

Class: - GRADE XII

Time: - 3hours

SUBJECT: ACCOUNTANCY

(Code -055) SET 2

Date: - 18.12.2024

Marks: - 80

GENERAL INSTRUCTIONS

1. This question paper contains 34 questions. All questions are compulsory.
2. This question paper is divided into two parts, Part A and Part B.
3. Answer all parts of a question together.
4. PLEASE WRITE THE SET NO. ON THE ANSWER SCRIPT.
5. Question Nos. 1 to 16 and 27 to 30 carries 1 mark each.
6. Question Nos. 17 to 20 and 31 and 32 carries 3 marks each.
7. Question Nos. 21 and 22 and 33 carries 4 marks each.
8. Question Nos. 23 to 26 and 34 carries 6 marks each.
9. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

QUESTIONS:

PART – A

(Accounting for Partnership Firms and Companies)

1] Rishi Ltd. invited applications for issuing 40,000 shares of Rs.10 each at par. The amount was payable as follows: On application Rs.2 per share; On allotment Rs.3 per share; On first and final call Rs.5 per share. Applications were received for 70,000 shares. Allotment was made on the following basis: To applicants for 20,000 shares – Full; To applicants for 40,000 shares – 50%; To applicants for 10,000 shares – Nil.

Allotment money to be adjusted on application will be: [1]

a] Rs.40,000 b] Rs.80,000 c] Rs.20,000 d] Rs.60,000

OR

1] Match the following:

Calculate the total amount to be written off at the end of the year:

- (i) Issued 1000; 10% debentures of Rs.100 each at a discount of 5%, redeem at par (a) Nil
- (ii) Issued 1000; 10% debentures of Rs.100 each at a premium of 5%, redeem at par (b) 7700
- (iii) Issued 1000; 12% debentures of Rs.100 each at par and redeem at 7% premium (c) 5000
- (iv) Issued 1100; 12% debentures of Rs.100 each at a discount of 2%, redeem at a (d) 7000 premium of 5%.

Choose the correct answer: [1]

a] (i)-(c); (ii)-(a); (iii)-(b); (iv)-(d)

b] (i)-(c); (ii)-(a); (iii)-(d); (iv)-(b)

c] (i)-(d); (ii)-(a); (iii)-(b); (iv)-(c)

d] (i)-(d); (ii)-(b); (iii)-(a); (iv)-(c)

2] Vanya Ltd. forfeited 20,000 Equity Shares of Rs.100 each for non-payment of first and final call of Rs.40 per share. The maximum amount of discount at which these shares can be reissued will be: [1]

a] Rs.8,00,000 b] Rs.12,00,000 c] Rs.20,00,000 d] Rs.20,000

OR

2] Vinod Ltd. forfeited a share of Rs.100 issued at a premium of 20% for non-payment of first call of Rs.25 per share and final call of Rs.15 per share. State the minimum price at which this share can be reissued: [1]

a] Rs.40 b] Rs.60 c] Rs.120 d] Rs.80

3] Read the following information carefully:

(i) Interest on drawings (ii) Manager's Commission (iii) Transfer of final net profit to the Profit and Loss Appropriation account (iv) Distribution of profit amount the partners

Choose the correct sequence: [1]

a] (iii), (i), (ii), (iv)

b] (ii), (iii), (i), (iv)

c] (ii), (iii), (iv), (i)

d] (i), (iv), (iii), (ii)

4] Match the following:

A company purchased assets of the book value of Rs.11,00,000 from another company. It was agreed that the purchase consideration be paid by issuing 10% debentures of Rs.100 each.

Calculate number of debentures to be issued if:

(i) Debentures are issued at par (a) 13,750

(ii) Debentures are issued at a premium of 10% (b) 10,000

(iii) Debentures are issued at a discount of 20% (c) 8,800

(iv) Debentures are issued at a premium of 25% (d) 11,000

Choose the correct option: [1]

a] (i)-(d); (ii)-(a); (iii)-(b); (iv)-(c)

b] (i)-(d); (ii)-(a); (iii)-(c); (iv)-(b)

c] (i)-(a); (ii)-(d); (iii)-(b); (iv)-(c)

d] (i)-(d); (ii)-(b); (iii)-(a); (iv)-(c)

5] In the absence of an agreement, partners are entitled to:

(i) Profit share in capital ratio (ii) Commission for making additional sale (iii) Interest on Loan by partner to the firm (iv) Salary for working extra hours (v) Interest on Capital.

