CBSE BOARD EXAMINATION - 2024
ACCOUNTANCY (Theory)
Solved Paper
Class-12th

Maximum Marks: 80 *Time allowed: 3 hours*

General Instructions:

Read the following instructions carefully and strictly follow them:

*(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) Question numbers **1** to **16** and **27** to **30** carry **1** mark each.*

*(4) Question numbers **17** to **20**, **31** and **32** are short answer type questions. Each carries **3** marks.*

*(5) Question numbers **21**, **22** and **33** are long answer type-I questions. Each carries **4** marks.*

*(6) Question numbers **23** to **26** and **34** are long answer type-II questions. Each carries **6** marks.*

*(7) 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.*

Delhi Set-1 **67/5/1**

PART-A

(Accounting for Partnership Firms and Companies)

1. A partnership firm has 45 partners. It wants to admit 7 more partners into partnership. Only _______ more partners can be admitted in the partnership firm according to Companies Act, 2013.

(A) 1 **(B)** 6

(C) 5 **(D)** 3 **1**

2. A, B and C were partners in a firm sharing profits and losses in the ratio of $\frac{1}{2}:\frac{1}{3}:\frac{1}{4}$. D was admitted in the firm for $\frac{1}{6}^{th}$ share. C would retain his original share. The new profit sharing ratio will be:

(A) 12 : 8 : 5 : 5 **(B)** 21 : 14 : 18 : 12

(C) 21 : 14 : 15 : 10 **(D)** 2 : 2 : 1 : 1 **1**

3. (a) If all the forfeited shares are reissued, the balance, if any, left in the Forfeited Shares Account is transferred to:

(A) General Reserve Account

(B) Securities Premium Account

(C) Capital Reserve Account

(D) Statement of Profit and Loss **1**

OR

(b) Raghav Ltd. forfeited 100 shares of ₹10 each issued at a premium of 20% for non-payment of first call of ₹ 3 per share and final call of ₹ 1 per share. The minimum price per share at which these shares can be reissued will be:

(A) ₹ 4 **(B)** ₹ 6

(C) ₹ 8 **(D)** ₹ 10 **1**

4. Assertion (A): In partnership firm, the private assets of the partners can also be used to pay off the firm's debts.

Reason (R): The liability of the partners for acts of the firm is limited.

Choose the correct option from the following:

(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).

(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).

(C) Assertion (A) is false, but Reason (R) is true.

(D) Assertion (A) is true, but Reason (R) is false. **1**

5. (a) Ridhima and Kavita were partners sharing profits and losses in the ratio of 3 : 2. Their fixed capitals were ₹ 1,50,000 and ₹ 2,00,000 respectively. The partnership deed provides for interest on capital @ 8% p.a. The net profit of the firm for the year ended 31st March, 2023 amounted to ₹ 21,000. The amount of interest on capital credited to the capital accounts of Ridhima and Kavita will be :

(A) ₹ 12,000 and ₹ 16,000 respectively.

(B) ₹ 10,500 and ₹ 10,500 respectively.

(C) ₹ 9,000 and ₹ 12,000 respectively.

(D) ₹ 16,000 and ₹ 5,000 respectively. **1**

OR

(b) Ruchika and Harshita were partners in a firm. Ruchika had withdrawn ₹ 9,000 at the end of each quarter, throughout the year. The interest to be charged on Ruchika's drawings at 6% p.a. will be:

(A) ₹ 540 (B) ₹ 2,160

(C) ₹ 1,080 (D) ₹ 810 1

6. (a) Aarav Ltd. issued 10,000, 9% debentures of ₹100 each at a premium of 5%, redeemable at a premium of 10%. Loss on issue of debentures account will be debited by:

(A) ₹ 10,00,000 (B) ₹ 1,00,000

(C) ₹ 1,50,000 (D) ₹ 1,05,000 1

OR

(b) Dove Ltd. issued 8,000, 11% debentures of 100 each at a premium of 5%. The total amount of interest on Debentures for one year will be:

(A) ₹ 80,000 (B) ₹ 92,400

(C) ₹ 88,000 (D) ₹ 880 1

7. **Assertion (A):** Securities Premium cannot be utilized for writing off loss on sale of a fixed asset.

