OSDAV Public School, Kaithal

Pre Board Examination (2024-25)

Class :XII

Subject :ACCOUNTANCY

SET-A

Time : 3hrs. **M.M :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 .Question 1 to 16 and 27 to 30 carries 1 mark each.

4 Questions 17 to 20, 31and 32 carries 3 marks each.

5.Questions from 21 ,22 and 33 carries 4 marks each

6.Questions from 23 to 26 and 34 carries 6 marks each

	PART A : ACCOUNTING FOR PARTNERSHIP FIRM	
1	P. Q and R are partners in a firm sharing profits and losses in the ratio of 2:2:1. For the year ended 31st March, 2023, interest on capital was credited to them @ 10% p.a. instead of 5% p.a. Their capitals were ₹2,00,000, ₹ 1,00,000, ₹50,000 respectively and balances in their Current Accounts were ₹20,000, ₹10,000 and₹ 5,000 respectively. The necessary adjustment entry to rectify the error will be?	1
2	Assertion (A): Dissolution of Partnership can be done by Court Approval. Reason (R): Court may decide to voluntary Take action for dissolution of Partnership Firm In the context of above two statements, which of the following is correct? (a) Assertion (A) is correct but Reason (R) is incorrect. (b) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A). (c) Both Assertion (A) and Reason (R) are incorrect. (d) Both Assertion (A) and Reason (R) are correct, and Reason (R) is the correct explanation of Assertion (A).	1
3	Joy Ltd. forfeited 300 shares (held by Sumit, a shareholder) of ₹10 each on which ₹6 per share was called-up but he had paid ₹4 per share. The forfeited shares were reissued to Mukul, credited as ₹6 per share for₹1,500. Amount to be transferred to Capital Reserve is (a) ₹1,200. (b) ₹1,000. (c) ₹1,100. (d) ₹900. **Or** On 1st April, 2022, Hina Ltd. had a balance of₹ 4,00,000 in Securities Premium Account. During the year, company issued 1,000 equity shares of 100 each as Bonus Shares and used the balance amount to write off Loss on Issue of Debentures on account of issue of 1,00,000, 9% Debentures of 100 each at a discount of 10% and redeemable at 5% premium.What amount will be transferred to the debit of Statement of Profit & Loss for the year for Loss on Issue of Debentures? a) ₹15,00,000. b) ₹11,00,000. c) ₹12,00,000 d) ₹10,00,000	1
4	A and B are partners sharing profits and losses in the ratio of 2: 3. On 1st April, 2023, they decided to share future profits and losses in the ratio of 2: 1. An extract of their Balance Sheet as at 31st March, 2023 is as follows:	1

Liabilities	₹	Assets	₹

Investment FLUCTUATION Reserve	5,000	Investment	1,00,000

At the time of reconstitution, after adjusting the fall in book value of investment through Investment Fluctuation Reserve, ₹3,000 shortage is charged to Revaluation Account. Market Value of Investment is

(α) ₹97,000. (b) ₹95,000. (c) ₹92,000. (d) ₹90,000.

Or

At the time of admission of Vasu as a partner, old partners Paresh and Prabhav had debtors of₹ 6,20,000 and provision for doubtful debts ₹20,000 in their books. As per the terms of admission, assets were revalued and thus debtors ₹15,000 had turned bad and hence were to be written off. Which Journal entry reflects the correct accounting treatment of the above?

5 Piyush and Deepika are partners in a firm. Piyush is to get commission of 10% of net profit before charging any commission. Deepika is to get a commission of 10% of net profit after charging all commissions. Net profit before charging commission was 55,000. Commission of Piyush and Deepika will be 1

a) ₹45,00 ,₹5500. b) ₹5500 , ₹5000. c) ₹5500 ₹ 4500 d) ₹4500 ₹5,000

6 Akshita Ltd. issued fully paid shares of ₹ 5,00,000 in purchase consideration of net assets of₹4,70,000. The balance of₹ 30,000 will be _______to______ Account, 1

(a) debited, Goodwill. (b) debited, Capital Reserve

(c) credited, Capital Reserve. (d) credited, General Reserve

7 Attire 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 received. Which of the following application money, if received restricts the company to proceed with the allotment of shares, as per SEBI guidelines 1

a) 36,000. b) 45,000 c) 30,000 d) 32,400

8 Amay, Bina and Chander are partners in a firm with capital balances of ₹ 50,000, ₹ 70,000 and ₹ 80,000 respectively on 31st March, 2022. Amay decides to retire from the firm on 31st March, 2022. With the help of the information provided, calculate the amount to be paid to Amay on his retirement. There existed a general reserve of ₹ 7,500 in the balance sheet on that date. The goodwill of the firm was valued at ₹ 30,000. Gain on revaluation was₹24,000. 1

a) 88500. b) 90500 c)65375 d)70500

Or

A, B and C are partners. A's capital is ₹ 3,00,000 and B's capital is ₹1,00,000. C has not invested any amount as capital but he alone manages the whole business. C wants 30,000 p.a. as salary, though the deed is silent. Firm earned a profit of ₹1,50,000. How much will each partner receives as an appropriation of profits?

a) A ₹ 60,000; B ₹ 60,000; C ₹ 30,000

b) A ₹ 90,000; B ₹ 30,000; C ₹ 30,000

c) A ₹ 40,000; B ₹ 40,000 and C ₹ 70,000

d) A ₹ 50,000; B ₹ 50,000 and C ₹ 50,000

Read the following hypothetical situation, Answer Question No. 9 and 10Puneet and Raju are partners in a clay toys making firm. Their capitals were ₹ 5,00,000 and ₹ 10,00,000 respectively. The firm allowed Puneet to get a commission of 10% on the net profit before charging any commission and Raju to get a commission of 10% on the net profit after charging all commission. Following is the Profit and Loss Appropriation Account for the year ended 31st March 2022

To Puneet capital (Commission) (_____×10/100)	44000	By Profit and loss Appropriation	*****

To Raju Commission	*****		
To Profit Shared Transfer to :	*****		
Puneet capital Raju Capital	******		
	*****		*****

9	Raju's commission will be:- a) ₹ 40,000 b) ₹ 44,000 c) ₹ 36,000 d) ₹ 36,440	1
10	Puneet's share of profit will be :- a) ₹ 1,80,000 b) ₹ 1,44,000. c) ₹ 2,16,000 d) ₹ 1,60,000	1
11	Choose the correct sequence of the following transactions in context of Division of Profits. (i) Guarantee by Firm to Partners (ii) Guarantee by Partners to Firm (iii)Transfer of Profits to Profit and Loss Appropriation Account (iv)Guarantee by Partner to Partner a) (i); (iii) ; (iv) ; (ii) b) (iii); (i) ; (ii) ; (iv) c) (iii) ; (ii) ; (i); (iv) d) (ii); (iii); (iv); (i)	1
12	If 10,000 shares of ₹10 each were forfeited for non-payment of final call money of ₹ 3 per share and only 7,000 shares were re-issued @ ₹ 11 per share as fully paid up, then what is the amount of maximum possible discount that company can allow at the time of re-issue of the remaining 3,000 shares? a) ₹ 28,000 b) ₹ 21,000. c) ₹ 9,000 d) ₹ 16,000	
13	As per Companies Act 2013, Securities Premium Balance can be utilised for which of the following purpose? a) Issuing bonus to existing shareholders to convert partly paid up into fully paid-up bonus shares. b) Providing for Premium payable on Redemption of Debentures. c) Writing off all Capitalised Expenditures d) Buy Back of Debentures	1
14	Ganga and Jamuna are partners sharing profits in the ratio of 2:1. They admit Saraswati for 1/5th share in future profits. On the date of admission, Ganga's capital was ₹ 1,02,000 and Jamuna's capital was ₹ 73,000. Saraswati brings ₹ 25,000 as her share of goodwill and she agrees to contribute proportionate capital of the new firm. How much capital will be brought by Saraswati? a) ₹ 43,750. b) ₹ 37,500. c) ₹ 50,000. d) ₹ 40,000	1
15	Green and Orange are partners. Green draws a fixed amount at the beginning of every month. Interest on drawings is charged @8% p.a. At the end of the year interest on Green's drawings amounts to ₹ 2,600. Monthly drawings of Green were: a) ₹ 8,000b) ₹ 60,000 c) ₹ 7,000 d) ₹ 5,000 **Or** Girdhar, a partner withdrew ₹ 5,000 in the beginning of each quarter and interest on drawings was calculated as ₹ 1,500 at the end of accounting year 31 March 2022. What is the rate of interest on drawings charged?	1

