

Sample Paper 2

SUBJECT: ACCOUNTANCY

CLASS: XII

M.M: 80

TIME: 3 Hrs

General Instructions :

- (i) This question paper contains two parts A and B.
- (ii) Part A is compulsory for all.
- (iii) Part B has two options : Option – I Analysis of Financial Statements and Option – II Computerized Accounting.
- (iv) Attempt only one option of Part B.
- (v) All parts of a question should be attempted at one place.

Part A

Accounting for non-Profit organizations, Partnership Firms and Companies

1. Under which circumstance dissolution of partnership firm becomes compulsory? 1
2. Furniture appeared in the Balance Sheet at Rs11,000 and were found overvalued by 110% on Revaluation. State the amount that will be debited or credited in Revaluation a/c.

OR

Why Revaluation account is not prepared at the time of Dissolution of partnership firm. 1

3. List any two sources of income of a non- profit organisation. 1

OR

What is the treatment of “sale of old periodicals” in the books of Non- Profit Organisation?

4. Can a partner other than minor be exempted from sharing losses in a firm? If yes under what circumstances? 1
5. To calculate the net amount payable to the executor of deceased partner, list any two items that are deducted. 1
6. Which section of Companies Act 2013 prohibits issue of Shares at discount.

OR

Under which circumstance shares can be issued at a discount? 1

7. The average profit earned by firm is Rs1,50,000 which includes undervaluation of inventory of Rs5,000 on an average basis. The capital invested in the business is Rs14,00,000 and the

normal rate of return is 7%. Calculate goodwill of the firm on the basis of five times the super profit. 3

8. On 31st March 2018 a company had an outstanding balance of Rs20,00,000 8% Debentures of Rs100 each. Debenture Redemption Reserve showed a balance of Rs4,00,000 and Surplus i.e. Statement of Profit and loss account showed a balance of Rs18,00,000. Instead of declaring dividend, company decided to redeem debentures at a premium of 15%. Pass necessary Journal entries in the books of accounts on 31st March 2018. 3
9. On 1st April 2015, Azaad Ltd issued Rs10,00,000 9% Debentures of Rs500 each at a discount of 15% redeemable at a premium of 20% after five years as follows:

On application Rs200 and Balance on allotment (including premium). Pass necessary journal entries in the books of Azaad Ltd for the year 2015-16 including interest on debentures. Tax deducted on Interest being 10%.

OR

On 1st October 2014, Sitaara Ltd issued Rs20,00,000 debentures of Rs200 each at a discount of 20%, redeemable at a premium of 10% premium in four equal instalments starting from 31st March 2016. Prepare "Loss on issue of Debentures" a/c till it is completely written off. 3

10. (a) Show the following in the financial statement of Not-for-profit Organisation:

Match expense	Rs32,000
Match fund	Rs16,000
Donation for Match fund	Rs10,000
Sale of Match tickets	Rs14,000

- (b) Show what will be effect if the Match Expense goes up by Rs12,000. 3

11. Akarsh ,Bhuvan and Chahak are partners in a firm sharing profits and losses in the ratio of 2:3:1. they decided to share future profits and losses in the ratio of 3:2:1 with effect from 1st April, 2018. Their Balance Sheet showed a debit balance of ₹ 48,000 in profit and loss account and a balance of ₹ 2,88,000 in General Reserve. For this purpose, it was agreed that

- (a) Goodwill of the firm be valued at ₹ 3,60,000.
- (b) Creditors amounting to ₹ 4,800 were not likely to be claimed.
- (c) Machinery having book value of ₹ 6,00,000 be depreciated by 6%.

(d) Unrecorded investments to be valued at ₹ 2,71,200.

(e) Land having book value of ₹ 6,00,000 to be valued at ₹ 9,60,000.

Give necessary single adjustment entry to record the above arrangement.

4

12. Ketan, Kanupriya and Kartavya are partners in firm sharing profits in the ratio of 3:3:2. As per terms of partnership deed on the death of a partner, goodwill was to be valued at 50% of the net profit credited to that partner's capital in the last five years. Ketan died on 28th February 2018. The profits for the last five years were: 2012-13 Rs60,000; 2013-14 Rs1,00,000; 2014-15 Rs1,05,000; 2015-16 Rs30,000; 2016-17 Rs85,000.