Reason (R): Securities Premium can be applied only for the purposes mentioned in the Companies Act, 2013.

Choose the correct option from the following:

(A) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct reason of Assertion (A).

(B) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct reason of Assertion (A).

(C) Both Assertion (A) and Reason (R) are false.

(D) Assertion (A) is false, but Reason (R) is true. 1

8. (a) Kriti, Hina and Nidhi were partners sharing profits in the ratio of 3:2:1. Nidhi retired. On the date of her retirement, Workmen Compensation Fund stood in the Balance Sheet at ₹ 1,50,000. Workmen Compensation Claim was ₹ 1,20,000. How much amount of Workmen Compensation Fund will be credited to Nidhi's Capital Account?

(A) ₹ 30,000 (B) ₹ 10,000

(C) ₹ 5,000 (D) ₹ 15,000 1

OR

(b) Rohit, Udit and Mohit were partners in a firm sharing profits in the ratio of 3:2:1. Mohit retired. The balance in his capital account after making the necessary adjustments on account of reserves and revaluation of assets and liabilities was ₹ 1,80,000. Rohit and Udit agreed to pay him ₹ 2,00,000 in full settlement of his claim. Mohit's share of goodwill in the firm was

(A) ₹ 1,80,000 (B) ₹ 2,00,000

(C) ₹ 40,000 (D) ₹ 20,000 1

9. On dissolution of a partnership firm, if realisation expenses are paid by the firm on behalf of a partner, then such expenses are debited to which of the following account:

(A) Realisation Account

(B) Partner's Capital Account

(C) Partner's Loan Account

(D) Bank Account 1

Read the following hypothetical situation and answer question numbers 10 and 11:

Keshav and Hitesh are partners sharing profits and losses in the ratio of 3: 2. On 31st March, 2023 after division of profit of ₹ 15,000, their capitals were ₹ 55,000 and ₹ 45,000 respectively. During the year Keshav's drawings were ₹ 1,500 at the beginning of each quarter and Hitesh withdrew ₹ 9,000 on 1st November, 2022.

After the final accounts have been prepared, it was discovered that interest on capital @ 5% p.a. and interest on drawings @ 8% p.a. have not been taken into consideration.

10. Opening capital of Keshav was:

(A) ₹ 35,000 (B) ₹ 39,000

(C) ₹ 43,000 (D) ₹ 52,000 1

11. Amount of interest to be charged on Hitesh's drawings will be:

(A) ₹ 225 (B) ₹ 4,500

(C) ₹ 300 (D) ₹ 7,200 1

12. Kewal Ltd. purchased sundry assets from Ganpati Ltd. for ₹ 28,60,000. The amount was paid by issuing fully paid shares of ₹ 100 each issued at a premium of 10%. The number of shares issued to Ganpati Ltd. were:

(A) ₹ 28,000 (B) ₹ 31,778

(C) ₹ 28,600 (D) ₹ 26,000 1

13. Sarita Ltd. forfeited 100 shares of ₹ 10 each, ₹ 8 called up issued at a premium of ₹ 2 per share to Ramesh for non-payment of allotment money of ₹ 5 per share (including premium). The first and final call of ₹ 2 per share was not made. Out of these 70 shares were reissued to Ashok as ₹ 8 called up for ₹ 10 per share. The gain on reissue will be:

(A) ₹ 500 (B) ₹ 400

(C) ₹ 350 (D) ₹ 300 1

14. Isha and Manish were partners in a firm sharing profits and losses in the ratio of 3 : 2. With effect from 1st April, 2023, they agreed to share profits equally. On this date the goodwill of the firm was valued at ₹ 3,00,000. The necessary journal entry for the treatment of goodwill without opening Goodwill Account will be:

Date 2023	Particulars	Dr. Amount (₹)	Cr. Amount (₹)
(A) April, 1	Manish's Capital A/c Dr. To Isha's Capital A/c	30,000	 30,000
(B) April, 1	Isha's Capital A/c Dr. To Manish's Capital A/c	30,000	 30,000
(C) April, 1	Manish's Capital A/c Dr. To Isha's Capital A/c	3,000	 3,000
(D) April, 1	Isha's Capital A/c Dr. To Manish's Capital A/c	3,000	 3,000