	a) 6% p.a. b) 8% p.a. c) 10% p.a. d) 12% p.a.	
16	At the time of dissolution of a firm, Creditors are ₹ 70,000; Firm's Capital is ₹ 1,20,000; Cash Balance is ₹ 10,000. Other assets realised ₹ 1,50,000. Gain/Loss in the realisation account will be: a) ₹ 30,000 (Gain). b) ₹ 40,000 (Gain). c) ₹ 40,000 (Loss). d) ₹ 30,000 (Loss)	1
17	Nirmala, Divisha and Sara were partners in a firm sharing profits and losses in the 3:4:3. Books were closed on 31st March every year. Sara died on 1stFebruary, 2022. As per the partnership deed Sara's executors are entitled to her share of profit till the date of death on the basis of Sales turnover. Sales for the year ended 31st March 2021 was ₹ 10,00,000 and profit for the same year was ₹ 1,20,000. Sales show a positive trend of 20% and percentage of profit earning is reduced by 2%.Journalise the transaction along with the working notes.	3
18	Amay, Anmol and Rohan entered into partnership on 1st July, 2021 to share profits and losses in the ratio of 3:2:1. Amay guaranteed that Rohan's share of profit after charging interest on capital @ 6% p.a would not be less than ₹ 36,000 p.a. Their fixed capital balances are: ₹ 2,00,000, ₹ 1,00,000 and ₹ 1,00,000 respectively. Profit for the year ended 31st March, 2022 was ₹1,38,000. Prepare Profit and Loss Appropriation A/c. Or Ajay, Manish and Sachin were partners sharing profits in the ratio 5:3:2. Their Capitals were ₹ 6,00,000; ₹ 8,00,000 and ₹ 11,00,000 as on April 01, 2021. As per Partnership deed, Interest on Capitals were to be provided @ 10% p.a. For the year ended March 31, 2022, Profits of ₹ 2,00,000 were distributed without providing for Interest on Capitals. Pass an adjustment entry and show the workings clearly.	3
19	Anthony Ltd. issued 20,000, 9% Debentures of ₹ 100 each at 10% discount to Mithoo Ltd. from whom Assets of ₹ 23,50,000 and Liabilities of ₹ 6,00,000 were taken over. Pass entries in the books of Anthony Ltd. if these debentures were to be redeemed at 5% premium.	3
20	Doremon, Shinchan and Nobita 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 four years which were as follows: Year ending on 31st March,2019 ₹ 50,000 (Profit) Year ending on 31st March,2020 ₹ 1,20,000 (Profit) Year ending on 31st March,2021 ₹ 1,80,000 (Profit) Year ending on 31st March,2022 ₹ 70,000 (Loss) On 1st April, 2021 a Motor Bike costing ₹ 50,000 was purchased and debited to travelling expenses account, on which depreciation is to be charged @ 20% p.a by Straight Line Method. The firm also paid an annual insurance premium of ₹ 20,000 which had already been charged to Profit and Loss Account for all the years. Journalise the transaction along with the working notes.	3
21	Rashi Ltd. was registered with an authorised Capital of ₹ 4,00,00,000 divided in 25,00,000 Equity Shares of ₹ 10 each and 1,50,000, 9% Preference Shares of ₹ 100 each. The company issued 8,00,000 Equity Shares for public subscription at 20% premium, payable ₹ 3 on application; ₹ 7 on allotment (including Premium) and balance on call. Public had applied for 10,00,000 shares. Excess Applications were sent letters of regret. All the dues on allotment received except on 15,000 shares held by Sanju. Another shareholder Rocky paid his call dues along with allotment on his holding of 25,000 shares. You are required to prepare the Balance Sheet of the company as per Schedule III of Companies Act, 2013, showing Share Capital balance and also prepare Notes to Accounts.	4

22 Sandeep, Maheep and Amandeep were partners in a firm sharing profits in the ratio of 2: 2: 1. The firm closes its books on 31st March every year. On 30th June, 2020Maheepdied. The partnership deed provided that on the death of a partner his executors will be entitled to the following

1)Balance in his capital account which amounted to ₹1,15,000and interest on capital till date of death which amounted to ₹5,000

2)His share in the profits of the firm till the date of his death amounted to ₹20,000.

3)His share in the goodwill of the firm. The goodwill of the firm on Maheep’s death was valued at ₹ 1,50,000.

4)Loan to Maheep amounted ₹ 20,000. It was agreed that the amount will be paid to his executor in three equal yearly instalments with interest @10% p.a. The first instalment was to be paid on 30.06.2021.

Calculate the amount to be transferred to Maheep’s executors Account and prepare the executor’s account till it is finally settled. **4**

23 OTUA Ltd. was registered with an authorised capital of 2,00,000 equity shares of ₹ 100 each. The company offered 60,000 shares for public subscription at 25% premium. The share was payable as ₹ 40 on application and balance on allotment, with premium. Public had applied for 85,000 shares. Pro-rata allotment was made in the ratio of 5:4 and remaining applications were sent letterof regret. Mr. Anand holding 4,000 shares failed to pay allotment money and his shareswere forfeited. Out of these 3,000 shares were re-issued at a discount of ₹ 20 per share. Pass necessary entries in the books of the OTUA Ltd. **6**

Or

Pass entries for forfeiture and reissue in both the following cases.

(a) Vikram Ltd. forfeited 5,000 shares of Rahul, who had applied for 6,000 shares for non-payment of allotment money of ₹ 5 per share and first and final call of ₹ 2 per share. Only application money of ₹ 3 was paid by him. Out of these 3,000 shares were re-issued @ ₹ 12 per share as fully paid.

(b) Ratan Ltd. forfeited 3,000 shares of ₹ 10 each (issued at ₹ 2 premium) for non-payment of first call of ₹ 2 per share. Final call of ₹ 3 per share was not yet made. Out of these 2,000 shares were re-issued at ₹ 10 per
share as fully paid.

24 P, Q and R were partners in a firm sharing profits in the ratio of 3:2:1 respectively. On March 31st, 2022, the balance sheet of the firm stood as follows: **6**

Liabilities	₹	Assets	₹
Creditors	13,000	Cash	4700
B/P	590	Debtor	8000
Capital:		Stock	11690
P 15,000	35,000	Building	23,000
Q 10,000		P&I	1200
R. 5,000			

Q retired on the above-mentioned date on the following terms:

(i) Buildings to be appreciated by ₹7,000

(ii) A provision for doubtful debts to be made at 5 % on debtors.(iii)Goodwill of the firm is valued at ₹ 18,000 .

(iv)₹ 2,800 was to be paid to Q immediately and the balance in his capital account to be transferred to his loan account carrying interest as per the agreement.

(v) Remaining partner decided to maintain equal capital balances, by opening current account.Prepare Revaluation A/C and Capital a/c

25 **Sunny and bobby are partners in a firm sharing profits and losses in the ratio of 3:2 ,their balance sheet as at 31st March 2012**

Liabilities	₹	Assets	₹
Creditors	1,90,000	Bank	5,000
Bills payable	1,10,000	Fixed Deposit	70,000
Employee Provident Fund	50,000	Stock	86,000
Mrs Sunny loan	55,000	Investment	1,04,000
Bobby loan	85,000	Debtors 1,77,000	1,65,000
Investment Fluctuation funds	30,000	-provisions 12,000	
Capital		Other fixed Assets	3,80,000
Sunny : 2,20,000		DeferredRevenueExpenditure	35,000
Bobby : 1,20,000		Sunny loan	15,000
	3,40,000		
	8,60,000		**8,60,000**

The firm was dissolved on 31 March ,2012 .The assets were realised and the liabilities was paid as under:Prepare **Realization** Account from following

a) Sunny promised to pay off Mrs.Sunny's Loan
b) Bobby took away stock at 20% discount and 80% of Investment at 10% discount
c) Dharam ,a Debtor of ₹60,000 had to pay the amount due 2 months after the date of dissolution. He was Allowed a discount of 9% p.a for making Immediate payment
d) Creditors were paid ₹1,75,000 in full settlement of claim
e) 90% of other fixed Asset realised ₹1,98,000 and remaining were realised at discount of 15%
f) Balance of Investment were sold at 75% value and fixed deposit realised at 110%
g) Bobby took away old Furniture worth ₹ 41,000 which were written off from books and balance given in cash
h) Realisation expenses ₹20,000 were paid nh Sunny and bobby equally on firm behalf

26 Health2Wealth Ltd. had share capital of ₹ 80,00,000 divided in shares of ₹ 100 each and 20,000, 8% Debentures of ₹ 100 each as part of capital employed. The company need additional funds of ₹ 55,00,000 for which they decided to issue debentures in such a way that they got required funds after issuing debentures of the same class as earlier, at 10% premium. These debentures were to be redeemed at 20% premium after 4 years. These debentures were issued on 01 October, 2021. — 6

You are required to
(a) Pass entries for issue of Debentures.
(b) Prepare Loss on Issue of Debentures Account assuming there was existing balance of Securities Premium Account of ₹ 2,80,000.
(c) Pass entries for Interest on debentures on March 31, 2022 assuming interest is payable on 30 September and 31 March every year

Part B :- Analysis of Financial Statements.

27 Financial statements are prepared on certain basic assumptions (pre-requisites) known as___________. — 1

a) Provision of Companies Act,2013 b) Accounting Standards
c) Postulates d) Basis of Accounting

Or

Which one of the following is correct?
(i) Quick Ratio can be more than Current Ratio.

	(ii) High Inventory Turnover ratio is good for the organisation, except when goods are bought in small lots or sold quickly at low margins to realise cash. (iii) Sum of Operating Ratio and Operating Profit ratio is always 100 a) All are correct. b) Only (i) and (iii) are correct. c) Only (ii) and (iii) are correct. d) Only (i) and (ii) are correct	
28	From the following calculate Interest coverage ratio Net profit after tax Rs 12,00,000; 10% debentures Rs 1,00,00,000; Tax Rate 40% a) 1.2 times b) 3 times. c) 2 times d) 5 times	1
29	Insurance Claim received by Albert Co. Ltd. of ₹ 5,00,000 for Loss of Machinery due to theft will be recorded in Cash Flow Statement in which of the following manner? a) Added under Operating Activities as Extraordinary Item and Subtracted from Operating Activities also .b) Subtracted under Operating Activities as Extraordinary Item and Added to Operating Activities also. c) Added under OperatingActivities as Extraordinary Item and Outflow under Investing Activity also. d) Subtracted under Operating Activities as Extraordinary Item and Inflow under Investing Activities also Or A company issued 20,000; 9% Debentures of ₹ 100 each at 10% Discount. These debentures were to be redeemed at 15% Premium at the end of 5 years. The balance in Securities Premium Account as on the date of Issue was ₹ 3,70,000. How this transaction will be reflected in Cash Flow Statement? a) Added ₹ 1,30,000 under Operating Activities as Loss on Issue of Debentures written off and Inflow of ₹ 20,00,000 under Financing Activities. b) Added ₹ 5,00,000 under Operating Activities as Loss on Issue of Debentures written off and Inflow of ₹ 18,00,000 under Financing Activities. c) Added ₹ 1,30,000 under Operating Activities as Loss on Issue of Debentures written off and Inflow of ₹ 18,00,000 under Financing Activities. d) Added ₹ 5,00,000 under Operating Activities as Loss on Issue of Debentures written off and Inflow of ₹ 20,00,000 under Financing Activities.	1
30	From the following information find out the inflow of Cash by sale of Office equipment's. 2022. 2021 Office equipments ₹ 2,00,000. ₹3,00,000 Additional Information: Depreciation for the year 2021-22 was Rs. 40,000 Purchase of Office Equipment purchased during the year Rs. 30,000 Part of Office Equipment sold at a profit of Rs. 12,000 a) ₹ 1,00,000 b) ₹ 1,02,000. c) ₹ 90,000. d) ₹ 1,12,000	1
31	Classify the following items under Major heads and Sub-head (if any) in the Balance Sheet of a Company as per schedule III of the Companies Act 2013. (i) Current maturities of long term debts. (ii) Furniture and Fixtures (iii)Provision for Warrantie. (iv)Income received in advance (v) Capital Advances. (vi)Advances recoverable in cash within the operation cycle	3
32	Prepare Common Size Statement of Profit and Loss from the following information of Amateur Ltd. for the year ended March 31, 2023. Particulars. Amount (in ₹) Revenue from Operations. :250 % of Employee Benefit Expenses Purchases of Stock in Trade. : 2,50,000	