Profit of the deceased partner to be calculated on the basis of previous year's profit of year of death of a partner.

On the date of death, Building was found undervalued by Rs80,000 which was to be considered. Calculate the amount of Sita's share of goodwill in the firm and record the adjustment Journal entries of goodwill, profit of deceased partner and revaluation of Building. The new profit-sharing ratio will be equal.

4

13. From the following particulars relating to the Babulal Mission charitable Hospital, prepare income and expenditure account for the year ended 31st March 2018 and Balance Sheet as at that date:

RECEIPT AND PAYMENT ACCOUNT

For the year ended 31st March 2018

Receipt	Amount	Payment	Amount
Cash in hand		Medicines	6,11,800
On 1 st April 2017	1,42,600	Doctor's honorarium	1,80,000
Subscription	9,59,920	Salaries	5,50,000
Donations	2,90,000	Petty expenses	9,220
Interest on investments		Equipment	3,00,000
@7% for full year	1,40,000	Expenses on charity show	15,000
Proceeds from charity	2,09,000	Cash in hand on	75,500
		31 st March 2018	
	17,41,520		17,41,520

Additional information:

As at 1st April 2017

As at 31st March 2018

Subscription due

4800

5600

Subscription received in advance	1280	2000
Stock of medicines	1,76,200	1,94,800
Equipments	4,24,000	6,32,000
Building (less depreciation)	8,00,000	7,60,000

14. Following is the balance sheet of Manav and Aaradhya on 31st March 2018:

Balance Sheet as at 31st March 2018

Liabilities	Amount	Assets	amount
Trade creditors	90,000	Cash	1500
Bills payable	24,000	Bank	14,000
Manav's brother's loan	15,000	Stock	15,000
Aaradhya's father's loan	30,000	Investments	30,000
Reserve Fund	33,000	Debtors	60,000
Captals:		Less provision for bad debts <u>6,000</u>	54,000
Manav	30,000	Building	45,000
Aaradhya	30,000	Plant	60,000
		Aaradhya's loan	10,000
		Goodwill	12,000
		Profit and loss account	10,500
	2,52,000		2,52,000

The firm was dissolved on the date under the following terms:

- Manav promised to pay his brother's loan and took away stock at Rs12,000 along with interest of Rs385.
- Aaradhya took away half of the investment at 10% discount.
- Trade creditors and bills payable were due on average basis two month after 31st March 2018 but were paid immediately on 31st March 2018 at 20% discount per annum.
- Debtors were realised through a recovery agency who charged 10% as commission.
- Plant realised Rs76,000; Buildings Rs1,20,000; Goodwill Rs18,000 and remaining investment at a profit of 12%.
- An old laptop written off completely from the firm's book, now estimated to realise Rs1200. It was taken by Aaradhya at this estimated value.

g. Manav will complete all the formalities related to dissolution for which he will be given a commission of Rs4,000 and he will also bear all realisation expenses which actually amounted to Rs3,000, this was paid by firm.

h. Aaradhya paid Rs500 against his loan.

Prepare realisation account only.

6

15. R, S and H were partners in a firm sharing profits in the ratio 7:2:1 respectively. Their fixed capitals were R- Rs. 3, 00,000; S Rs. 2, 00,000 and H Rs. 1, 00,000. The partnership deed provided for the following for the division of profit.

- 10% of the trading profits will be transferred to reserve account
- Interest on drawing charged at an average rate of 8%. R drew Rs20,000 on 1st September 2017 and S drew Rs3,000 in the beginning of every month.
- H drew Rs5,000 out of capital on 1st July 2017
- H was guaranteed a profit of Rs. 40,000. Any loss because of guarantee to H will be shared by R and S equally.
- Interest allowed on capital @12% p.a.