1

15. Mahi, Ruhi and Ginni are partners in a firm sharing profits and losses in the ratio of 6:4:1. Mahi guaranteed a profit of ₹ 50,000 to Ginni. Net profit for the year ending 31st March, 2023 was ₹ 1,10,000. Mahi's share in the profit of the firm after giving guaranteed amount to Ginni will be:

(A) ₹ 20,000 **(B)** ₹ 60,000

(C) ₹ 40,000 **(D)** ₹ 10,000 **1**

16. (a) Aditi, Sukriti and Niti were partners sharing profits in the ratio of 2:2:1. Sukriti died on 30th June, 2023. Net profit for the year ended 31st March, 2023 was ₹ 4,50,000. If the deceased partner's share of profit is to be calculated on the basis of previous year's profit, the amount of profit credited to Sukriti's Capital Account will be:

(A) ₹ 90,000 **(B)** ₹ 45,000

(C) ₹ 1,80,000 **(D)** ₹ 1,12,500 **1**

OR

(b) Pawan, a partner was appointed to look after the process of dissolution of firm for which he was allowed a remuneration of ₹ 75,000. Pawan agreed to bear the dissolution expenses. Actual dissolution expenses ₹ 60,000 were paid by Pawan. Pawan's Capital Account will be credited by:

(A) ₹ 75,000 **(B)** ₹ 60,000

(C) ₹ 15,000 **(D)** ₹ 10,000 **1**

17. Anand, Ridhi and Shyam were partners in a firm sharing profits and losses in the ratio of 2:2:1. Their fixed capitals were ₹ 1,00,000, ₹ 60,000, and ₹ 40,000 respectively. For the year ended 31st March, 2023, interest on capital was credited to their capital accounts @ 9% p.a instead of 7% p.a. Pass the necessary adjusting Journal entry. **3**

18. (a) Mahesh, Ramesh and Naresh were partners in a firm sharing profits in the ratio of 5:3:2. From 1st April, 2023, they decided to share profits equally. On that date, there was a balance of ₹ 3,60,000 in General Reserve and a debit balance of ₹ 1,80,000 in the Profit and Loss Account. Pass single adjustment Journal entry for the above on account of change in the profit sharing ratio. **3**

OR

(b) Ravi, Guru, Mani and Sonu were partners in a firm sharing profits in the ratio of the 2:2:2:1. On 31st January, 2023, Sonu retired. On Sonu's retirement the Goodwill of the firm was valued at ₹ 1,40,000. The new profit sharing ratio among Ravi, Guru and Mani was agreed as 5:1:1. Showing your workings clearly, pass necessary Journal entry for the treatment of Goodwill in the books of the firm on Sonu's retirement without opening goodwill account. **3**

19. (a) Chavi Ltd. purchased machinery from Neo Ltd. It was agreed that the purchase consideration will be paid by issuing 10,000 equity shares of ₹10 each at a premium of 10% and a bank draft of ₹ 50,000.

Pass the necessary Journal entries in the books of Chavi Ltd. for the above transactions. **3**

OR

(b) On 1st October, 2022 Ninza Ltd. issued 4,000, 8% Debentures of ₹ 100 each at a discount of 10%. The company had a balance of ₹ 50,000 in Securities Premium Account on the same date.

Pass necessary Journal entries for issue of debentures and to write off discount on issue of debentures. **3**

20. Sunny and Rohan were partners in a firm sharing profits and losses in the ratio of 2:1. Their books showed that the capital employed on 31st March, 2023 was ₹ 7,00,000. The average profits earned by the firm were ₹ 90,000. Calculate the value of goodwill on the basis of 5 years' purchase of super profits assuming that the normal rate of return is 10%. **3**

21. Madhav, Raghav and Purav were partners in a firm sharing profits and losses in the ratio of 3:1:1. Their Balance Sheet as at 31st March, 2023 was as follows:

Balance Sheet of Madhav, Raghav and Purav
as at 31st March, 2023

Liabilities		Amount (₹)	Assets	Amount (₹)
Creditors		1,00,000	Bank	20,000
General Reserve		50,000	Stock	1,10,000
Capitals:			Investment	70,000
Madhav	60,000		Furniture	35,000
Raghav	1,00,000		Building	1,15,000
Purav	40,000	2,00,000		
		3,50,000		**3,50,000**

Purav died on 30th September, 2023. According to Partnership deed, his legal representatives are entitled to the following:

(i) Balance in his Capital Account.