Choose the correct option: [1]

a] Only (i), (iv) and (v)

b] Only (ii) and (iii)

c] Only (iii)

d] Only (i) and (iii)

OR

5] is the basis of relationship between the partners to run the partnership business. [1]

a] Companies Act 2013

b] Agreement

c] Maximum number of partners

d] Registration of Partnership Deed

6] Match the following:

A, B and C are partners sharing profits in the ratio of 3:3:4. On 01.04.2021 B died.

Investment Fluctuation Reserve on that date was Rs.50,000

(i) Investment (Book Value) = Rs.5,00,000 Investment (Market Value) = Rs.5,00,000	(a) A= Rs.3,000 (Cr); B = Rs.3,000 (Cr.); C= Rs.4,000 (Cr.)
(ii) Investment (Book Value) = Rs.5,00,000 Investment (Market Value) = Rs.4,80,000	(b) A= Rs.3,000 (Dr); B = Rs.3,000 (Dr.); C= Rs.4,000 (Dr.)
(iii) Investment (Book Value) = Rs.5,00,000 Investment (Market Value) = Rs.4,60,000	(c) A= Rs.15,000 (Cr); B = Rs.15,000 (Cr.); C= Rs.20,000 (Cr.)
(iv) Investment (Book Value) = Rs.5,00,000 Investment (Market Value) = Rs.4,40,000	(d) A= Rs.9,000 (Cr); B = Rs.9,000 (Cr.); C= Rs.12,000 (Cr.)

Choose the correct answer: [1]

- a] (i)-(d); (ii)-(a); (iii)-(b); (iv)-(c) b] (i)-(c); (ii)-(a); (iii)-(d); (iv)-(b)
c] (i)-(c); (ii)-(d); (iii)-(b); (iv)-(a) d] (i)-(c); (ii)-(d); (iii)-(a); (iv)-(b)

OR

6] Match the following:

A, B and C are partners sharing profits in the ratio of 3:3:4. On 01.04.2021 B died and the new profit-sharing ratio will be 7:3. Capital account of partners will be:

(i) General Reserve Rs.10,000	(a) A= Rs.3,000 (Dr); B = Rs.3,000 (Dr.); C= Rs.4,000 (Dr.)
(ii) General Reserve Rs.10,000 (partners do not want to distribute)	(b) A= Rs.3,000 (Cr); B = Rs.3,000 (Cr.); C= Rs.4,000 (Cr.)
(iii) Advertisement Suspense Rs.10,000	(c) A= Rs.4,000 (Cr); B = Rs.3,000 (Dr.); C= Rs.1,000 (Dr.)
(iv) Advertisement Suspense Rs.10,000 (partners do not want to distribute)	(d) A= Rs.4,000 (Dr); B = Rs.3,000 (Cr.); C= Rs.1,000 (Cr.)

Choose the correct answer: [1]

- a] (i)-(d); (ii)-(a); (iii)-(b); (iv)-(c) b] (i)-(c); (ii)-(a); (iii)-(d); (iv)-(b)
c] (i)-(b); (ii)-(d); (iii)-(a); (iv)-(c) d] (i)-(c); (ii)-(d); (iii)-(a); (iv)-(b)

7] Anita and Babita were partners sharing profits and losses in the ratio of 3:1. Savita was admitted for 1/5th share in the profits. Savita was unable to bring her share of goodwill premium in cash. The journal entry recorded for goodwill premium is given below:

Date	Particulars	L.F.	Dr. (Rs.)	Cr. (Rs.)
	Savita Current a/c Dr.		24,000	
	To Anita Capital a/c			8,000
	To Babita Capital a/c			16,000
	(Being adjustment of goodwill premium on Savita's admission)			

The new profit-sharing ratio of Anita, Babita and Savita, will be: [1]

- a] 41:7:12 b] 13:12:10 c] 3:1:1 d] 5:3:2

8] Which of the following is not given to the retiring partner? [1]

- a] His capital account balance b] Complete goodwill of the firm
c] His share of profit for the period d] His share of loss on revaluation

9] X, Y and Z are partners. On 1st April 2020 their capitals are Rs.2,50,000; Rs.1,50,000 and Rs.2,00,000 respectively. On 1st October 2020, they decided that their capitals should be Rs.2,00,000 each. The necessary adjustments in the capitals were made. As per the partnership deed, interest on capital is allowed to all the partners. Z got interest on his capital Rs.16,000.