The trading profit of the firm for the year ended 31st March 2018 was Rs2,00,000. Fill out the missing figures in the following Profit and Loss Appropriation account for the year ended 31st March 2017

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Profit and Loss Appropriation Account

For the year ending 31st March, 2018

Particulars	Amt	Particulars	Amt
To Reserve	_____	By Net profit	2,00,000
To Interest on capital		By Interest on drawing:	
R's current a/c _____		R's _____ current	
S's current a/c _____		a/c _____	_____
H's current a/c _____	_____	S's current a/c _____	
To profit transferred to			
R's Current A/c -----			
S's Current A/c -----			
H's Current A/c -----	_____		
	-----		-----

OR

Complete the missing amounts in the following accounts:

Profit and Loss Appropriation A/c
For the year ended 31st March,2018

Particulars	□	Particulars	□
To Y's Salary	8,000	By Net Profit	5,00,000
To Interest on Capital X (@10% p.a.)	-----		
Y(@10% p.a.)	-----		
To X's Commission(@5% on net profit after charging IOC, salary and commission)	-----		
To Profit Transferred to :			
X's Current A/c -----			
Y's Current A/c -----	-----		
	5,00,000		5,00,000

Partners' current Accounts

Particulars	X	Y	Particulars	X	Y
To Balance C/d			By Balance b/d	16,000	18,000
			By Salary		8,000
			By Interest on Capital	-----	----
			By Commission	-----	
			By Profit and Loss App.A/c	-----	-----

Partners' Capital Accounts

Particulars	X	Y	Particulars	X	Y
To Cash A/c(Capital withdrawn on 1 st January ,2018)	40,000	20,000	By Balance b/d	4,00,000	2,00,000
To Balance c/d	- _____	-----	By cash A/c(Additional capital	1,00,000	80,000

			on 1 st July 2017)		
	5,00,000	2,80,000		5,00,000	2,80,000

16. Madhur Ltd issued 2,00,000 equity shares of Rs10 each at a premium of Rs4 per share as follows:

On application Rs4(including premium Rs2)

On allotment Rs3 (including 2 premium)

On I call Rs5

Balance on II and Final call.

The issue was oversubscribed by 40% and pro- rata allotment made to 2,50,000 shares. Remaining were rejected.

Kamal who was allotted 2,000 shares paid the entire amount due with application.

Naman who had applied for 7,500 shares failed to pay allotment and I call, which he paid later with final call.

Pawan who was allotted 3,000 shares failed to pay allotment and I call,his shares were forfeited after I call half of his reissued after final call for Rs8.5 per share.

Pass necessary journal entries in the books of Madhur Ltd.

8

OR

(a) Sri Ltd. was registered with an authorized capital of Rs. 8,00,000 divided into 80,000 shares of Rs. 10 each. The company offered to the public for subscription 60,000 equity shares. Applications for

58,000 equity shares were received and allotment was made to all the applicants. All calls were made and were duly received except the final call of Rs. 2 per share on 400 shares. 300 shares on which final call was not received were forfeited and 100 were reissued at Rs8 per share fully paid up. Prepare the balance sheet of the company showing the different categories of share capital.

(b) Rajesh. purchased a plant and machinery and payment was made by issuing 20,000 7.5% preference shares of the face value of Rs. 10 each at a premium of Rs. 2 per share and

accepting a bills of exchange of Rs50,000. Pass journal entries for purchase of Machinery and issue of shares.

(c) X ltd forfeited 4000 shares allotted to Mukesh who had applied for 10,000 shares of Rs 10 each issued at a premium of Rs3 per share amount payable as follows: Rs4 on application (including Rs1 premium); Rs 2 (including Rs1 premium); I call of Rs4 (including Rs2 premium); II call of Rs2 and final call of Rs 2 (final call was not yet made). Excess amount received on application was to be adjusted against sum due on shares. Mukesh paid only Application therefore his shares were forfeited. 3000 of these shares were re-issued at maximum discount. Pass entries for forfeiture and reissue. (3+2+3)

17.The following is the balance sheet of P,Q and R sharing profits in the ratio of 3:2:1. Their Balance Sheet as on 31st December, 2018 was as under :