(ii) Share of profit upto the date of death to be calculated on the basis of last year's profit.

(iii) Share of goodwill calculated on the basis of three years' purchase of average profits of last four years.

(iv) Interest on capital @ 12% p.a.

Purav's share of profit was ₹ 3,000 and the average profit of last four years were ₹ 50,000. Purav's drawings upto the date of death were ₹ 10,000.

Prepare Purav's Capital Account to be rendered to his legal representatives. **4**

22. On 1st April 2023, Khyati Ltd. was formed with an authorised capital of ₹ 20,00,000 divided into 2,00,000 equity shares of ₹ 10 each. The company invited applications for issuing 1,80,000 equity shares. The company received applications for 1,70,000 equity shares. During the first year, ₹ 8 per share were called and final call of ₹ 2 per share has not been made yet. Siya holding 2,000 shares and Piya holding 4,000 shares did not pay the first call of ₹ 2 per share. All the shares of Siya and Piya were forfeited after the first call.

Present the share capital in the Balance Sheet of Khyati Ltd. as per Schedule III, Part I of Companies Act, 2013 and also prepare 'Notes to Accounts' for the same. **4**

23. (a) Murari Ltd. invited applications for issuing 80,000 equity shares of ₹ 10 each at a premium of ₹ 4 per share. The amount per share was payable as follows: ₹ 5 on application and ₹ 9 (including premium) on allotment.

Applications were received for 1,40,000 shares and allotment was made on pro-rata basis to all the applicants. Money overpaid on application was utilised towards sums due on allotment.

The allotment money was duly received except from Sameer who had applied for 1,400 shares. His shares were forfeited.

Pass the necessary journal entries in the books of Murari Ltd. to record the above transactions. Open calls-in-arrears account wherever required. **6**

OR

(b) Kavya Ltd. invited applications for issuing 30,000 shares of ₹ 10 each at a premium of ₹ 2 per share. The amount was payable as follows:

On application and allotment ₹ 7 per share

On first and final call ₹ 5 per share (including ₹2 premium)

Applications were received for 33,000 shares. Applications for 3,000 shares were rejected and money returned to the applicants. Applications for 30,000 shares were accepted in full.

The application and allotment money was duly received. The first and final call was made and money received except from a shareholder holding 500 shares. His shares were forfeited. All these shares were re-issued to Kartik as fully paid for ₹ 8 per share.

Pass necessary journal entries for the above transactions in the books of Kavya Ltd. Open calls-in-arrears account wherever required. **6**

24. (a) Arnav, Bhavi and Chavi were in partnership sharing profits and losses in the ratio of 3:2:1. On 31st March, 2023, their Balance Sheet was as follows:

Balance Sheet of Arnav, Bhavi and Chavi as at 31st March, 2023

Liabilities		Amount (₹)	Assets		Amount (₹)
Capitals:			Plant & Machinery		3,00,000
Arnav	1,80,000		Furniture		20,000
Bhavi	1,60,000		Debtors	3,50,000	
Chavi	1,00,000	4,40,000	Less: Provision for		
Creditors		2,50,000	doubtful debts	20,000	3,30,000
			Cash in hand		10,000
			Profit and Loss Account		30,000
		6,90,000			**6,90,000**

Chavi retired on the above date. It was agreed that:

(i) Plant and Machinery be valued at ₹ 4,30,000.

(ii) The existing Provision for Bad Debts was to be increased by 50%.

(iii) Chavi's share of Goodwill was valued at ₹ 80,000 and the same was to be treated without opening goodwill account.