	Opening Inventory : :80,000 Closing Inventory. :1,55,000 Employee Benefit Expenses :6,00,000 Other Income. :3,00,000 10% Debentures. : 6,00,000 Depreciation on Tangible Assets :75,000 Amortisation of Intangible Assets :15,000 Tax rate 20%	
33	Determine Return on Investment and Net Assets Turnover ratio from the following information:- Profits after Tax were ₹ 6,00,000; Tax rate was 40%; 15% Debentures were of ₹20,00,000; 10% Bank Loan was ₹ 20,00,000; 12% Preference Share Capital ₹ 30,00,000; Equity Share Capital ₹ 40,00,000 ; Reserves and Surplus were ₹ 10,00,000; Sales ₹ 3,75,00,000 and Sales Return ₹ 15,00,000. **Or** Debt to Capital Employed ratio is 0.3:1. State whether the following transactions, will improve, decline or will have no change on the Debt to Capital Employed Ratio. Also give reasons . (i) Sale of Equipments costing ₹ 10,00,000 for ₹ 9,00,000. (ii) Purchased Goods on Credit for ₹ 1,00,000 for a credit of 15 months, assuming operating cycle is of 18 months. (iii) Conversion of Debentures into Equity Shares of ₹ 2,00,000. (iv) Tax Refund of ₹ 50,000 during the year	4
34	From The following Information of Abhipra Ltd .determine i) Cash Flow from **Operating** Activitiesii) Cash flow from **Financing** Activities	6

	31 March 2023	31 March 22
Trade Receivables	85,000	1,00,000
Inventories	1,25,000	1,50,000
Prepaid Expense	60,000	50,000
Expense Outstanding	45,000	35,000
Provision for tax	75,000	50,000
Cash in Hand	2,50,000	3,75,000
Furniture at book value	6,00,000	8,00,000
General Reserve	2,50,000	2,00,000
10% Debentures	2,00,000	1,50000
Goodwill	3,00,000	3,50,000
Trade Payables	1,05,000	1,25,000
Balance in Statement of Profit and Loss (cr	6,50,000	6,00,000
Proposed Dividend	25,000	20,000
Share Capital	25,00,000	15,00,000

Additional Information :During the year 22-23

a) Furniture costing ₹1,50,000 (accumulated depreciation ₹15,000) was sold for ₹1,25,000
b) Tax Paid ₹45,000

	c) Interim Dividend of ₹25,000 was paid d) The company paid ₹15,000 as interest on debentures	

Time:3hr

OSDAV Public School, Kaithal
Preboard Examination (2024-25) **SET :B**
Class :XII
Subject :ACCOUNTANCY. **MM:-80**

	ACCOUNTING FOR PARTNERSHIP FIRM AND COMPANIES ACCOUNT	
1	Geeta, Sunita and Anita were partners in a firm sharing profits in the ratio of3:2:1.On 1st April, 2023, they admitted Yogita as a new partner on the following terms: (i) Goodwill of the firm to be valued at₹3,00,000. Yogita brings her share of goodwill. (ii) New profit-sharing ratio among Geeta, Sunita, Anita and Yogita will be 3:3:2:2. Which of the following entry is correct for adjustment of goodwill?	1
2	Assertion (A): Valid partnership can be formed even without a Partnership Deed among the partners. Reason (R): Registration of partnership firm is optional. In the context of above two statements, which of the following is correct? (a) Assertion (A) is correct but Reason (R) is incorrect. (b) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A). (c) Both Assertion (A) and Reason (R) are incorrect. (d) Both Assertion (A) and Reason (R) are correct, and Reason (R) is the correct explanation of Assertion (A).	1
3	200 equity shares of ₹ 10 each issued at par were forfeited for non-payment of fire call of ₹3 per share. Final call of 2 per share was not yet called. By which amount the share capital will be debited on forfeiture? (a) ₹2,000. (b) 1,000 (C) ₹1,600. (d) ₹2,200 **Or** Y Lad. forfeited 50 shares of 100 each issued at 10% premium on which allotment money of 30 per share (including premium) and first call of 30 per share were not received and final call of 20 per share was not yet called. 20 of these shares were reissued as 80 paid-up for ₹70 per share.On reissue, Share Capital Account will be (a) Debited with ₹ 1,600. (b) Credited with 1,600. (c) Debited with ₹ 1,400. (d) Credited with 1,400.	1
4	L, M and N are partners sharing profits in the ratio of 5:3:2. They decided to share profits equally with effect from 1st April, 2023. On that date, there was a balance of 2,00,000 in General Reserve and a credit balance of₹ 4,00,000 in the Profit & Loss Account. The Journal entry for the above on account of change in profit-sharing ratio will be? **Or** X, Y and Z are partners sharing profits and losses in the ratio of 2: 3: 1. They decided to share profits in the ratio of 3:2:1 with effect from 1st April, 2023. At the time of change of profit-sharing ratio, unrecorded furniture will be recorded in the books of Accounts by (a) Debiting it to Partners' Capital Accounts. (b) Debiting it to Revaluation Account. (c) Crediting it to Revaluation Account. (d) Crediting it to Partners' Capital Accounts.	1
5	Ankit and Vikas are partners in a firm. Which of their claims is valid? (a) Ankit is an active partner and wants a salary of₹ 1,00,000 per year. (b) Vikas had advanced a loan to the firm and claims interest @ 10% p.a. (c) Vikas wants interest on capital to be credited @ 6% per annum. (d) Capitals contributed by Ankit and Vikas are₹10,00,000 and ₹25,00,000 respectively. Ankit	1

	wants that profits be shared equally.	
6	Royal Ltd. issued 25,000, 9% Debentures of 100 each at par redeemable at premium of 10 per debenture against acquisition of business of Sujit Enterprises having assets of ₹ 35,00,000 and Liabilities of ₹ 5,00,000. Journal entry for acquiring the business will be? **Or** Link Ltd. issued 50,000 Equity Shares of 10 each at par and 10,000, 6% Preference Shares of 100 each redeemable after 5 years at premium of 10%. It received Equity Shares Application and Allotment Money for 40,000 Equity Shares and for 20,000, 6% Preference Shares. In the context of above, select the correct statement from the following: (a) The company can issue both Equity Shares and 6% Preference Shares. (b) The company can neither issue Equity Shares nor 6% Preference Shares. (c) The company can issue Equity Shares but can not issue 6% Preference Shares. (d) The company can not issue Equity Shares but can issue 6% Preference Shares.	1
7	**Assertion** (A): Pentonic Ltd. took over business of Delhi Printers for ₹ 13,00,000 to be paid by issue of 9% Debentures of 100 each at 115 per debenture. It issued 11,304 Debentures and paid 40 in cash/by cheque. **Reason(R)**: Debentures are not issued in fractions and therefore, 40 had to be paid in cash/by cheque. In the context of above two statements, which of the following is correct? (a) Assertion (A) is correct but Reason (R) is wrong. (b) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A). (c) Both Assertion (A) and Reason (R) are incorrect. (d) Both Assertion (A) and Reason (R) are correct, and Reason (R) is the correct explanation of Assertion (A)	1
8	Section 37 of the Partnership Act states that the outgoing partner is entitled to :- A. Proportionate share in profits B. Interest on Loan dues @ 6% p.a C. Immediate payment of dues D. Either of A or B	1
9	An amount of ₹50,000 was payable to the retiring partner and it was brought in by the remaining partners in the ratio 3:2. What will be the effect on bank/cash balance in the reconstituted balance sheet? A. Increase in Balance by ₹ 50,000 B. Decrease in Balance by ₹ 50,000 C. No Change in Cash Balance. D. Decrease in Balance by ₹ 1,00,000 **OR** A, B and C were partners in a firm. C died on 31st July 2023. His share of profit or losses was to be calculated on the basis of previous year's profit or loss. Loss for the year ended 31st March 2023 was ₹8,10,000. Which of the following is correct option: A. C to be debited by ₹ 2,70,000. B. C to be debited by ₹ 90,000 C. C to be credited by ₹ 2,70,000. D. C to be credited by ₹ 90,000	1
10	What amount would be reflected in Share forfeiture account upon forfeiture of shares held by Rajesh? A. ₹ 32,000 B. ₹ 20,000 C. ₹ 15,000 D. ₹ 27,000	1
11	What amount will be transferred to Capital Reserve after re-issue of 3,000 shares? A. ₹ 16,200 B. ₹ 19,200 C. ₹ 10,200	1
12	From the journal entries given below, identify the entry that can be passed for issue of debentures as collateral security: A. Security premium A/c – Dr	1