How much interest on capital is to be allowed to X? [1]

a) Rs.20,000 b) Rs.18,000 c) Rs.16,000 d) Rs.22,000

10] **Assertion (A):**

At the time of reconstitution of partnership firm, goodwill is not recognised in the books of accounts of the firm because consideration in money or money's worth is not paid for it.

Reason (R):

Goodwill can be calculated by using average profit method, super profit method or capitalisation method. After that an adjustment entry is passed for goodwill share, by debiting the gainer partner's capital/current account and by crediting the sacrificing partner's capital/current account.

Choose the correct option from the following: [1]

a) Assertion and Reason both are correct and Reason is the correct explanation of Assertion

b) Assertion and Reason both are correct but Reason is not the correct explanation of Assertion

c) Both Assertion and Reason are not correct

d) Only Assertion is correct.

11] Rishi Ltd. issued 10,000; 10% debentures of Rs.100 each at a premium of 20%. The whole amount was payable on application. Amount received on application will be: [1]

a) Rs.10,00,000 b) Rs.12,00,000 c) Rs.8,00,000 d) Rs.11,00,000

OR

11] X Ltd. issued 500; 10% debentures of Rs.10 each at a discount of 20%. The whole amount was payable on application. Amount received on application will be: [1]

a) Rs.6,000 b) Rs.4,000 c) Rs.5,000 d) Rs.4,500

12] X, a partner, was appointed to look after the dissolution work, for which he was allowed a remuneration of Rs.8,000. X agreed to bear the dissolution expenses. Actual dissolution expenses Rs.9,500 were paid by X. How much amount will be debited to Realisation account? [1]

a) Rs.8,000 b) Rs.9,500 c) Rs.1,500 d) Rs.6,500

OR

12] X, a partner, is to be paid a remuneration of Rs.20,000 for dissolution work. Realisation expense amounting to Rs.10,000 was paid by the firm. How much total amount will be debited to Realisation account? [1]

a) Rs.20,000 b) Rs.10,000 c) Rs.30,000 d) Rs.14,000

13] Find out the correct sequence of events:

(i) Amount transferred to Capital Reserve

- (ii) Forfeiture of Shares
- (iii) Default on allotment and call
- (iv) Reissue of shares

The correct sequence will be: **[1]**

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

14] R and T are partners in a firm sharing profits in the ratio of 3:2. M joins the firm. R surrenders $\frac{1}{4}$ th of his share and T $\frac{1}{5}$ th of his share in favour of M.

New profit-sharing ratio will be: **[1]**

- a) 3:2:1
- b) 45:32:23
- c) 5:3:2
- d) 45:32:25

OR

14] X and Y are partners sharing profits in the ratio of 4:3. They admit Z as a new partner. New profit-sharing ratio, among the partners was decided 3:2:2. Y surrendered $\frac{1}{3}$ rd of his share in favour of Z.

X's sacrifice will be: **[1]**

- a) $\frac{1}{3}$ rd
- b) $\frac{1}{5}$ th
- c) $\frac{1}{6}$ th
- d) $\frac{1}{7}$ th

15] A, B and C have entered in to the partnership on 01.04.2019. On 01.04.2019 it was decided that if at any time number of partners is less than three then partnership firm will be dissolved on that date or on 31.03.2023 whichever is earlier.

On 01.10.2020 D and E are admitted as new partners in the firm

On 01.05.2021 A became insolvent

On 01.01.2022 C and E died in a road accident

On which date will the partnership firm be dissolved? **[1]**

- a) 01.10.2020
- b) 01.05.2021
- c) 01.01.2022
- d) 31.03.2023

16] X, Y and Z sharing profits in the ratio of 5:3:2. On 1st April 2021, Y decided to retire from the firm and his share was taken by X and Z in the ratio of 5:2. Investment Fluctuation Reserve of Rs.25,000 was available at the time of retirement of Y, when current investment (realisable value Rs.85,000) appears at Rs.1,00,000. Y's Capital account will be: **[1]**

- a) Rs.3,000 Credit
- b) Rs.5,000 Credit
- c) Rs.3,000 Debit
- d) Rs.5,000 Debit

17] RK, SK and TK are partners sharing profits in the ratio of 1:1:1. TK died on 30th June 2021. As per the partnership deed, deceased partner's share of profit is to be calculated on the basis of the average profit of last 3 years and goodwill of the firm by taking average profit of last 4 years at 1.5 years purchase of average profit. Profits for the year ended 31st March, are as follows: 2018 Rs.30,000; 2019 Rs.50,000; 2020 (Rs.10,000); 2021 Rs.14,000.