(iv) The total amount to be paid to Chavi was brought in by Arnav and Bhavi in such a way as to make their capitals in proportion to their new profit sharing ratio.

Prepare Revaluation Account and Partners' Capital Accounts. **6**

OR

(b) Divya and Ekta were partners in a firm sharing profits in the ratio of 3:1. On 31st March, 2023 they admitted Sona as a new partner for 1/4th share in the profits of the firm. Their Balance Sheet on that date was as follows:

Balance Sheet of Divya and Ekta as at 31st March, 2023

Liabilities		Amount (₹)	Assets		Amount (₹)
Capitals:			Land and Building		5,00,000
Divya	10,00,000		Machinery		6,00,000
Ekta	7,00,000	17,00,000	Stock		1,50,000
General Reserve		3,20,000	Debtors	4,00,000	
Creditors		5,40,000	Less: Provision for		
			doubtful debts	30,000	3,70,000
			Investments		5,00,000
			Cash		4,40,000
		25,60,000			**25,60,000**

Sona will bring ₹4,00,000 as her capital and her share of goodwill in cash. It was agreed that:

(i) Goodwill of the firm was valued at ₹ 2,40,000.

(ii) Land & Building were valued at ₹ 7,12,000.

(iii) Provision for doubtful debts was found to be in excess by ₹8,000

(iv) A liability for ₹20,000 included in Creditors was not likely to arise.

(v) The capitals of Divya and Ekta will be adjusted on the basis of Sona's capital by opening current accounts.

Prepare Revaluation Account and Partners' Capital Accounts. **6**

25. Pass the necessary journal entries for the following transactions on dissolution of the firm of Avyan and Shruti after various assets (other than cash) and third party liabilities have been transferred to Realisation Account: **6**

(i) Sundry creditors amounting to ₹ 40,000 were settled at a discount of 10%.

(ii) An unrecorded computer of ₹ 50,000 was taken over by Shruti.

(iii) Creditors of ₹ 5,000 agreed to take over debtors of ₹ 8,000 in full settlement of their claim.

(iv) The firm had a debit balance of ₹ 42,000 in the Profit and Loss Account on the date of dissolution.

(v) There was an old furniture with the firm which had been written off completely from the books. This was sold for ₹ 9,000.

(vi) Realisation expenses amounting to ₹ 11,000 were paid by Shruti. **6**

26. Pass Journal entries relating to issue of debentures in the books of Novex Ltd. in each of following cases:

(i) Issued 30,000, 10% Debentures of ₹ 100 each at a premium of 10%, redeemable at par.

(ii) Issued 4,000, 10% Debentures of ₹ 100 each at a premium of 15%, redeemable at a premium of 10%.

(iii) Issued 5,000, 10% Debentures of ₹ 100 each at a discount of 5%, redeemable at a premium of 10%. **6**

PART B

(Analysis of Financial Statements)

27. Which of the following is not a tool of Analysis of Financial Statements? **1**

(A) Ratio Analysis

(B) Comparative Statement

(C) Statement of Profit & Loss

(D) Cash Flow Statement

28. (a)

Total Assets	–	₹ 3,00,000
Non-current Assets	–	₹ 2,60,000
Non-current Liabilities	–	₹ 80,000
Shareholders Funds	–	₹ 2,00,000

Current ratio calculated on the basis of above information will be: **1**

(A) 0.5:1 **(B)** 2:1

(C) 1.5:1 **(D)** 1:1

OR

(b) When Current Ratio is 4:1, Current Assets are ₹60,000 and Quick Ratio is 2.5:1, the amount of 'Inventory' will be: **1**

(A) ₹22,500 **(B)** ₹37,500

(C) ₹15,000 **(D)** ₹25,000

29. (a) Shyam Sunder Ltd. is a financing company. Under which of the following activity will the amount of 'Interest paid on loan' be shown: **1**

(A) Investing activity

(B) Financing activity

(C) Both Financing & Operating activity

(D) Operating activity

OR

(b)

Particulars	1-4-2022	31-3-2023
Provision for Tax	₹10,000	₹25,000

Tax paid during the year ended 31st March, 2023 was ₹15,000. While calculating Net Profit before Tax and Extra ordinary items, the amount of provision for tax to be added is __________ . **1**

(A) ₹ 30,000 **(B)** ₹ 25,000

(C) ₹ 10,000 **(D)** ₹ 15,000

30. Which of the following transaction will result in flow of cash? **1**

(A) Cash withdrawn from bank ₹71,000.