	To Debentures A/c. B. Bank loan A/c -Dr To Debentures A/c C. Debentures A/c--- Dr To Debentures Suspense A/c D. Debentures Suspense A/c –Dr To Debentures A/c	
13	Realisation expenses amounted to ₹ 15,000 were paid by partner Rahul. Vijay, another partner was appointed to look after dissolution process for which he was allowed remuneration of ₹ 8,000 and Vijay was to bear realisation expenses. What amount will be debited to realisation account for the above? A ₹ 15,000. B ₹ 8,000. C ₹ 23,000. D ₹ 7,000	1
14	P, Q and R were partners sharing profits and losses in the ratio 5:3:2. With effect from 1st April 2023 they decided to share future profits and losses in different ratio. On that date profit and loss account appearing on the asset side of the balance sheet was ₹ 4,00,000 and following entry was passed: P's Capital A/c Dr. ₹ 25,000 To Q's Capital A/c ₹ 5,000 To R's Capital A/c ₹ 20,000 Find new Ratio. A. 45 : 23 : 12 B. 7 : 5 : 4 C. 2 : 1 : 1 D. 1 : 1 : 1 **OR** Eena, Meena and Deeka are partners sharing profits and losses in the ratio 5:4:1. Meena retired on 31st March 2023 and her dues came out to be ₹ 7,20,000. Amount of ₹ 1,20,000 was paid immediately and balance was to be paid in three equal annual instalments together with interest @ 10% per annum. Determine the amount payable to Meena on 31st March 2025. A. ₹ 2,00,000 B. ₹ 2,60,000 C. ₹ 2,40,000 D. ₹ 2,88,00	1
15	Workmen Compensation Reserve was appearing in the Balance Sheet at ₹ 4,00,000. At the time of admission of partner Sohail, claim for workmen compensation was ₹ 4,50,000. Determine the amount to be shown in Revaluation Account. A. Debited ₹ 4,50,000 B. Credited ₹ 4,00,000 C. Debited ₹ 50,000 D. Credited ₹ 50,000	1
16	Girdhar, a partner withdrew ₹ 5,000 in the beginning of each quarter and interest on drawings was calculated as ₹ 1,500 at the end of accounting year 31 March 2022. What is the rate of interest on drawings charged? a) 6% p.a. b) 8% p.a. c) 10% p.a. d) 12% p.a.	1
17	Raju and Rinku were partners sharing profits and losses in the ratio 3:2. They admitted Sumit as a new partner for 1/3 share. On the date of admission Capitals of Raju and Rinku were ₹ 5,50,000 and ₹ 6,50,000 respectively, also, General Reserve of ₹ 3,00,000 and Profit and Loss (Dr.) balance of ₹ 1,00,000 were appearing in the books of accounts. Firm made an average profits of ₹ 2,40,000 during the last few years and the normal rate of earning was expected to be 12%. Calculate the Goodwill of the firm by Capitalisation Method.	3
18	Shikha, Shweta and Manisha were partners sharing profits and losses in the ratio of 5:3:2. They admitted Pooja into partnership for 25% share. Shikha, Shweta and Manisha decided to	3

	share futureprofits and losses equally. Pooja brings in Capital of ₹ 8,00,000 and ₹ 1,50,000 out of her goodwill share of ₹ 2,50,000. Pass necessary entries at the time of Pooja's admission.	
19	Eden and Ivon were partners in a firm sharing profits and losses in the ratio of 5:4. Their capitals were Rs.75,000 and Rs. 90,000 respectively. After the accounts for the financial year ending March 31, 2023 have been prepared, it is observed that interest on capital @ 10% per annum and salary to Eden @ Rs.9,000 per annum, as provided in the partnership deed has not been credited to the partners' capital accounts before distribution of profits. You are required to give necessary rectifying entries using Profit and LossAdjustment Account.	3
20	Anthony Ltd. issued 20,000, 9% Debentures of ₹ 100 each at 10% discount to Mithoo Ltd. from whom Assets of ₹ 23,50,000 and Liabilities of ₹ 6,00,000 were taken over. Pass entries in the books of Anthony Ltd. if these debentures were to be redeemed at 5% premium. **Or** Random Ltd. took over running business of Mature Ltd. comprising of Assets of ₹ 45,00,000 and Liabilities of ₹ 6,40,000 for a purchase consideration of ₹ 36,00,000. The amount was settled by bank draft of ₹ 1,50,000 and balance by issuing 12% preference shares of ₹ 100 each at 15% premium. Pass entries in the books of Random Ltd	3
21	Rihaan Ltd had an authorised capital of 4,00,000 equity shares of ₹10 each. The company offered for subscription 1,00,000 shares. The issue was fully subscribed . The amount payable on application was ₹2 per share, ₹4 per share were payable each on allotment and first and final call. A shareholder holding 100 shares failed to pay the allotment money. His shares were forfeited immediately after the allotment. Show how the 'Share Capital will be shown in the company's balance sheet (as per Schedule III, Part I of the Company's Act, 2013) if the final call has not yet been made. Also prepare Notes to Accounts for same.	4
22	Akum and Bakum are partners sharing profits and losses in the ratio 3:2. The Balance Sheet of the firm on 31st March 2023 was as follow (see table below)	4

Liabilities	₹	Assets	₹
Creditors Bills payable Employee Provident Fund Reserve Fund Capital Akum 90,000 Bakum 70,000	60,000 20,000 50,000 20,000 1,60,000	Cash in hand Debtors Stock Plant and Machinery Building P&Loss Loan to Rajan	10,000 70,000 70,000 40,000 80,000 20,000 20,000
	3,10,000		3,10,000

a)Debtors realised ₹ 50,000; stock realised ₹ 80,000.
b) Akum took away the machinery at an agreed value of ₹ 30,000.
c) Bakum takes over the building at a valuation of ₹ 1,00,000 and agrees to pay creditors at a discount of ₹ 5,000.
d) An unrecorded liability of ₹20,000 was discharged by unrecorded asset of ₹ 35,000 in full settlement.
e) The expenses of realisation came to ₹ 5,000 and were paid by Bakum, however as per agreement they were to be borne by Akum
Prepare Realisation Account

23	Health2Wealth Ltd. had share capital of ₹ 80,00,000 divided in shares of ₹ 100 each and 20,000, 8% Debentures of ₹ 100 each as part of capital employed. The company need	6

	additional funds of ₹ 55,00,000 for which they decided to issue debentures in such a way that they got required funds after issuing debentures of the same class as earlier, at 10% premium. These debentures were to be redeemed at 20% premium after 4 years. These debentures were issued on 01 October, 2021. You are required to (a) Pass entries for issue of Debentures. (b) Prepare Loss on Issue of Debentures Account assuming there was existing balance of Securities Premium Account of ₹ 2,80,000. (c) Pass entries for Interest on debentures on March 31, 2022 assuming interest is payable on 30 September and 31 March every year	
24	A, B and C were partners sharing P&L in the ratio 5:3:2. A died on 30th June, 2019. Entry for treatment of goodwill after his death was passed as follows:- B's Capital A/c Dr. 1,80,000 C's Capital A/c Dr. 1,20,000 To A's Capital A/c. 3,00,000 (Entry for goodwill treatment passed at the time of death of partner) A's profit till date of death was estimated as ₹ 1,20,000, based on the average profits of past three years. Final dues payable to A's executors on the date of death was calculated as ₹ 8,40,000 out of which ₹ 2,40,000 was paid immediately by giving him Furniture valued for the same and balance was to be paid in three equal annual instalments starting from 30 June, 2020, together with interest rate as specified in Section 37 of Indian Partnership Act, 1932.. Pass necessary entry for profit share to be credited to A's Capital and also prepare A's executors account till final settlement.	6
25	OTUA Ltd. was registered with an authorised capital of 2,00,000 equity shares of ₹ 100 each. The company offered 60,000 shares for public subscription at 25% premium. The share was payable as ₹ 40 on application and balance on allotment, with premium. Public had applied for 85,000 shares. Pro-rata allotment was made in the ratio of 5:4 and remaining applications were sent letters of regret. Mr. Anand holding 4,000 shares failed to pay allotment money and his shares were forfeited. Out of these 3,000 shares were re-issued at a discount of ₹ 20 per share. Pass necessary entries in the books of the OTUA Ltd. **Or** Pass entries for forfeiture and reissue in both the following cases. (a) Vikram Ltd. forfeited 5,000 shares of Rahul, who had applied for 6,000 shares for non-payment of allotment money of ₹ 5 per share and first and final call of ₹ 2 per share. Onlyapplication money of ₹ 3 was paid by him. Out of these 3,000 shares were re-issued @ ₹ 12 per share as fully paid. (b) Ratan Ltd. forfeited 3,000 shares of ₹ 10 each (issued at ₹ 2 premium) for non-payment of first call of ₹ 2 per share. Final call of ₹ 3 per share was not yet made. Out of these 2,000 shares were re-issued at ₹ 10 per share as fully paid.	6
26	P, Q and R were partners in a firm sharing profits in the ratio of 3:2:1 respectively. On March 31st, 2022, the balance sheet of the firm stood as follows:	6

Liabilities	₹	Assets	₹
Creditors B/P Capital: P 15,000 Q 10,000	13,000 590 35,000	Cash Debtor Stock Building P&I	4700 8000 11690 23,000 1200

	R. 5,000				
	Q retired on the above-mentioned date on the following terms: (i) Buildings to be appreciated by ₹7,000 (ii) A provision for doubtful debts to be made at 5 % on debtors. (iii)Goodwill of the firm is valued at ₹ 18,000 (iv)₹ 2,800 was to be paid to Q immediately and the balance in his capital account to be transferred to his loan account carrying interest as per the agreement. (v) Remaining partner decided to maintain equal capital balances, by opening current account. Prepare Revaluation A/C and Capital a/c				