There was a loss by fire of stock of Rs.30,000 during the year 2019-20, which was not taken into consideration. Calculate TK's share of goodwill and profit and give necessary entries. **[3]**

18] Vinod Ltd. issued 11,000, 9% Debentures of Rs.100 each at a discount of 10%, redeemable at a premium of 5% after 5 years. According to the terms of issue Rs.70 was payable on application and balance on allotment. Applications were received for 10,000 debentures and allotment was made to all the applicants, give entries regarding issue of debentures. [3]

OR

18] LT Ltd. purchased land from JSS Ltd. The payment was made by issuing a cheque for Rs. 10,00,000 and by accepting a bill of exchange for 6 months for Rs.5,00,000. The balance amount was paid by issuing 5,000, 10% Debentures of Rs.100 each at par redeemable at 10% premium after 3 years. [3]

19] X, Y and Z are partners. Their capital balances (fixed) on 1st April 2023 were Rs.4,00,000; Rs.5,00,000 and Rs.6,00,000 respectively. X is active partner while Y and Z are sleeping partners. Their partnership deed allows some appropriations but silent on some issues.

Partnership Deed allows: <ul style="list-style-type: none"> • Interest on Capital @ 9% p.a. • Remuneration to active partner Rs.50,875 per quarter 	Partnership Deed is silent on: <ul style="list-style-type: none"> • Profit sharing ratio • Interest on Drawings • Interest on Partner's Loan
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On 1st April 2023, Z had given a loan of Rs.2,00,000 to the firm and firm has given a loan to Y Rs.50,000 on the same day. During the year X made drawings of Rs.40,000. Z wants that interest on his drawings to be charged @ 10% p.a. but X and Y want to strictly follow the partnership deed. X introduced further capital of Rs.2,00,000 on 1st January 2024. The profit before providing the above was Rs.4,00,000. Prepare Profit and Loss Appropriation account for the year ending 31st March 2024. [3]

20] Daniel, Calvin, Blake and Ashley were partners sharing profits and losses as follows:

Daniel 40%

Calvin 30%

Blake 20%

Ashley 10%

Daniel died on 31st March 2021 and his share was acquired by Asley and Blake equally. On the death of Daniel goodwill of the firm is to be valued at 3 year's purchase of average profits of last 4 years. The profits/loss of last 4 years was as follows:

Year	31 st March 2018	31 st March 2019	31 st March 2020	31 st March 2021
Profit	20,000 Loss	50,000 Profit	70,000 Profit	60,000 Profit

On the date of death of Daniel, the Balance sheet shows General Reserve Rs.1,30,000 and Daniel's capital Rs.3,00,000 at the time of death. It was decided that final balance of Daniel's Capital Account will be transferred to his Executors' Loan Account.

You are required to answer the following questions: [3]

- 1) At the time of adjustment of Goodwill Blake's Capital Account is to be debited / Credited with:
- | | |
|-------------------------|-------------------------|
| (a) Credit by Rs.24,000 | (b) Debit by Rs.24,000 |
| (c) Debit by Rs.48,000 | (d) Credit by Rs.48,000 |
- 2) Daniel's share of goodwill:
- | | |
|--------------|------------|
| (a) 1,20,000 | (b) 48,000 |
| (c) 24,000 | (d) Nil |
- 3) Balance transferred to Daniel's Executors' Loan Account:
- | | |
|--------------|--------------|
| (a) 3,00,000 | (b) 3,25,000 |
| (c) 3,50,000 | (d) 4,00,000 |

OR

20] King, Martin, and Nelson were partners sharing profits as follows King 50%, Martin 30% and Nelson 20% respectively. On 31st March 2021 the position was as follows:

Assets: Fixed Assets Rs.8,90,000, Investments Rs.2,00,000, Stock Rs.1,30,000, Debtors Rs.4,00,000 Less provision Rs.30,000= Rs.3,70,000, Bank Balance Rs.1,50,000.

