>Allotment ₹ 40 (including premium) and balance on first and final call.</p> <p>The bank account of the company has received ₹ 35,00,000 on account of share application money. Kamal Footworks Limited decided to allot shares to all the applicants on pro rata basis. The balance in calls in arrears account at the time of allotment and first and final call amounted to ₹ 1,00,000 and ₹ 1,50,000 respectively. These shares were forfeited and re-issued at ₹ 90 per share as fully paid up. Journalize.</p>													
24	<p>Isha and Disha are partners in a firm sharing profits and losses in the ratio of 3:2. Their Balance Sheet as at 31st March, 2022 stood as follows:</p> <p style="text-align: center;">Balance Sheet</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Liabilities</th> <th style="width: 15%;">Amount (₹)</th> <th style="width: 30%;">Assets</th> <th style="width: 25%;">Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>Capital Account:</td> <td></td> <td>Plant and Machinery</td> <td>1,40,000</td> </tr> <tr> <td>Isha 60,000</td> <td></td> <td>Land and Building</td> <td></td> </tr> </tbody> </table>	Liabilities	Amount (₹)	Assets	Amount (₹)	Capital Account:		Plant and Machinery	1,40,000	Isha 60,000		Land and Building		6
Liabilities	Amount (₹)	Assets	Amount (₹)											
Capital Account:		Plant and Machinery	1,40,000											
Isha 60,000		Land and Building												

Disha	80,000		Debtors	1,90,000	
Current Accounts:		1,40,000	Less: Provision for		
Isha	10,000		Doubtful		
Disha	30,000	40,000	debts(40,000)		1,50,000
General Reserve		1,20,000	Stock		40,000
Workmen's			Cash		30,000
Compensation			Goodwill		20,000
Reserve		50,000			
Creditors		1,50,000			
		5,00,000			5,00,000

They agreed to admit Manoj into partnership for 1/5th share of profits on 1st April, 2022, on the following terms:

- (a) All Debtors are good.
- (b) Value of land and building to be increased to ₹ 1,80,000.
- (c) Value of plant and machinery to be reduced by ₹ 20,000.
- (d) The liability against Workmen's Compensation Fund is determined at ₹ 20,000 which is to be paid later in the year.
- (e) Mr. Sunil, to whom ₹ 40,000 were payable (already included in above creditors), drew a bill of exchange for 3 months which was duly accepted.
- (f) Manoj to bring in capital of ₹ 1,00,000 and ₹ 10,000 as premium for goodwill in cash. Journalize.

or

Aayush, Dhruv and Ishan are partners sharing profits in the ratio of 3:2:1.

Dhruv retired from the firm. On that date the Balance Sheet of the firm was as follows:

Balance Sheet as on March 31, 2022

Liabilities	Amount (₹)	Assets	Amount (₹)
-------------	------------	--------	------------

Creditors	15,000	Bank	7,600
General Reserve	12,000	Furniture	41,000
Bills Payable	12,000	Stock	9,000
Outstanding Salary	2,200	Premises	80,000
Provision for Legal Damages	6,000	Debtors 6,000	
Capitals		Less: Provision for Doubtful debts (400)	5,600
Aayush	46,000		
Dhruv	30,000		
Ishan	20,000		
	1,43,200		1,43,200
Additional Information:			
<p>(a) Premises to be appreciated by 20%, Stock to be depreciated by 10% and Provision for doubtful debts was to be maintained @5% on Debtors. Further, provision for legal damages is to be increased by ₹ 1,200 and furniture to be brought up to ₹ 45,000.</p> <p>(b) Goodwill of the firm is valued at ₹ 42,000.</p> <p>(c) ₹ 26,000 from Dhruv's Capital account be transferred to his loan account and balance to be paid through bank; if required, necessary loan may be obtained from bank.</p> <p>(d) New profit-sharing ratio of Aayush and Ishan is decided to be 5:1.</p>			
Prepare Revaluation Account and Partners Capital Accounts.			
25	<p>Jatin, Nimit and Vaman entered into partnership on 1st April 2021 with a capital of ₹ 3,00,000, ₹ 2,00,000 and ₹ 1,00,000 respectively. In addition to capital Vaman has advanced a loan of ₹ 1,00,000. Since they had no agreement to guide them, they faced following issues during and at the end of the year. (a) Jatin and Nimit demanded to share profits in the ratio of their capital contribution, Vaman is not in agreement with this proposal.</p>		6