	PART B : ANALYSIS OF FINANCIAL STATEMENTS	
27	Current Ratio of the company is 1:1. Which of the following will not affect the Current Ratio but decrease the Quick Ratio. A. Purchase of goods on credit B. Sale of goods on credit at no profit no loss C. Issue of debentures to vendor D. Dividend proposed by the directors	1
28	Which of the following is not limitation of analysis of financial statements: a) Window dressing b) Price level changes ignored c) Subjectivity. d) Intra -firm comparison possible OR Which of the following is not an objective of Analysis of financial statements? a) To judge the financial health of the firm b) To judge the short term and long-term liquidity position of the firm c) To judge the reason for change in the profitability of the firm d) To judge the variations in the accounting practices of the business followed by different enterprises	1
29	Read the following information: 31st March 2022. 31st March 2023 Plant and Machinery (Cost) ₹ 20,00,000. ₹ 30,00,000 Accumulated Depreciation ₹ 4,80,000. ₹ 5,90,000 During the year a part of machinery book value ₹ 2,00,000 was sold for ₹ 1,10,000. Depreciation charged during the year was ₹ 1,50,000. Determine the amount to be shown under non-cash and non-operating expenses while preparing cash flow statement. A. ₹ 1,50,000 B. ₹ 2,00,000 C. ₹ 2,40,000 D. ₹ 50,000 **OR** Read the following Statements: Statement I: Rent received by a real estate company is an operating activity. Statement II: Dividend paid by a finance company is financing activity. Statement III: Current Investment is considered as Cash and Cash Equivalents while preparing cash flow statement. Choose the correct option: A. Only statement I and II are correct B. Only statement II and III are correct	1
30	While preparing Cash Flow Statement, which of the following transactions will affect the cash flow from Investing activities. A. Loss on issue of debentures written off from securities premium B. Goodwill purchased C. Building Purchased by issue of Debentures as consideration D. Issue of Bonus share	1

<table>
<tr><td>31</td><td>State the head and sub head under which the following items are shown in the Balance Sheet of a company as per Companies Act 2013.
a) Finished goods
b) Bank overdraft
c) Prepaid insurance
d) Debenture Redemption Reserve
e) Capital advances
f) Debentures due for redemption at the end of the year</td><td>3</td></tr>
<tr><td>32</td><td>Prepare Common Size Statement of Profit and Loss from the following information of Amateur Ltd. for the year ended March 31, 2023.
Particulars. Amount (in ₹)
Revenue from Operations. :250 % of Employee Benefit Expenses
Purchases of Stock in Trade. : 2,50,000
Opening Inventory : :80,000
Closing Inventory. :1,55,000
Employee Benefit Expenses :6,00,000
Other Income. :3,00,000
10% Debentures. : 6,00,000
Depreciation on Tangible Assets :75,000
Amortisation of Intangible Assets :15,000
Tax rate 20%</td><td>3</td></tr>
<tr><td>33</td><td>Determine Return on Investment and Net Assets Turnover ratio from the following information:- Profits after Tax were ₹ 6,00,000; Tax rate was 40%; 15% Debentures were of ₹20,00,000; 10% Bank Loan was ₹ 20,00,000; 12% Preference Share Capital ₹ 30,00,000; Equity Share Capital ₹ 40,00,000 ; Reserves and Surplus were ₹ 10,00,000; Sales ₹ 3,75,00,000 and Sales Return ₹ 15,00,000.
Or
Debt to Capital Employed ratio is 0.3:1. State whether the following transactions, will improve, decline or will have no change on the Debt to Capital Employed Ratio. Also give reasons for the same.
(i) Sale of Equipments costing ₹ 10,00,000 for ₹ 9,00,000.
(ii) Purchased Goods on Credit for ₹ 1,00,000 for a credit of 15 months, assuming operating cycle is of 18 months.
(iii) Conversion of Debentures into Equity Shares of ₹ 2,00,000.
(iv) (iv) Tax Refund of ₹ 50,000 during the year</td><td>4</td></tr>
<tr><td>34</td><td>Read the following hypothetical text and answer the given questions on the basis of the same: Aashna, an alumnus of CBSE School, initiated her start up Smartpay, in 2015. Smartpay is a service platform that processes payments via UPI and POS, and provides credit or loans to their clients.. During the year 2021-22, Smartpay issued bonus shares in the ratio of 5:1 by capitalising reserves. The profits of Smartpay in the year 2021-22 after all appropriations was ₹ 7,50,000. This profit was arrived after taking into consideration the following items:
<table>
<tr><td>Interim Dividend Paid during year</td><td>90,000</td></tr>
<tr><td>Depreciation during the year</td><td>40,000</td></tr>
<tr><td>Loss on Sale of Machinery</td><td>20,000</td></tr>
<tr><td>Insurance claim Received for Loss of Machinery due to fire</td><td>10,000</td></tr>
</table></td><td>6</td></tr>
</table>

Interest on Non Current Investment	30,000
Tax Refund	20,000

	31 March 2021	31 March 2022
Equity Share Capital	12,00,000	10,00,000
Security Premium	3,00,000	5,00,000
General Reserve	1,50,000	1,50,000
Marketable Securities	1,50,000	1,00,000
Cash in Hand	2,00,000	3,00,000
Machinery	3,00,000	2,00,000
10% Non Current Investment	4,00,000	3,00,000
Bank overdraft	2,50,000	2,00,000
Goodwill	30,000	80,000
Provision For tax	80,000	60,000

(i) Goodwill purchased during the year was ₹ 20,000.
(ii) Proposed Dividend for the year ended March 31, 2021 was ₹ 1,60,000 and for the year ended March 31,2022 was ₹ 2,00,000.
You are required to:
1. Calculate Net Profit before tax and extraordinary items.
2. Calculate Operating profit before working capital changes.
3. Calculate Cash flow from Investing activities.
4. Calculate Cash flow from Financing activities.
5. Calculate closing cash and cash equivalents.

MARKING SCHEME SET A

1	P Current A/c. 3000 To Q Current A/c. 2000 To R Current. 1000	1
2	C	1
3	D	1
4	C	1
5	C	1
6	A	1
7	C	1
8	D	1
9	C	1
10	A	1
11	C	1
12	B	1
13	B	1
14	C	1
15	D	1
16	D	1

17 — Marks: 3

Date	Particulars	Dr.	Cr.
1.02.22	Profit and Loss Suspense A/c ...Dr.	30,000	
	To Sara's Capital A/c		30,000
	(Being Sara's share of profit allowed till the date of her death)		

Working Notes-

Profit % to sales turnover for the year ended 31st March, 2021 -

$= \frac{120000}{1000000} \times 100 = 12\%$

Estimated sales for the year ended 31st March, 2022 -

₹ 10,00,000 + 20% of ₹ 10,00,000 = ₹ 12,00,000

Estimated sales till 01st February,2022 = $₹ 12,00,000 \times \frac{10}{12}$ = ₹ 10,00,000

Profit percentage 12 - 2 = 10%

Profit amount till 01st February, 2022 = 10% of ₹ 10,00,000 = ₹ 1,00,000

Sara's share of profit till 1st February, 2022 -

$\frac{1,00,000 \times 3}{10}$

= ₹ 30,000

18 — Marks: 3

Dr. — Profit and Loss Appropriation A/c for the year ending on 31st March, 2022 — Cr.

Particulars			Particulars	
To Interest on Capital:			By Profit and Loss A/c	1,38,000
Amay's Current A/c		9,000		
Anmol's Current A/c		4,500		
Rohan's Current A/c		4,500		
To Partners' Current A/c:				
Amay	53,000			
Anmol	40,000			
Rohan	27,000*	1,20,000		
		1,38,000		1,38,000

*Guarantee met for 9 months.

Or

Journal Entry

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	Ajay's Capital A/c ...Dr.		52,000	
	To Manish's Capital A/c			4,000
	To Sachin's Capital A/c			48,000
	(Adjustment entry passed)			

Working Notes -

Particulars	Ajay Dr.	Ajay Cr.	Manish Dr.	Manish Cr.	Sachin Dr.	Sachin Cr.	Firm Dr.	Firm Cr.
Profits taken back	1,00,000		60,000		40,000			2,00,000
Interest on Capital to be credited		40,000		64,000		88,000	2,00,000	
	1,00,000	40,000	60,000	64,000	40,000	88,000	2,00,000	2,00,000
	[illegible]		[illegible]		[illegible]			

19	Books of Anthony Ltd. — Journal Entries (below)	3

Books of Anthony Ltd.
Journal Entries

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
1.	Assets A/c ...Dr.		23,50,000	
	Goodwill A/c ...Dr.		50,000	
	To Liabilities A/c			6,00,000
	To Mithoo Ltd. A/c			18,00,000
	(Business purchased of Mithoo Ltd. comprising of Assets and Liabilities)			
2.	Mithoo Ltd. A/c ...Dr.		18,00,000	
	Loss on Issue of Debentures A/c ...Dr.		3,00,000	
	To 9% Debentures A/c			20,00,000
	To Premium on Redemption of Debentures A/c			1,00,000
	(Debentures issued to Mithoo Ltd. at Discount, redeemable at Premium)			

20	Calculation of Normal Profit (below)	4

Calculation of Normal Profit

Year Ended	Profit/Loss	Adjustments	Normal Profit
31st March 2019	50,000	-	50,000
31st March 2020	1,20,000	-	1,20,000
31st March 2021	1,80,000	-	1,80,000
31st March 2022	(70,000)	50,000 - 10,000	(30,000)
Total			**3,20,000**

Goodwill = Average Profits × No. of years Purchase

Average Profits = $\frac{\text{Total Normal Profits}}{\text{Number of years}}$

$= \frac{3,20,000}{4} = 80,000$

Goodwill = 80,000 × 2 = ₹ 1,60,000

A's share of goodwill = 1,60,000 × $\frac{1}{6}$ = ₹ 26,667

21	Balance Sheet (Extract) and Notes to Accounts (below)	4

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

Particulars	Note No.	Current Year (₹)	Previous Year (₹)
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	1	63,25,000	Nil

Notes to Accounts -

1. Share Capital		Amount (₹)
Authorised Share Capital		2,50,00,000
25,00,000 Equity Shares @ ₹ 10 each		1,50,00,000
1,50,000 9% Preference Shares @ ₹ 100 each		**4,00,00,000**
Issued Share Capital		**80,00,000**
8,00,000 Equity Shares @ ₹ 10 each		
Subscribed Share Capital		
(i) Subscribed and Fully Paid up	—	
(ii) Subscribed but not Fully Paid up		
8,00,000 Equity Shares @ ₹ 8 each	64,00,000	
(-) Calls in Arrears**	(75,000)	63,25,000