Liabilities: Creditors Rs.1,40,000, General Reserve Rs.1,00,000.

Capitals of the partners on that date: King Rs.6,00,000, Martin Rs. 5,00,000, and Nelson Rs. 4,00,000.

On the above-mentioned date King died and Martin and Nelson agreed to continue the business on the following terms:

- Firm's value of goodwill was valued at Rs.60,000 and it was decided to adjust King's share of goodwill in the Capital Accounts of continuing partners.
- There was a claim for Workmen Compensation to the extent of Rs.4,000 and Investments were revalued at Rs.2,13,000. Fixed assets were to be depreciated by 10%.
- King was to be paid Rs.40,000 through a bank draft and the balance was transferred to his executors' loan account.

You are required to answer the following questions: [3]

- 1) King's share of goodwill credited to his capital account:
- | | |
|------------|------------|
| (a) 18,000 | (b) 12,000 |
| (c) 60,000 | (d) 30,000 |
- 2) Gain or Loss on revaluation account will be:
- | | |
|-----------------|-----------------|
| (a) 80,000 Gain | (b) 60,000 Gain |
| (c) 76,000 Loss | (d) 80,000 Loss |
- 3) Balance transferred to King's Loan account:

- (a) 6,20,000
- (c) 6,80,000

- (b) 6,40,000
- (d) 6,00,000

21] VK Ltd. Offered 10,000 Equity Shares @ Rs.10 each at a premium of 20% payable as follows:

On application: Rs.6 per share (including premium)

On allotment: Rs.3 per share.

First and final call: Balance amount

Applications were received for 15,000 shares, out of which 20% applications were rejected and pro rata allotment was made to the remaining applicants.

- One applicant Madhav was allotted 250 shares did not pay the first and final call.
- Satish one shareholder paid Rs.1,170 on application and was allotted shares on pro rata basis.

You are required to answer the following questions: [4]

- i. Madhav applied for how many shares?
- ii. Satish applied for how many shares?
- iii. How many shares were allotted to Satish?
- iv. How much amount is to be adjusted on allotment on Madhav's shares?
- v. How much amount is to be adjusted on allotment on Satish's shares?
- vi. How much application money is received by the company?
- vii. How much amount is to be refunded by the company?
- viii. What is the balance of Securities Premium Account?

22] Anil, Jatin and Harry are equal partners with capitals of Rs.11,500; Rs.6,750 and Rs.5,720 respectively. They agree to admit Satish into equal partnership upon payment in cash of Rs.1,500 for one-fourth share of the goodwill and Rs.1,800 as his capital, both the sums to remain in the business. The liabilities of the old firm amounted to Rs.3,000 (excluding capital) and the assets, apart from cash, consist of Motors Rs.1,200; Furniture Rs.400; Stock Rs.2,650; Debtors Rs.3,780 and Land Rs.18,720.

The Motors and Furniture were revalued at Rs.950 and Rs.380 respectively and the depreciation written off. Ascertain cash in hand and prepare the balance sheet of the firm after Satish's admission. [4]

23] Pass necessary journal entries on the dissolution of a partnership firm in the following cases: [6]

- i. Dissolution expenses were Rs.800
- ii. Dissolution expenses Rs.800 were paid by Prabhu, a partner.
- iii. Geeta, a partner, was appointed to look after the dissolution work, for which she was allowed remuneration of Rs.10,000. Geeta agreed to bear the dissolution expenses. Actual dissolution expenses Rs.9,500 were paid by Geeta.

- iv. Janki, a partner, agreed to look after the dissolution work for a commission of Rs.5,000. Janki agreed to bear the dissolution expenses. Actual dissolution expenses Rs.5,500 were paid by Mohan, another partner, on behalf of Janki.
- v. A partner, Kavita, agreed to look after the dissolution process for a commission of Rs.9,000. She also agreed to bear the the dissolution expenses. Kavita took over Furniture of Rs.9,000 for her commission. Furniture had already been transferred to realisation account.
- vi. A Debtor, Ravinder, for Rs. 19,000 agreed to pay the dissolution expenses which were Rs.18,000 in full settlement of his debt.