Liabilities	Amount	Assets	Amount
Capitals :		Land & Building	38,000
P	30,000	Furniture	10,000
Q	40,000	Goodwill	12,000
R	25,000	Investments	20,000
Sundry Creditors	20,000	Stock	18,000
Bills Payable	15,000	Debtors 30,000 Less : Provision <u>2,000</u>	28,000
General reserve	18,000	Profit & Loss A/c	12,000
Investment Fluctuation Reserve	10,000	Patents	6,000
		Cash in hand	14,000
	1,58,000		1,58,000

R retired on the above date on the following terms :

- The share of R was acquired by P and Q equally.
- The goodwill of the firm was valued at Rs. 60,000.
- Land & Building was valued at Rs. 44,000 and Furniture is to be depreciated by 15%.
- The market value of Investments is Rs. 16,000.
- The Debtors are all good.
- There is a liability against workmen's compensation of Rs. 9,000.

R to be paid the amount due to him by raising a loan of Rs. 20,000 on the security (mortgage) of the land and buildings and the balance by bills of exchange (without interest) payable at the expiry of 12 months.

P and Q to maintain capital of the new firm at Rs. 1,20,000 in their profit- sharing ratio any adjustment in this regard to be made through current account.

Prepare Revaluation a/c, Capital account and Balance Sheet of the new firm.

OR

P and Q are in partnership sharing profits and losses in the ratio of 3:2. On 1st April, 2017 they admitted R as a partner in the firm. The Balance Sheet of P and Q on that date was as under:

Balance Sheet of P and Q
as at 1st April, 2018

Liabilities	Rs	Assets	Rs
Creditors	4,20,000	Cash at Bank	2,80,000
Workmen Compensation		Debtors	3,20,000
Reserve	5,00,000	Stock	2,40,000
General Reserve	3,20,000	Machinery	2,00,000
Capital Accounts		Building	6,00,000
P 2,50,000			
Q <u>1,50,000</u>	4,00,000		
	<u>16,40,000</u>		<u>16,40,000</u>

They admit R on the following terms :

- (i) The value of Building to be appreciated to Rs7,50,000 and stock by Rs60,000.
- (ii) The liability on account of workmen compensation was determined at Rs5,50,000.
- (iii) R brought in his share of goodwill Rs2,00,000 in cash, half of which was retained.
- (iv) R was to bring further cash as would make his capital equal to 20% of the combined capital of P and Q after above adjustments are carried out.
- (v) The future profit sharing ratio will be 2:2:1.

You are required to prepare Revaluation Account, Partners' Capital Accounts and the opening Balance Sheet of the new firm.

PART – B
OPTION – I

Analysis of Financial Statements

18. XYZ Ltd. had purchased a machinery on deferred payment basis. During the year ended 31st March, 2017 the company paid an instalment of ₹ 3, 18,000 which included interest of ₹ 18,000. Under which activity or activities payment of instalment will be classified while preparing Cash Flow Statement? 1
19. Give any two examples of activities which remains Financing Activity for every enterprise. 1
20. Mention any four items under the sub-heading 'inventories' under the major heading of current asset and any four items under the sub-heading 'other current liabilities' of the major heading current liabilities as per schedule III of the companies Act 2013. 4
21. On the basis of the following information, calculate any two ratios: 4

(a) Operating Ratio (b) Inventory Turnover Ratio (c) Proprietary Ratio

Information:

Cash Revenue from operations----- ₹ 10,00,000

Credit Revenue from Operations----- 120% of cash revenue from operations

Operating Expenses----- 10% of total revenue from operations

Gross Profit Ratio----- 40%

Opening Inventory----- ₹ 1,50,000

Closing Inventory ₹ 20,000 more than Opening Inventory

Current Assets----- ₹ 3,00,000

Current Liabilities----- ₹ 2,00,000

Share Capital----- ₹ 6,00,000

Fixed Assets----- ₹ 5,00,000

OR

(a) Calculate Trade Payable Turnover ratio and Average Payment Period from the following Information:

□

Total Purchase	10,20,000
Cash Purchase	4,10,000
Purchase Return	10,000
Reserve for Discount on Creditors	7,700
Opening Creditors	65,000

Closing Creditors(Including ₹15,000 due to a supplier of new machinery) 1,50,000

(b) Calculate Interest Coverage Ratio from the following information. Profit after interest and tax ₹6, 30,000; 18% debentures ₹7,00,000; rate of income Tax 30%. Also mention how this ratio will change (improve or reduce) if rate of interest on debenture is 12%.