	<p>(b) Nimit, being working partner, demands a lump sum payment of ₹ 40,000 as remuneration for which other others partners are not in agreement.</p> <p>(c) Jatin wanted interest on capital to be provided @8% pa but Nimit and Vaman did not agree. (d) Vaman wanted that interest on loan be paid to him @ 10% pa but Jatin and Nimit wanted to pay @ 5% p.a.</p> <p>You are required to suggest and help them resolve these issues.</p>																						
26	<p>(a) Naresh Exports Limited took over business of Life Care Enterprises on 1-04-2022. The details of the agreement regarding the assets and liabilities to be taken over are:</p> <table border="1" data-bbox="302 726 1317 1171"> <thead> <tr> <th>Particulars</th> <th>Book Value (₹)</th> <th>Agreed Value (₹)</th> </tr> </thead> <tbody> <tr> <td>Building</td> <td>20,00,000</td> <td>35,00,000</td> </tr> <tr> <td>Plant and Machinery</td> <td>12,00,000</td> <td>8,00,000</td> </tr> <tr> <td>Stock</td> <td>4,00,000</td> <td>4,00,000</td> </tr> <tr> <td>Trade receivables</td> <td>5,00,000</td> <td>4,00,000</td> </tr> <tr> <td>Creditors</td> <td>2,00,000</td> <td>3,00,000</td> </tr> <tr> <td>Outstanding Expenses</td> <td>50,000</td> <td>1,00,000</td> </tr> </tbody> </table> <p>It was decided to pay for purchase consideration as ₹ 7,00,000 through cheque and balance by issue of 2,00,000, 9% Debentures of ₹ 20 each at a premium of 25%. Journalize.</p> <p>(b) On April 1, 2019 Dox Limited issued, 10,000, 8% Debentures of ₹ 100 each at premium of 5%, to be redeemable at a premium of 10%, after 5 years. The entire amount was payable on application. The issue was oversubscribed to the extent of 10,000 debentures and the allotment was made proportionately to all the applicants. The securities premium amount has not been utilized for any other purpose during the year. Give journal entries for the issue of debentures and writing off loss on issue of debentures. Also state any other 2 uses of securities premium apart from writing off Discount or Loss on issue of Debentures..</p>	Particulars	Book Value (₹)	Agreed Value (₹)	Building	20,00,000	35,00,000	Plant and Machinery	12,00,000	8,00,000	Stock	4,00,000	4,00,000	Trade receivables	5,00,000	4,00,000	Creditors	2,00,000	3,00,000	Outstanding Expenses	50,000	1,00,000	6
Particulars	Book Value (₹)	Agreed Value (₹)																					
Building	20,00,000	35,00,000																					
Plant and Machinery	12,00,000	8,00,000																					
Stock	4,00,000	4,00,000																					
Trade receivables	5,00,000	4,00,000																					
Creditors	2,00,000	3,00,000																					
Outstanding Expenses	50,000	1,00,000																					

PART-B
(ANALYSIS OF FINANCIAL STATEMENTS)

27	<p>What are the principle revenue producing activities for an insurance company?</p> <p>(a) Payment of Claims (b) Receipt of Premium (c) Both (a) and (b) (d) None of these</p>	1
28	<p>Which of the following transactions will result into flow of cash?</p> <p>(a) Received ₹ 19,000 from debtors (b) Deposited cheques of ₹ 10,000 into bank (c) Cash withdrawn from bank ₹ 20,000 (d) Issued 20,000, 9% debentures to the vendor of machinery</p> <p style="text-align: center;">or</p> <p>Which of the following transactions will not result into flow of cash?</p> <p>I. Issue of equity shares of ₹ 1,00,000 II. Purchase of machinery of ₹ 1,75,000 III. Redemption of 9% debentures of ₹ 3,50,000 IV. Cash deposited into bank ₹ 15,000</p> <p>(a) II and III (b) I and III (c) Only IV (d) I and II</p>	1
29	<p>Total Assets Debt is used for calculating</p> <p>(a) Debt-turnover Ratio (b) Total Assets of Debt Ratio (c) Debtors Turnover Ratio (d) Debt-equity Ratio</p>	1
30	<p>A company's revenue from operations is ₹ 20,00,000, cost of revenue from operations is ₹ 14,00,000 and indirect expenses are ₹ 2,00,000, then what is the amount of the gross profit?</p> <p>(a) ₹ 5,00,000</p>	1