24] P, Q and R were partners in a firm sharing profits and losses in the ratio of 3:2:1. On 31st March, 2018 their Balance Sheet was as follows:

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Capitals :P 2,00,000		Cash in hand	40,000
Q 3,00,000		Bank balance	2,00,000
R 3,00,000	8,00,000	Stock	50,000
Sundry Creditors	50,000	Debtors	60,000
General Reserve	60,000	Fixed Assets	5,60,000
	9,10,000		9,10,000

On the above date the firm was reconstituted and it was decided that:

- i. The new profit-sharing ratio will be 2:2:1.
- ii. Bad debts Rs.6,000 were to be written off and a provision of Rs.3,000 was to be made for bad and doubtful debts.
- iii. The capital accounts of the partners will be adjusted in the new firm in their profit-sharing ratio, for this, partners' current accounts will be opened.

Pass necessary journal entries on the reconstitution of the firm. [6]

OR

24] A, B and C were partners in a firm sharing profits and losses in proportion to their fixed capitals. Their Balance Sheet as at March 31st, 2017 was as follows:

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Capitals: A 5,00,000		Bank balance	21,000
B 3,00,000		Stock	9,000
C 2,00,000	10,00,000	Debtors 15,000	
General Reserve	75,000	Less provision <u>1,500</u>	13,500
Creditors	23,000	A's Loan	35,500
Outstanding Salary	7,000	Plant & Machinery	2,00,000
B's Loan	15,000	Land & Building	6,00,000

		Profit & Loss Account (for the year ending 31st March 2017)	2,41,000
	11,20,000		11,20,000

On the above date of Balance Sheet, C retired from the firm on the following terms:

- i. Goodwill of the firm will be valued at two years purchase of the average profits of last three years. The profits for the year ended March 31, 2015 & March 31, 2016 were Rs.4,00,000 & Rs.3,00,000 respectively.
- ii. Provision for Bad Debts will be maintained T 5% of Debtors.
- iii. Land & Building will be appreciated by Rs.90,000 and Plant & Machinery will be reduced to Rs.1,80,000.
- iv. A agreed to repay his Loan.
- v. The loan repaid by A was utilised to pay C. the balance of the amount payable to C was transferred to his Loan Account bearing interest@ 12%per annum.

Prepare Revaluation account, Partners' Capital Accounts, Partners' Current Accounts and the Balance Sheet of the reconstituted firm. [6]

25] Satish Ltd. Invited applications for issuing 1,00,000 shares of Rs.10 each at a premium of Rs.2 per share. The amount was payable as follows:

On application: Rs.3 per share (including premium of Rs.1)

On allotment: Rs.4 per share (including premium of Rs.1)

On First Call: Rs.3 per share

On second and final call: Balance amount. Applications for 1,90,000 shares were received. Allotment was made to the applicants as follows:

Category	No. of shares applied	No. of shares allotted
I	50,000	40,000
II	1,00,000	60,000

Remaining applications were rejected.

Ravi, a shareholder belonging to category I who had applied for 2,500 shares, failed to pay the amount due on allotment and first call.

Meena a shareholder belonging to Category II who was holding 3,000 shares failed to pay the first and second call money. Her shares were also forfeited. Afterwards 4,000 shares were reissued @Rs. 8 per share fully paid up. These included all the shares of Meena.

Give necessary entries for the above in the books of Satish Ltd. [6]

OR

25] H Ltd. invited applications for 20,000 equity shares of Rs.50 each at a premium of 10% payable as follows: On application Rs.30 per share along with premium; On allotment Rs.15 per share; On first and final call – Balance amount.

Applications were received for 30,000 shares and adjustment made as follows:

Applicants of 5,000 shares – Nil

Applicants of 10,000 shares – Full allotment

Remaining Applicants – Remaining shares on pro-rata basis

Excess if any to be adjusted towards allotment only.

Mohan to whom full allotment was made of 600 shares did not pay allotment money.

Rohan who applied for 1,500 shares and shares were allotted to him on pro-rata basis, did not pay first and final call.

Shares of Mohan were forfeited immediately after allotment and shares of Rohan were forfeited after the first and final call.

Out of the forfeited shares 1,000 shares were reissued @ Rs.45 per share (including all shares of Mohan).