22. Prepare a comparative statement of profit & loss of X Ltd., with the help of the following information:

4

Particulars	31.3.2017	31.3.2016
Revenue from Operations	40,00,000	30,00,000
Other income(% of Revenue from operation)	25%	20%
Purchase of Stock in trade	35,00,000	25,00,000
Change in Inventory of stock in trade goods	5,00,000	5,00,000
Other Expenses(% of cost of Revenue from operation)	10%	10%
Rate of Income Tax	30%	40%

OR

From the following Statement of Profit and Loss of Sun Ltd., for the year ended 31st March, 2017 and 2018, prepare a Common –size –Statement:

Particulars	2017(in Rs.)	2018(in Rs.)
Revenue from Operations	13,20,000	18,00,000
Interest on Investments	1,50,000	2,00,000
Cost of Material used	7,00,000	11,00,000
Employee Benefit Expenses	2,50,000	3,50,000
Tax	50%	40%

23. Prepare a Cash Flow Statement from the following Balance sheet of Radhika Ltd.

Balance sheet of Radhika Ltd.

As on 31st March 2018 and 2017.

Particulars	Note No.	31/3/2018 Rs	31/3/2017 Rs
I. EQUITY AND LIABILITIES			
1.Shareholders' Funds:			
(a) Share Capital		32,00,000	27,20,000
(b) Reserve and Surplus	1	4,80,000	6,40,000
2. Non-Current Liabilities			
Long term Borrowings	2	3,20,000	1,60,000
3. Current Liabilities:			
(a) Short-term borrowings (cash credit)		32,000	40,000
(b) Trade Payables	3	80,000	1,60,000
(c) Other Current Liabilities		80,000	64,000
		41,92,000	37,84,000
II. ASSETS			
1. Non-Current Assets:			
(a) Fixed Assets			
(i) Tangible Assets		12,80,000	14,00,000
(ii) Intangible Assets	4	9,60,000	8,00,000
(b) Non-Current Investments		4,80,000	4,00,000
2. Current Assets:			
(a) Inventories		1,60,000	-
(b) Trade Receivables		5,12,000	4,40,000
(c) Cash and Cash Equivalents		8,00,000	7,44,000
		41,92,000	37,84,000

Notes to Accounts:

Particulars	31/3/2015 □	31/3/2014 □
1. Reserve and surplus		
Surplus i.e Balance in Statement of Profit and Loss	4,80,000	6,40,000

2. Long-term Borrowing		
9% Debentures	3,20,000	1,60,000
3. Other Current Liabilities		
Outstanding Expenses	80,000	64,000
4. Intangible Assets		
Goodwill	9,60,000	8,00,000

Additional Information:

- (a) Depreciation of Rs1,60,000 was provided on Tangible Assets during the year.
- (b) A Machine costing Rs40,000 (depreciation charged thereon Rs24,000) was sold for Rs 8,000 during the year.
- (c) Tax paid Rs30,000.

6

OPTION – II

Computerised Accounting

SOLUTION

1. Compulsory dissolution (section 41)

(a) When all the partners except one becomes insolvent.

(b) when the business becomes unlawful.

2 1,000 Debit.

OR

Because the partnership firm gets dissolved and all the assets are realised and liabilities paid off.

3. Subscription, entrance fees, donation, sale of old newspaper, locker rent, profit on sale of fixed assets, miscellaneous receipt. (any two).

OR

Sale of Periodicals: It is an item of recurring nature and shown as the income side of the Income and Expenditure Account.

4. Yes, if specifically provided in the deed.

5. Loss on revaluation, drawings, interest on drawings, accumulated losses, existing goodwill, loan to partner. (any two)

6. Section 53 of Companies Act 2013 prohibits issue of Shares at discount.

OR

Under Employees Stock Option Plan (ESOP) shares can be issued at a discount.

7. Adjusted average profit = $1,50,000 + 5000 = 1,55,000$

Cap employed = 14,00,000 and the normal profit = $14,00,000 \times 7/100 = 98,000$

Super profit = $1,55,000 - 98,000 = 57,000$

Goodwill = $57,000 \times 5 = 2,85,000$.