	<p>(b) ₹ 6,00,000 (c) ₹ 16,00,000 (d) ₹ 3,00,000</p> <p style="text-align: center;">or</p> <p>Which one of the following is correct?</p> <p>(i) A ratio is an arithmetical relationship of one number to another number. (ii) Liquid ratio is also known as acid test ratio. (iii) Ideally-accepted current ratio is 1 : 1. (iv) Debt-equity ratio is the relationship between outsider's funds and shareholder's funds. In the context of the above statements, which of the following options is correct?</p> <p>(a) Only (ii), (iii) and (iv) are correct (b) Only (ii) and (iv) are correct (c) All (i), (ii), (iii) and (iv) are correct (d) Only (i), (ii) and (iv) are correct</p>							
31	State any three limitations of analysis of financial statements.	3						
32	Calculate proprietary ratio, if Total assets to Debt ratio is 2:1. Debt is ₹ 5,00,000. Equity shares capital is 0.5 times of debt. Preference Shares capital is 25% of equity share capital. Net profit before tax is ₹ 10,00,000 and rate of tax is 40%.	3						
33	<p>Prepare Common Size Statement of Profit & Loss from the following and interpret the same. (4)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="width: 50%;">Particulars</th> <th style="width: 25%;">31.3.2018(Rs.</th> <th style="width: 25%;">31.3.2017(R</th> </tr> </thead> <tbody> <tr> <td style="height: 40px;"></td> <td></td> <td>s.)</td> </tr> </tbody> </table>	Particulars	31.3.2018(Rs.	31.3.2017(R			s.)	4
Particulars	31.3.2018(Rs.	31.3.2017(R						
		s.)						

Revenue from operation	25,00,000	20,00,000
Other income	1,00,000	1,00,000
Cost of material consumed	17,00,000	14,00,000
Finance cost	2,00,000	1,60,000
Other expenses	1,00,000	1,40,000

OR

Prepare a Comparative Statement of Profit & Loss from the following details.

Particulars	31.3.2018(Rs.)	31.3.2017(Rs.)
Revenue from operation	30,00,000	20,00,000
Other income (% of revenue from operation)	15%	20%
Expenses (% of operating revenue)	60%	50%

34	<p>From the Balance sheet and information given below, prepare cash flow statement.</p> <p style="margin-left: 40px;">Balance Sheet</p> <p style="margin-left: 40px;">As at 31st March 2020</p> <table border="1" style="width: 100%; margin-top: 10px;"> <tr> <td style="width: 70%;">Particulars</td> <td style="width: 30%;">31st March 20</td> </tr> </table>	Particulars	31 st March 20	6
Particulars	31 st March 20			

I.EQUITIES AND LIABILITIES			
Creditors	32,000		35,200
A's Loan	20,000		-
Loan from bank	32,000		40,000
Capital	1,00,000		1,22,400
	<u>1,84,000</u>		<u>1,97,600</u>
II.ASSETS			
Cash	8,000		5,600
Debtors	24,000		40,000
Stock	28,000		20,000
Land	32,000		40,000
Machinery	64,000		44,000
Building	28,000		48,000
	<u>1,84,000</u>		<u>1,97,600</u>
<p>During the year, machinery costing Rs.8,000 (Accumulated depreciation Rs.2,400) was sold for Rs.4,000. The provisions for depreciation against machinery as on 31st March ,2019 and 31st March 2020 were Rs.20,000 and Rs.32,000 respectively.Net profit for the year amounting to Rs.36,000.</p>			