Give entries for the above. [6]

26A] D Ltd. issued 5,000; 10% Debentures of Rs.100 each on 1st April 2020 at a discount of 6% and redeemable at premium of 4%. The issue was fully subscribed. According to the terms of issue, interest on debentures is payable half-yearly on 30th September and 31st March. Pass necessary journal entries for issue of debentures and interest on debentures.

26B] 7,500; 9% Debentures of Rs.50 each issued at a discount of 6% and redeemable at a premium of 10%. Prepare 9% Debentures account and Loss on Issue of Debentures account.

[4+2=6]

PART – B

(Analysis of Financial Statements)

27] **Statement I:**

Dividend paid is always classified as Financing Activities whether it is paid by a manufacturing company, finance company or any other company,

Statement II:

Investment with more than 365 days of maturity is treated as cash equivalents.

Choose the correct option: [1]

- a] Both Statement I and Statement II are correct
- b] Both Statement I and Statement II are incorrect
- c] Statement I is correct but Statement II is incorrect
- d] Statement I is incorrect but Statement II is correct

OR

27] Profit after appropriation Rs.2,50,000; Proposed Dividend (Current Year) Rs.10,000; Proposed Dividend (Previous Year) Rs.15,000; Loss on sale of fixed assets Rs.5,000; Rental income Rs.12,000; Debtors in the beginning Rs.5,000; Debtors at the end Rs.7,000;

Operating Profit before working capital changes will be: [1]

- a] Rs.2,33,000
- b] Rs.2,60,000
- c] Rs.2,58,000
- d] Rs.2,56,000

28] Pick the odd one out: [1]

- a] Cheques in Hand
- b] Certificate of deposit

c] Cash Credit

d] Commercial Paper

29] Match the following:

(i) Horizontal Analysis	(a) Conducted by lenders
(ii) Internal Analysis	(b) Cross Sectional Analysis
(iii) External Analysis	(c) Conducted by the Management
(iv) Vertical Analysis	(d) Useful for trend analysis and long-term planning

Choose the correct answer: [1]

a] (i)-(a); (ii)-(c); (iii)-(b); (iv)-(d)

b] (i)-(c); (ii)-(a); (iii)-(b); (iv)-(d)

c] (i)-(c); (ii)-(d); (iii)-(b); (iv)-(a)

d] (i)-(d); (ii)-(c); (iii)-(a); (iv)-(b)

OR

29] Match the following:

(i) Comparative Statement	(a) Vertical Analysis
(ii) Change in cash position from one period to another	(b) Horizontal Analysis
(iii) Common Size Statement	(c) Ratio Analysis
(iv) Helpful in finding Solvency and Liquidity of an enterprise	(d) Cash Flow Statement

Choose the correct answer: [1]

a] (i)-(c); (ii)-(d); (iii)-(b); (iv)-(a)

b] (i)-(b); (ii)-(c); (iii)-(a); (iv)-(d)

c] (i)-(b); (ii)-(d); (iii)-(a); (iv)-(c)

d] (i)-(c); (ii)-(d); (iii)-(a); (iv)-(b)

30] Working Capital Rs.60,000; Total Debt Rs.1,00,000 and Long-Term Debt Rs.80,000.

Current Ratio will be: [1]

a] 3:1 b] 4:1 c] 2:1 d] 1:1

31] Under what head and sub-head of the balance sheet of a company would the following items appear? [3]

(i) Unpaid Dividend (ii) Debentures ready for maturity (iii) Building under construction (not completed yet).

32] From the following Balance Sheet as at 31st March, 2023 and 2022, prepare a

Comparative Balance Sheet: [3]

Particulars	Note No.	31.03.2023 (Rs.)	31.03.2022(Rs.)
I] Equity and Liabilities			
1] Shareholders' Funds			
a] Share Capital		50,00,000	37,50,000
b] Reserves and Surplus		7,50,000	10,00,000
2] Non-Current Liabilities			
a] Long-Term Borrowings		22,50,000	15,00,000
3] Current Liabilities			
a] Trade Payables		7,50,000	5,00,000
TOTAL		87,50,000	67,50,000
II] Assets			

1] Non-Current Assets			
a] Property, Plant & Equipment and Intangible Assets			
(i) Property, Plant & Equipment (Machinery)		50,00,000	37,50,000
(ii) Intangible Assets		22,50,000	15,00,000
2] Current Assets			
a] Inventories		7,50,000	10,00,000
c] Cash and Cash Equivalents		7,50,000	5,00,000
TOTAL		87,50,000	67,50,000

33] V Ltd. has provided the following information on 31st March 2021:

Total Assets Rs.8,00,000; Debentures Rs.2,00,000 (Redeemable after 4 years); Long-Term Bank Loan Rs.1,50,000; Long-Term Provisions Rs.50,000; Debentures Rs.1,40,000 (Redeemable within next 6 months); Trade Payables Rs.60,000.