8.

Date	Particulars	Debit	Credit
31-3-2018	P&I (surplus) To DRR	16,00,000	16,00,000
	% Dedentures Dr Premium on redemption of debentures Dr To Debentureholder	20,00,000 3,00,000	23,00,000
	DRI Dr To Bank	3,00,000	3,00,000
	Bank Dr To DRI	3,00,000	3,00,000
	Debentureholder a/c Dr To Bank	23,00,000	23,00,000
	DRR To General reserve	20,00,000	20,00,000

OR

9.

Date	Particulars	Debit	Credit
1-4-2015	Bank a/c Dr To Debenture application a/c	4,00,000	4,00,000
	Debenture application a/c Dr To % Debenture a/c	4,00,000	4,00,000
	Debenture allotment a/c (2000*225) Dr Discount on issue of debentures a/c (20000*75) Dr Loss on issue of Debentures a/c (2000*100) Dr To % Debentures a/c (2000*300) To premium on redemption of Debentures a/c (2000*100)	4,50,000 1,50,000 2,00,000	6,00,000 2,00,000
	Bank a/c Dr To Debenture Allotment a/c	4,50,000	4,50,000
	Debenture interest a/c Dr To TDS To Debentureholders a/c	90,000	9,00 81,000
	Debentureholder a/c Dr TDS Dr To Bank a/c	81,000 9,000	90,000
	P& L a/c Dr To Debenture Interest a/c	90,000	90,000

OR

Total loss on issue of debentures: 6,00,000

Table showing loss on debentures to be written off

Year	Amount used	Ratio	Loss to be written off
2014-15	10,00,000	2	$6,00,000 \times 2/12 = 1,00,000$
2015-16	20,00,000	4	$6,00,000 \times 4/12 = 2,00,000$
2016-17	15,00,000	3	$6,00,000 \times 3/12 = 1,50,000$
2017-18	10,00,000	2	$6,00,000 \times 2/12 = 1,00,000$
2018-19	5,00,000	1	$6,00,000 \times 1/12 = 50,000$
	total	12	

Loss on issue of Debentures a/c

Date	Particulars	amount	Date	Particulars	Amount
31-3-2015	P&L a/c	1,00,000	1-10-2014	%debentures a/c	4,00,000
	Bal c/d	5,00,000		Premium on redemption of debentures a/c	2,00,000
		6,00,000			6,00,000
31-3-2016	P&L a/c	2,00,000		Bal b/d	5,00,000
	Bal c/d	3,00,000			
		5,00,000			5,00,000
31-3-2017	P&L a/c	1,50,000		Bal b/d	3,00,000
	Bal c/d	1,50,000			
		3,00,000			3,00,000
31-3-2018	P&L a/c	1,00,000		Bal b/d	1,00,000
	Bal c/d	50,000			
		1,50,000			1,50,000
31-3-2019	P&L a/c	50,000		Bal b/d	50,000

10.

Case (a)	Match fund	16,000	Case (b)	Match fund	16,000
	Add donation	10,000		Add donation	10,000
	Add sale of match tickets	14,000		Add sale of match tickets	14,000
	Less match expenses	(32,000)		Less match expenses	(44,000)
	Amount to be shown on liabilities	8,000		Amount to be as Expense	4,000

	Side of the balance Sheet				
--	---------------------------	--	--	--	--

11. A: Gaining ratio 1/6; B : Sacrificing ratio 1/6; C: neither gain nor sacrifice.

Calculation of net effect of Accumulated profits, losses, reserve and goodwill:

	amount
Creditors	4800
Machinery	(36,000)
Investments	2,71,200
Land	3,60,000
Goodwill	3,60,000
General reserve	2,88,000
Profit and loss (Dr)	(48,000)
total	12,00,000

Akarsh	Dr 2,00,000
To Bhuvan	2,00,000

12. Calculation of gaining ratio:

$$\text{Kanupriya} = \frac{1}{2} - \frac{3}{8} = \frac{1}{8}$$

$$\text{Kartavya} = \frac{1}{2} - \frac{2}{8} = \frac{2}{8}$$

Gaining ratio 1:2.