22 (Marks: 4)

Maheep dues to be transferred to executors = 1,15,000 + 5,000 + 20,000 + 60,000 – 20,000 = 1,80,000

Maheep's Executors Account

Date	Particulars	LF	Amount (₹)	Date	Particulars	LF	Amount (₹)
31/03/21	To Balance c/d		1,93,500	30/06/20	By Maheep's Cap. A/c		1,80,000
				31/03/21	Interest (9 months)		13,500
			1,93,500				**1,93,500**
30/06/21	To Bank (I Instalment)		78,000	01/04/21	By Balance b/d		1,93,500
31/03/22	To Balance c/d		1,29,000	30/06/21	By Interest (3 months)		4,500
				31/03/22	By Interest (9 months)		9,000
			2,07,000				**2,07,000**
30/06/22	To Bank (II Instalment)		72,000	01/04/22	By Balance b/d		1,29,000
31/03/23	To Balance c/d		64,500	30/06/22	By Interest (3 months)		3,000
				31/03/23	By Interest (9 months)		4,500
			1,36,500				**1,36,500**
30/06/23	To Bank (III Instalment)		66,000	01/04/23	By Balance b/d		64,500
				30/06/23	By Interest (3 months)		1,500
			66,000				**66,000**

23 (Marks: 6)

	To Equity Share Application A/c		34,00,000
	(Application money received on 85,000 shares)		
2.	Equity Share Application A/c ...Dr.	34,00,000	
	To Equity Share Capital A/c		24,00,000
	To Equity Share Allotment A/c		6,00,000
	To Bank A/c		4,00,000
	(Application money transferred to share capital, share allotment and refunded)		
3.	Equity Share Allotment A/c ...Dr.	51,00,000	
	To Equity Share Capital A/c		36,00,000
	To Securities Premium A/c		15,00,000
	(Allotment due on 60,000 shares with Premium)		
4.	Bank A/c ...Dr.	42,00,000	
	Calls in Arrears A/c ...Dr.	3,00,000	
	To Equity Share Allotment A/c		45,00,000
	(Allotment received on 56,000 shares)		
5.	Equity Share Capital A/c ...Dr.	4,00,000	
	Securities Premium A/c ...Dr.	1,00,000	
	To Share Forfeited A/c		2,00,000
	To Calls in Arrears A/c		3,00,000
	(4,000 shares forfeited for non-payment of allotment money)		
6.	Bank A/c ...Dr.	2,40,000	
	Share Forfeited A/c ...Dr.	60,000	
	To Equity Share Capital A/c		3,00,000
	(3,000 shares re-issued @ ₹ 80 per share)		
7.	Share Forfeited A/c ...Dr.	90,000	
	To Capital Reserve A/c		90,000
	(Gain on re-issue of forfeited shares transferred to capital reserve)		

Or

Books of Vikram Ltd. Journal Entries

Date	Particulars	L.F.	Debit (₹)	Credit (₹)
1.	Share Capital A/c ...Dr.		30,000	
	To Share Forfeited A/c			18,000
	To Calls in Arrears A/c			12,000
	(3,000 shares forfeited for non-payment of allotment and call money)			
2.	Bank A/c ...Dr.		36,000	
	To Share Capital A/c			30,000
	To Securities Premium A/c			6,000
	(3,000 shares re-issued @ ₹ 12 per share)			
3.	Share Forfeited A/c ...Dr.		10,800	
	To Capital Reserve A/c			10,800
	(Gain on re-issue of forfeited shares transferred to capital			

Books of Ratan Ltd. Journal Entries

Date	Particular	L.F.	Debit (₹)	Credit (₹)
1.	Share Capital A/c ...Dr.		21,000	
	To Share Forfeited A/c			15,000
	To Calls in Arrears A/c			6,000
	(3,000 shares forfeited for non-payment of first call money)			
2.	Bank A/c ...Dr.		20,000	
	To Share Capital A/c			20,000
	(2,000 shares re-issued @ ₹ 10 per share)			
3.	Share Forfeited A/c ...Dr.		10,000	
	To Capital Reserve A/c			10,000
	(Gain on re-issue of forfeited shares transferred to capital reserve)			

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Dr. Revaluation A/c Cr.

Particulars		Amount (₹)	Particulars	Amount (₹)
To Provision for Doubtful Debts		400	By Building A/c	7,000
To Partner's Capital A/c:				
P	3,300			
Q	2,200			
R	1,100	6,600		
		7,000		7,000

Dr. Partner's Capital Accounts Cr.

Particulars	P	Q	R	Particulars	P	Q	R
Goodwill A/c	13,500	-	4,500	Balance b/d	15,000	10,000	10,000
Profit & Loss	600	400	200	Revaluation A/c	3,300	2,200	1,100
Cash	-	2,800	-	Goodwill A/c	9,000	6,000	3,000
Q's Loan	-	15,000	-	R's Current A/c	-	-	1,900
P's Current A/c	1,900	-	-				
Balance c/d	11,300	-	11,300				
	27,300	18,200	16,000		27,300	18,200	16,000

6

25

[illegible]

6

<table>
<tr><td>26</td><td>
Journal Entries
<table>
<tr><th>Date</th><th>Particulars</th><th>L.F</th><th>Debit (₹)</th><th>Credit (₹)</th></tr>
<tr><td>(i)</td><td>Bank A/c Dr.
To Debenture Application and Allotment A/c
(Application money received)</td><td></td><td>55,00,000</td><td>
55,00,00</td></tr>
<tr><td>(ii)</td><td>Debenture Application and Allotment A/c Dr.
Loss on Issue of Debentures A/c Dr.
To 8% Debentures A/c
To Securities Premium A/c
To Premium on Redemption of Debentures A/c
(Debenture issued at premium, to be redeemed at premium)</td><td></td><td>55,00,000
10,00,000</td><td>

50,00,000
5,00,000
10,00,000</td></tr>
</table>
b)
Dr. Loss on Issue of Debentures A/c Cr.
<table>
<tr><th>Date</th><th>Particulars</th><th>Amount (₹)</th><th>Date</th><th>Particulars</th><th>Amount (₹)</th></tr>
<tr><td>2021
1 Oct.</td><td>To Premium on Redemption of Debentures</td><td>10,00,000</td><td>2022
31 Mar.</td><td>By Securities Premium A/c
By Statement of Profit and Loss A/c</td><td>7,80,000
2,20,000</td></tr>
<tr><td></td><td></td><td>10,00,000</td><td></td><td></td><td>10,00,000</td></tr>
</table>
c)
Journal Entries
<table>
<tr><th>Date</th><th>Particulars</th><th>L.F</th><th>Debit (₹)</th><th>Credit (₹)</th></tr>
<tr><td>31 Mar. 2022</td><td>Debenture Interest A/c Dr.
To Debentureholders A/c
(Interest due on debentures)</td><td></td><td>2,00,000</td><td>
2,00,000</td></tr>
<tr><td>31 Mar. 2022</td><td>Debentureholders A/c Dr.
To Bank A/c
(Interest paid to debentureholders)</td><td></td><td>2,00,000</td><td>
2,00,000</td></tr>
<tr><td>31 Mar. 2022</td><td>Statement of Profit and Loss Dr.
To Debenture Interest A/c
(Interest on Debentures charged to Statement of Profit and Loss)</td><td></td><td>2,00,000</td><td>
2,00,000</td></tr>
</table>
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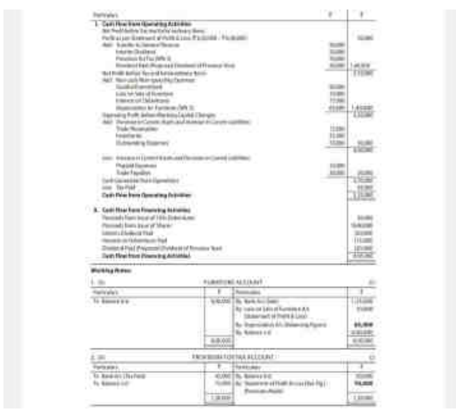
<tr><td>27</td><td>C
OR
C</td><td>1</td></tr>
<tr><td>28</td><td>C</td><td>1</td></tr>
<tr><td>29</td><td>B</td><td>1</td></tr>
<tr><td>30</td><td>D</td><td>1</td></tr>
<tr><td>31</td><td>
<table>
<tr><th>31 Particulars</th><th>Sub-Head</th><th>Major Head</th></tr>
<tr><td>(i) Current maturities of long term Debts</td><td>Short term Borrowings</td><td>Current Liabilities</td></tr>
<tr><td>(ii) Furniture and fixture</td><td>Property, Plant and Equipment
Property, Plant and Equipment</td><td>Non-Current Assets</td></tr>
<tr><td>(iii) Provision for Warranty</td><td>Long term Provisions</td><td>Non-current Liabilities</td></tr>
<tr><td>(iv) Income received in advance</td><td>Other Current Liabilities</td><td>Current Liabilities</td></tr>
<tr><td>(v) Capital Advances</td><td>Long Term Loan and Advances</td><td>Non-Current Assets</td></tr>
<tr><td>(vi) Advance receivable in cash within operating cycle</td><td>Short Term Loan and Advances</td><td>Current Assets</td></tr>
</table>
</td><td>3</td></tr>
<tr><td>32</td><td>
Common Size Statement of Profit and Loss
For the year ended March 31, 2023
<table>
<tr><th>Particulars</th><th>Amount (in ₹)</th><th>As a % of Revenue from Operations</th></tr>
<tr><td>I)Revenue from Operations</td><td>15,00,000</td><td>100%</td></tr>
<tr><td>II)Other Income</td><td>3,00,000</td><td>20%</td></tr>
<tr><td>III)Total Revenue (I+II)</td><td>18,00,000</td><td>120%</td></tr>
<tr><td>IV)Expenses
a)Purchase of Stock in trade
b)Change in Inventory
c)Employee Benefit Expenses
d)Finance Cost
e)Depreciation and amortisation</td><td>
2,50,000
(75,000)
6,00,000
60,000
90,000</td><td>
16.67%
(5%)
40%
4%
6%</td></tr>
<tr><td>Total Expenses</td><td>9,25,000</td><td>61.67%</td></tr>
<tr><td>V)Profit Before Tax (III-IV)</td><td>8,75,000</td><td>58.33%</td></tr>
<tr><td>VI)Less: Tax</td><td>1,75,000</td><td>11.67%</td></tr>
<tr><td>VII) Profit After Tax</td><td>7,00,000</td><td>46.67%</td></tr>
</table>
</td><td>3</td></tr>
</table>