You are required to answer the following questions: [4]

(i) Debt to Equity Ratio of the company will be:

a] 2.5:1 b] 2.7:1 c] 2:1 d] 4:1

(ii) Issue of Fresh Debentures of Rs.1,00,000.

Now, Debt to Equity Ratio of the company will be:

a] 2:1 b] 2.5:1 c] 3:1 d] 1:1

(iii) Issue of fresh equity shares of Rs.50,000.

Now, Debt to Equity Ratio of the company will be:

a] 2.5:1 b] 1.5:1 c] 2:1 d] 1.6:1

(iv) Old and damaged Furniture costing Rs.1,30,000 was sold just for Rs.30,000.

Now, Debt to Equity Ratio of the company will be:

a] 4:1 b] 3:1 c] 2:1 d] 1:1

OR

33] A business has – Total Revenue from Operations Rs.6,00,000; Cash Revenue from Operations – 20% of Credit Revenue from Operations; Excess of opening inventory over closing inventory – Rs.10,000; Purchases during the year Rs.4,00,000; Wages Rs.40,000; Inventory Turnover Ratio 9 times.

Answer the following questions from the above information: [4]

(i) Credit Revenue of the company will be:

a] Rs.4,00,000 b] Rs.6,00,000 c] Rs.1,00,000 d] Rs.5,00,000

(ii) Cost of Revenue from Operations of the company will be:

a] Rs.4,50,000 b] Rs.4,40,000 c] Rs.4,30,000 d] Rs.4,60,000

(iii) Closing Inventory of the company will be:

a] Rs.45,000 b] Rs.55,000 c] Rs.50,000 d] Rs.40,000

(iv) Gross Profit Ratio of the company will be:

a] 20% b] 15% c] 25% d] 30%

34] Prepare a cash flow statement on the basis of the information given in the balance sheet of T Ltd., as at 31st March, 2021 and 2020: [6]

Particulars	Note No.	31.03.2021 (Rs.)	31.03.2020 (Rs.)
I] Equity and Liabilities			
1] Shareholders' Funds			
a] Share Capital		6,30,000	5,60,000
b] Reserves and Surplus	1	3,08,000	1,82,000
2] Current Liabilities			
a] Short-term Borrowings (Bank Overdraft)		50,000	40,000
b] Trade Payables		2,80,000	1,82,000
c] Short-term Provisions (Provision for tax)		32,000	26,000
TOTAL		13,00,000	9,90,000
II] Assets			
1] Non-Current Assets			
a] Property, Plant & Equipment and Intangible Assets			
(i) Property, Plant & Equipment (Plant & Machinery)		3,92,000	2,80,000
(ii) Intangible Assets (Patents)		48,000	16,000
b] Non-Current Investments		14,000	20,000
2] Current Assets			
a] Current Investments		20,000	30,000
b] Inventories		98,000	1,40,000
c] Trade Receivables		6,30,000	4,20,000
d] Cash and Cash Equivalents	2	98,000	84,000
TOTAL		13,00,000	9,90,000

Notes to Accounts:

Particulars	31.03.2021 (Rs.)	31.03.2020 (Rs.)
1] Reserves and Surplus		
General Reserve	1,08,000	82,000
Surplus i.e. Balance in Statement of Profit and Loss	2,00,000	1,00,000
	3,08,000	1,82,000
2] Cash and Cash Equivalents		
Cash in Hand	58,000	40,000
Cheques in Hand	40,000	44,000
	98,000	84,000

Additional Information:

- (i) An old machinery having book value of Rs.42,000 was sold for Rs.56,000. Depreciation provided on machinery during the year was Rs.28,000
- (ii) Tax paid during the year Rs.18,000
- (iii) Interest received on Non-Current Investments Rs.2,000
- (iv) Dividend paid by the company during the year Rs.60,000
- (v) Interest on Bank Overdraft was Rs.4,000.