$$\begin{aligned} \text{Ketan's share of goodwill} &= \frac{3}{8} \text{ of } [60,000 + 1,00,000 + 1,05,000 + 30,000 + 85,000] = 142,500 \\ &= \frac{1}{2} \text{ of } 1,42,500 = 71,250 \end{aligned}$$

$$\text{Ketan's share of profit: } 85,000 \times \frac{3}{8} \times \frac{11}{12} = 29218.75$$

Particulars	Debit	Credit
Kanupriya Dr	23,750	
Kartavya Dr	37,500	
To Ketan's capital a/c (for goodwill)		71,250
Kanupriya Dr	9739.5	
Kartavya Dr	19479	
To Ketan's capital a/c		29218.75

(for share of profit)		
Building a/c Dr	80,000	
To revaluation a/c		80,000
Revaluation a/c Dr	80,000	
To Ketan's capital a/c		30,000
To Kanupriya's capital a/c		30,000
To Katavya's Capital a/c		20,000

13. Capital fund opening: 35,46,320; surplus: 1,19,580; balance sheet total : 36,67,900

14. REALISATION a/c

Particulars	amount	Particulars	Amount
Stock	15,000	Creditors	90,000
Investment	30,000	Bills payable	24,000
Debtors	60,000	Manav's brother loan	15,000
Building	45,000	Aaradhya's Father's loan	30,000
Plant	6,000	Provision for doubtful debt	6,000
Goodwill	12,000	Manav's capital a/c	12,000
Manav's capital a/c	15,385	(stock)	
(brother's loan)		Aaradhya's capital a/c (investment)	13,500
Cash:		Cash:	
Creditors	87,000	Debtors	57,000
B/P	23200	Plant	76,000
Aaradhya's father's loan	30,000	Building	1,20,000
Manav's cap a/c commission	4,000	Goodwill	18,000
Manav's capital	3,000	Investments	16,800
		Aaradhya's capital	1200
		(laptop)	

15. PROFIT AND LOSS APPROPRIATION A/C

Particulars	Amt	Particulars	Amt
To Reserve	<u>20,000</u>	By Net profit	2,00,000
To Interest on capital		By Interest on drawing:	
R's current a/c <u>36,000</u>		R's current a/c <u>1600</u>	
S's current a/c <u>24,000</u>		S's current a/c <u>2880</u>	<u>4480</u>
H's current a/c <u>11,550</u>	<u>71,550</u>		
To profit transferred to			
R's Current A/c <u>64697.5</u>			
S's Current A/c <u>8232.5</u>			
H's Current A/c <u>40,000</u>	<u>1,12,930</u>		
	<u>2,04,480</u>		<u>2,04,480</u>

OR

Profit and Loss Appropriation A/c for the year ended 31st March,

Particulars	□	Particulars	□
To Y's Salary	8,000	By Net Profit	5,00,000
To Interest on Capital			
X (@10% p.a.)	<u>46,500</u>		
Y(@10% p.a.)	<u>25,500</u>		
To X's Commission(@5% on net profit after charging IOC, salary and commission)	<u>20,000</u>		
To Profit Transferred to :			
X's Current A/c <u>200,000</u>			
Y's Current A/c <u>200,000</u>	<u>4,00,000</u>		
	5,00,000		5,00,000

Partners' current Accounts

Particulars	X	Y	Particulars	X	Y
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To Balance C/d	<u>2,82,500</u>	<u>2,51,500</u>	By Balance b/d	16,000	18,000
			By Salary		8,000
			By Interest on Capital	<u>46,500</u>	<u>25,500</u>
			By Commission	<u>20,000</u>	
			By Profit and Loss App.A/c	<u>2,00,000</u>	<u>2,00,000</u>
	2,82,500	2,51,500		2,82,500	2,51,500

Partners' Capital Accounts

Particulars	X	Y	Particulars	X	Y
To Cash A/c (Capital withdrawn on 1 st January ,2018)	40,000	20,000	By Balance b/d	4,00,000	2,00,000
To Balance c/d	4,50,000	2,60,000	By cash A/c(Additional capital on 1 st July 2017)	1,00,000	80,000
	5,00,000	2,80,000		5,00,000	2,80,000