33	Return on Investment = $\frac{\text{EBIT}}{\text{Capital Employed}} \times 100$ Capital Employed = 12% Preference Share Capital + Equity Share Capital + Reserves and Surplus + 15% Debentures + 10% Bank Loan = 30,00,000 + 40,00,000 + 10,00,000 + 20,00,000 + 20,00,000 = ₹ 1,20,00,000 EBIT = Profits after Tax + Tax + Interest = 6,00,000 + 4,00,000 + 5,00,000 = ₹ 15,00,000 ∴ Return on Investment $= \frac{15,00,000}{1,20,00,000} \times 100$ = 12.5% Net Assets Turnover ratio $= \frac{\text{Revenue from Operations}}{\text{Capital Employed}}$ $= \frac{3,60,00,000}{1,20,00,000}$ = 3 times Or	4
34		6

MARKING SCHEME SET B

1	Premium for goodwill/c. 60 000 Geeta Capital. 10,000 To Anita Cap A/c. 60,000 To Sunita Cap 10000	1
2	B	1
3	D	1
4	C	1
5	D	1
6	Sundry Assets. 35,00,000 To Liablity. 5,00,000 To Royal limited. 25,00 000 To capital Reserve 5 00,000	1
7	D	1
8	A	1
9	C	1
10	D	1
11	A	1
12	D	1
13	B	1
14	C	1
15	C	1
16	D	1
17	pitalised value of firm =2,40,000*100/12=20,00,000 Capital employed =Capital of Raju+ Capital of Rinku + General reserve – P&L (Dr) = 5,50,000+ 6,50,000+3,00,000-1,00,000= 14,00,000 Goodwill= Capitalised value – Capital employed= 20,00,000-14,00,000= Rs. 6,00,000	3

18	✓ Ratio: 5:3:2 Pooja's Share: ¼ Remaining: 1 – ¼ = ¾ To be shared equally Shikha's New Share: ¾ × 1/3 = 3/12 or ¼ . Shikha's Sacrifice: 5/10 – ¼ = 10/40 Shweta's New Share: ¾ × 1/3 = 3/12 or ¼ . Shweta's Sacrifice: 3/10 – ¼ = 2/40 Manisha's New Share: ¾ × 1/3 = 3/12 or ¼ . Manisha's Sacrifice: 2/10 – ¼ = -2/40 (Gain). Sacrificing Ratio of Shikha & Shweta is 10:2 or 5:1 Goodwill of Firm: 2,50,000 × 4/1 = 10,00,000 Date | Particulars | Dr. Amt | Cr. Amt 1 | Bank a/c – Dr / To Pooja's Capital A/c / To Premium for Goodwill A/c / (Being Capital and premium brought in cash) | [illegible] | [illegible] 2 | Premium for Goodwill A/c Dr / To Shikha's Capital A/c / To Shweta's Capital A/c / (Being Premium divided amongst old partners in sacrificing ratio) | 1,50,000 | 1,25,000 / 25,000 3 | Pooja's Current A/c – Dr / Manisha's Capital A/c – Dr / To Shikha's Capital A/c / To Shweta's Capital A/c / (Being the amount of goodwill transferred from new partner and gaining partner to sacrificing partners) | 1,00,000 / 50,000 | 1,25,000 / 25,000	3
19	**Profit and Loss Adjustment Account** Profit and Loss Adjustment A/c Dr. 16,500 To Eden's Capital A/c 7,500 To Ivon's Capital A/c 9,000 (Interest on capital omitted earlier now provided) Profit and Loss Adjustment A/c Dr. 9,000 To Eden's Capital A/c 9,000 (Salary omitted earlier now provided) Eden's Capital A/c Dr. 14,167 Ivon's Capital A/c Dr. 11,333 To Profit and Loss Adjustment A/c 25,500 (Loss on Adjustment transferred to partners)	3
20	**Books of Random Ltd. Journal Entries** Date | Particulars | L.F. | Dr. (₹) | Cr. (₹) 1. | Assets A/c ...Dr. | | 45,00,000 | | To Liabilities A/c | | | 6,40,000 | To Mature Ltd. A/c | | | 36,00,000 | To Capital Reserve A/c | | | 2,60,000 | (Business purchased of Mithoo Ltd. comprising of Assets and Liabilities) | | | 2. | Mature Ltd. A/c ...Dr. | | 39,00,000 | | To Bank A/c | | | 1,50,000 | To 12% Preference Share Capital A/c | | | 30,00,000 | To Securities Premium A/c | | | 4,50,000 | (Debentures issued to Mithoo Ltd. at Discount, redeemable at Premium) | | | No. of Shares = $\frac{34,50,000}{115}$ = 30,000 shares @ 100 + 15 each Or	4

Books of Anthony Ltd.
Journal Entries

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
1.	Assets A/c ...Dr.		23,50,000	
	Goodwill A/c ...Dr.		50,000	
	To Liabilities A/c			6,00,000
	To Mithoo Ltd. A/c			18,00,000
	(Business purchased of Mithoo Ltd. comprising of Assets and Liabilities)			
2.	Mithoo Ltd. A/c ...Dr.		18,00,000	
	Loss on Issue of Debentures A/c ...Dr.		3,00,000	
	To 9% Debentures A/c			20,00,000
	To Premium on Redemption of Debentures A/c			1,00,000
	(Debentures issued to Mithoo Ltd. at Discount, redeemable at Premium)			

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Balance Sheet of Kbaan Limited as at 31st March———
As per Schedule – III

Particulars	Note No.	Current year	Previous year
Equities and Liabilities		₹	₹
I. Shareholder's fund			
a) Share Capital	1	5,99,600	

Notes to Accounts

Particulars	Current year
Note No. 1	
Share Capital	
Authorised Capital	
4,00,000 equity shares @ 10 each	**40,00,000**
Issued Capital	
1,00,000 equity shares ₹10 each	**10,00,000**
Subscribed Capital	
Subscribed and not fully paid up	
99,900 shares of 10 each 6 called up=5,99,400	
Add shares forfeiture a/c = 200	**5,99,600**

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Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
2019 June 30	Profit and Loss Suspense A/c ...Dr.		1,20,000	
	To A's Capital A/c			1,20,000
	(Being share of profit provided till the date of his death)			

Dr. A's Executors A/c Cr.

Date	Particulars	J.F.	Amount	Date	Particulars	J.F.	Amount
2019				2019			
June 30	Furniture A/c		2,40,000	June 30	A's Capital A/c		8,40,000
2020				2020			
Mar. 31	Balance c/d		6,27,000	Mar. 31	Interest A/c		27,000
			8,67,000				**8,67,000**
2020				2020			
June 30	Bank A/c		2,36,000	Apr. 1	Balance b/d		6,27,000
2021							
Mar. 31	Balance c/d		4,18,000	June 30	Interest A/c		9,000
				2021			
				Mar. 31	Interest A/c		18,000
			6,54,000				**6,54,000**
2021				2021			
June 30	Bank A/c		2,24,000	Apr. 1	Balance b/d		4,18,000
2022							
Mar. 31	Balance c/d		2,09,000	June 30	Interest A/c		6,000
				2022			
				Mar. 31	Interest A/c		9,000
			4,33,000				**4,33,000**
2022				2021			
June 30	Bank A/c		2,12,000	Apr. 1	Balance b/d		2,09,000
				June 30	Interest A/c		3,000
			2,12,000				**2,12,000**

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Realisation A/C

Particulars	Amt.	Particulars	Amt.
To Debtors A/c	70,000	By Creditors A/c	60,000
To Stock A/c	70,000	By Bills payable A/c	20,000
To Plant & Machinery A/c	40,000	By Employees Prov. Fund A/c	50,000
To Building A/c	80,000	By Bank A/c	1,50,000
To Loan to Rajan A/c	20,000	By Akum 's Capital A/c	30,000
To Bakum's Capital A/c	55,000	By Bakum's Capital A/c	1,00,000
To Bank A/c	70,000		
To Partners Capital A/c (gain) Akum' Capital 3,000 Bakum' Capital 2,000	5,000		
	4,10,000		4,10,000

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Journal Entries

Date	Particulars	L.F	Debit (₹)	Credit (₹)
(i)	Bank A/c Dr. To Debenture Application and Allotment A/c (Application money received)		55,00,000	 55,00,00
(ii)	Debenture Application and Allotment A/c Dr. Loss on Issue of Debentures A/c Dr. To 8% Debentures A/c To Securities Premium A/c To Premium on Redemption of Debentures A/c (Debenture issued at premium, to be redeemed at premium)		55,00,000 10,00,000	 50,00,000 5,00,000 10,00,000

b)

Dr. Loss on Issue of Debentures A/c Cr.

Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)
2021 1 Oct.	To Premium on Redemption of Debentures	10,00,000	2022 31 Mar.	By Securities Premium A/c By Statement of Profit and Loss A/c	7,80,000 2,20,000
		10,00,000			10,00,000

c)

Journal Entries

Date	Particulars	L.F	Debit (₹)	Credit (₹)
31 Mar. 2022	Debenture Interest A/c Dr. To Debentureholders A/c (Interest due on debentures)		2,00,000	 2,00,000
31 Mar. 2022	Debentureholders A/c Dr. To Bank A/c (Interest paid to debentureholders)		2,00,000	 2,00,000
31 Mar. 2022	Statement of Profit and Loss Dr. To Debenture Interest A/c (Interest on Debentures charged to Statement of Profit and Loss)		2,00,000	 2,00,000

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	To Equity Share Application A/c		34,00,000
	(Application money received on 85,000 shares)		
2.	Equity Share Application A/c ...Dr.	34,00,000	
	To Equity Share Capital A/c		24,00,000
	To Equity Share Allotment A/c		6,00,000
	To Bank A/c		4,00,000
	(Application money transferred to share capital, share allotment and refunded)		
3.	Equity Share Allotment A/c ...Dr.	51,00,000	
	To Equity Share Capital A/c		36,00,000
	To Securities Premium A/c		15,00,000
	(Allotment due on 60,000 shares with Premium)		
4.	Bank A/c ...Dr.	42,00,000	
	Calls in Arrears A/c ...Dr.	3,00,000	
	To Equity Share Allotment A/c		45,00,000
	(Allotment received on 56,000 shares)		
5.	Equity Share Capital A/c ...Dr.	4,00,000	
	Securities Premium A/c ...Dr.	1,00,000	
	To Share Forfeited A/c		2,00,000
	To Calls in Arrears A/c		3,00,000
	(4,000 shares forfeited for non-payment of allotment money)		
6.	Bank A/c ...Dr.	2,40,000	
	Share Forfeited A/c ...Dr.	60,000	
	To Equity Share Capital A/c		3,00,000
	(3,000 shares re-issued @ ₹ 80 per share)		
7.	Share Forfeited A/c ...Dr.	90,000	
	To Capital Reserve A/c		90,000
	(Gain on re-issue of forfeited shares transferred to capital reserve)		

Or

[redacted]

Books of Vikram Ltd. Journal Entries

Date	Particulars	L.F.	Debit (₹)	Credit (₹)
1.	Share Capital A/c ...Dr.		50,000	
	To Share Forfeited A/c			18,000
	To Calls in Arrears A/c			32,000
	(5,000 shares forfeited for non-payment of allotment and call money)			
2.	Bank A/c ...Dr.		36,000	
	To Share Capital A/c			30,000
	To Securities Premium A/c			6,000
	(3,000 shares re-issued @ ₹ 12 per share)			
3.	Share Forfeited A/c ...Dr.		10,800	
	To Capital Reserve A/c			10,800
	(Gain on re-issue of forfeited shares transferred to capital			

6

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Books of Ratan Ltd. Journal Entries
<table>
<tr><th>Date</th><th>Particular</th><th>L.F.</th><th>Debit (₹)</th><th>Credit (₹)</th></tr>
<tr><td>1.</td><td>Share Capital A/c ...Dr.</td><td></td><td>21,000</td><td></td></tr>
<tr><td></td><td>To Share Forfeited A/c</td><td></td><td></td><td>15,000</td></tr>
<tr><td></td><td>To Calls in Arrears A/c</td><td></td><td></td><td>6,000</td></tr>
<tr><td></td><td>(3,000 shares forfeited for non-payment of first call money)</td><td></td><td></td><td></td></tr>
<tr><td>2.</td><td>Bank A/c ...Dr.</td><td></td><td>20,000</td><td></td></tr>
<tr><td></td><td>To Share Capital A/c</td><td></td><td></td><td>20,000</td></tr>
<tr><td></td><td>(2,000 shares re-issued @ ₹ 10 per share)</td><td></td><td></td><td></td></tr>
<tr><td>3.</td><td>Share Forfeited A/c ...Dr.</td><td></td><td>10,000</td><td></td></tr>
<tr><td></td><td>To Capital Reserve A/c</td><td></td><td></td><td>10,000</td></tr>
<tr><td></td><td>(Gain on re-issue of forfeited shares transferred to capital reserve)</td><td></td><td></td><td></td></tr>
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<tr>
<td>26</td>
<td>
[redacted]
Dr. Revaluation A/c Cr.
<table>
<tr><th>Particulars</th><th></th><th>Amount (₹)</th><th>Particulars</th><th>Amount (₹)</th></tr>
<tr><td>To Provision for Doubtful Debts</td><td></td><td>400</td><td>By Building A/c</td><td>7,000</td></tr>
<tr><td>To Partner's Capital A/c:</td><td></td><td></td><td></td><td></td></tr>
<tr><td>P</td><td>3,300</td><td></td><td></td><td></td></tr>
<tr><td>Q</td><td>2,200</td><td></td><td></td><td></td></tr>
<tr><td>R</td><td>1,100</td><td>6,600</td><td></td><td></td></tr>
<tr><td></td><td></td><td>7,000</td><td></td><td>7,000</td></tr>
</table>
Dr. Partner's Capital Accounts Cr.
<table>
<tr><th>Particulars</th><th>P</th><th>Q</th><th>R</th><th>Particulars</th><th>P</th><th>Q</th><th>R</th></tr>
<tr><td>Goodwill A/c</td><td>13,500</td><td>-</td><td>4,500</td><td>Balance b/d</td><td>15,000</td><td>10,000</td><td>10,000</td></tr>
<tr><td>Profit & Loss</td><td>600</td><td>400</td><td>200</td><td>Revaluation A/c</td><td>3,300</td><td>2,200</td><td>1,100</td></tr>
<tr><td>Cash</td><td>-</td><td>2,800</td><td>-</td><td>Goodwill A/c</td><td>9,000</td><td>6,000</td><td>3,000</td></tr>
<tr><td>Q's Loan</td><td>-</td><td>15,000</td><td>-</td><td>R's Current A/c</td><td>-</td><td>-</td><td>1,900</td></tr>
<tr><td>P's Current A/c</td><td>1,900</td><td>-</td><td>-</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Balance c/d</td><td>11,300</td><td>-</td><td>11,300</td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td>27,300</td><td>18,200</td><td>16,000</td><td></td><td>27,300</td><td>18,200</td><td>16,000</td></tr>
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<td>6</td>
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<tr><td>27</td><td>B</td><td>1</td></tr>
<tr><td>28</td><td>D</td><td>1</td></tr>
<tr><td>29</td><td>C</td><td>1</td></tr>
<tr><td>30</td><td>B</td><td>1</td></tr>
<tr>
<td>31</td>
<td>
<table>
<tr><th>Items</th><th>Heads</th><th>Sub Heads</th></tr>
<tr><td>a)Finished goods.</td><td>Current Assets</td><td>Inventory</td></tr>
<tr><td>b)Bank overdraft</td><td>Current Liabilities</td><td>Short Term Borrowings</td></tr>
<tr><td>c)Prepaid insurance</td><td>Current Assets</td><td>Other Current Assets</td></tr>
<tr><td>d)Debenture Redemption Reserve</td><td>Shareholder's Fund</td><td>Reserves & Surplus</td></tr>
<tr><td>e)Capital advances</td><td>Non Current Assets</td><td>Long term Loans/Advances</td></tr>
<tr><td>f)Debentures due for redemption at the end of the year</td><td>Current Liabilities</td><td>Short Term Borrowings</td></tr>
</table>
</td>
<td>3</td>
</tr>
<tr>
<td>32</td>
<td>
Common Size Statement of Profit and Loss
For the year ended March 31, 2023
<table>
<tr><th>Particulars</th><th>Amount (in ₹)</th><th>As a % of Revenue from Operations</th></tr>
<tr><td>I)Revenue from Operations</td><td>15,00,000</td><td>100%</td></tr>
<tr><td>II)Other Income</td><td>3,00,000</td><td>20%</td></tr>
<tr><td>III)Total Revenue (I+II)</td><td>18,00,000</td><td>120%</td></tr>
<tr><td>IV)Expenses</td><td></td><td></td></tr>
<tr><td>a)Purchase of Stock in trade</td><td>2,50,000</td><td>16.67%</td></tr>
<tr><td>b)Change in Inventory</td><td>(75,000)</td><td>(5%)</td></tr>
<tr><td>c)Employee Benefit Expenses</td><td>6,00,000</td><td>40%</td></tr>
<tr><td>d)Finance Cost</td><td>60,000</td><td>4%</td></tr>
<tr><td>e)Depreciation and amortisation</td><td>90,000</td><td>6%</td></tr>
<tr><td>Total Expenses</td><td>9,25,000</td><td>61.67%</td></tr>
<tr><td>V)Profit Before Tax (III-IV)</td><td>8,75,000</td><td>58.33%</td></tr>
<tr><td>VI)Less: Tax</td><td>1,75,000</td><td>11.67%</td></tr>
<tr><td>VII) Profit After Tax</td><td>7,00,000</td><td>46.67%</td></tr>
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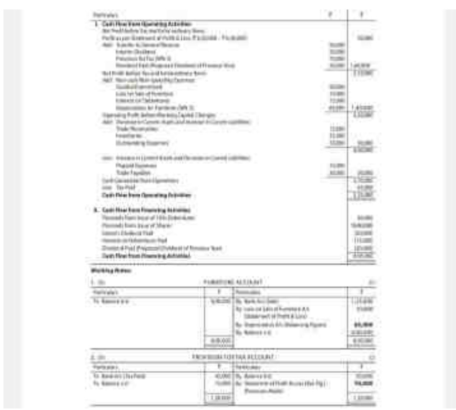
33	Return on Investment = $\frac{\text{EBIT}}{\text{Capital Employed}} \times 100$ Capital Employed = 12% Preference Share Capital + Equity Share Capital + Reserves and Surplus + 15% Debentures + 10% Bank Loan = 30,00,000 + 40,00,000 + 10,00,000 + 20,00,000 + 20,00,000 = ₹ 1,20,00,000 EBIT = Profits after Tax + Tax + Interest = 6,00,000 + 4,00,000 + 5,00,000 = ₹ 15,00,000 ∴ Return on Investment $= \frac{15,00,000}{1,20,00,000} \times 100$ = 12.5% Net Assets Turnover ratio $= \frac{\text{Revenue from Operations}}{\text{Capital Employed}}$ $= \frac{3,60,00,000}{1,20,00,000}$ = 3 times Or	4
34		6