16

Date	particulars	debit	Credit
	Bank a/c dr To share application	11,45,000	11,45,000
	Share application a/c dr To share capital a/c To securities premium reserve a/c To share allotment a/c To calls in advance a/c To bank a/c	11,45,000	4,00,000 4,00,000 2,04,000 14,000 1,27,000
	Share allotment a/c To share capital a/c To securities premium reserve a/c	6,00,000	2,00,000 4,00,000
	Bank a/c dr Calls in arrear a/c dr To share allotment a/c	3,75,000 18,000	3,96,000

Less calls in arrear	100 *2	(200)	<u>5,79,400</u>
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(b) Plant and machinery account Dr 2,90,0000

To vendor a/c	2,90,000
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Vendor	Dr	2,90,000
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To Pref share capital	2,00,000
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To SPR	40,000
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To Bills Payable	50,000
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(c) share capital a/c Dr 32,000

To share forfeiture a/c	24,000
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To calls in arrear a/c	8,000
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Bank a/c	Dr	6,000
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Share forfeiture a/c	Dr	18,000
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To Share capital a/c	24,000
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17(a) Revaluation a/c loss: 2,500

Final amount payable to R : 24,583

Balance sheet total: 1,88,583

OR

(b) revaluation profit : 1,60,000

R's capital : 1,96,000

Balance sheet total: 21,46,000

18 Principal amount Rs3,00,000 is Investing activity and Interest Rs18,000 is financing activity.

19 Issue of shares, dividend paid (or any other suitable eg)

20 Raw material, work in progress, finished goods, stock in trade, stores and spares, loose tools (any four)

Current maturities of long- term debt, int accrued but not due, interest accrued and due, income received in advance, unpaid dividends, excess application money due for refund and interest accrued thereon, unpaid matured deposits and interest accrued thereon, unpaid matured debentures and interest accrued thereon, calls in advance, other payables. (any four)

21 (a) operating ratio: 70% ; ITR: 8.25 times; Proprietary ratio:0.75

22 comparative statement of profit & loss of X Ltd. For the year ended 31-3-2016 and 31-3-2017:

Particulars	31.3.2016	31.3.2017	Absolute ch	%age ch
Revenue from Operations	30,00,000	40,00,000	10,00,000	33
Other income	6,00,000	10,00,000	4,00,000	40
Total revenue	36,00,000	50,00,000	14,00,000	38.88
Purchase of Stock in trade	25,00,000	35,00,000	10,00,000	40
Change in Inventory of stock in trade goods	5,00,000	5,00,000	-	-
Other Expenses	3,00,000	4,00,000	1,00,000	33
Total expenses	33,00,000	44,00,000	11,00,000	33
Profit before tax	3,00,000	6,00,000	3,00,000	100
Rate of Income Tax	90,000	1,20,000	30,000	33
Profit after tax	2,10,000	4,80,000	2,70,000	128

OR

Common –size –Statement for the year ended 31-3-2017 and 31-3-2018:

particulars	31-3-2017	31-3-2018	%of revenue from operations	
			2017	2018
Revenue from operations	13,20,000	18,00,000	100	100
Interest on investments	1,50,000	2,00,000	11	11
Total revenue	14,70,000	20,00,000	111	111
Cost of material used	7,00,000	11,00,000	53	61
Employee benefit expenses	2,50,000	3,50,000	18.93	19.4
Total expenses	9,50,000	14,50,000	71	80
Profit before tax	5,20,000	5,50,000	39.39	30.5
Less tax	2,60,000	2,20,000	19.69	12.2
Profit after tax	2,60,000	3,30,000	19.69	18.33

Particulars	2017(in Rs.)	2018(in Rs.)
Revenue from Operations	13,20,000	18,00,000
Interest on Investments	1,50,000	2,00,000
Cost of Material used	7,00,000	11,00,000

Employee Benefit Expenses	2,50,000	3,50,000
Tax	50%	40%

23 Cash used in operating activities: 2,73,600

Cash used in investing activities: 2,88,000

Cash flow from financing activities: 6,17,600