(B) Issue of 9% debentures of ₹1,00,000 to the vendors of Machinery.

(C) Received from debtors ₹74,000.

(D) Redeemed 10% debentures by converting into equity shares.

31. Under which major heads and sub-heads will the following items be placed in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013: **3**

(i) Stores and Spares

(ii) Calls-in-Advance

(iii) Income received in advance

32. From the following information of Ajanta Ltd., calculate 'Inventory Turnover Ratio': **3**

	₹
Opening inventory	19,000
Closing inventory	21,000
Purchases	80,000
Wages	9,000
Carriage Outwards	2,000
Return Outwards	1,000
Revenue from operations	80,000
Carriage inwards	4,000
Rent paid	5,000

33. (a) From the following Statement of Profit and Loss of Shikha Ltd., prepare Comparative Statement of Profit and Loss for the year ended 31st March, 2023. **4**

Shikha Ltd.

Statement of Profit & Loss for the year ended 31st March, 2023

Particulars	2022-23 (₹)	2021-22 (₹)
Revenue from operations	32,00,000	20,00,000
Expenses:		
Employee benefit expenses	9,60,000	6,00,000
Other expenses	6,40,000	4,00,000

Rate of Tax is 50%.

OR

(b) From the following information prepare a Common Size Statement of Profit and Loss of A Ltd. and B Ltd. for the year ended 31st March, 2023: **4**

Particulars	A Ltd.	B Ltd.
Revenue from operations (₹)	20,00,000	10,00,000
Other income (₹)	3,00,000	80,000
Expenses (₹)	10,40,000	4,80,000
Tax Rate	40%	40%

34. From the following Balance Sheet of Yogita Ltd., calculate 'Cash flows from Investing Activities' and 'Cash flows from Financing Activities'. Show your working properly. **6**

Yogita Ltd.

Balance Sheet as at 31st March, 2023

Particulars	Note No.	31-3-2023 (₹)	31-3-2022 (₹)
I. Equity and Liabilities:			
(1) Shareholders' Funds			
(a) Share Capital		4,00,000	2,00,000
(b) Reserves and Surplus	1	2,00,000	1,00,000
(2) Non-Current Liabilities			
(a) Long term borrowings	2	1,50,000	2,20,000
(3) Current Liabilities			
(a) Short term borrowings	3	1,00,000	–
(a) Trade payables		70,000	50,000
(b) Short term provisions	4	50,000	30,000
Total		**9,70,000**	**6,00,000**
II. Assets:			
(1) Non-Current Assets			
(a) Fixed Assets (Property, Plant & Equipment and Intangible Assets)			
(i) Tangible Assets (Property, Plant & Equipment)	5	7,00,000	4,00,000
2. Current Assets			
(a) Inventories		1,70,000	1,00,000
(b) Trade Receivables		1,00,000	50,000
(c) Cash and Cash Equivalents		–	50,000
Total		**9,70,000**	**6,00,000**

Notes to Accounts:

Note No.	Particulars	31-3-2023 (₹)	31-3-2022 (₹)
1.	Reserves and Surplus		
	Balance in statement of Profit & Loss	1,50,000	80,000
	General Reserve	50,000	20,000
		2,00,000	**1,00,000**
2.	Long term borrowings		
	10% Bank Loan	1,50,000	2,20,000
		1,50,000	**2,20,000**
3.	Short term borrowings		
	Bank Overdraft	1,00,000	–
		1,00,000	–
4.	Short term provisions		
	Provision for tax	50,000	30,000
		50,000	**30,000**
5.	Tangible Assets (Property, plant & equipment)		
	Plant and Machinery	7,90,000	4,70,000
	Less: Accumulated depreciation	(90,000)	(70,000)
		7,00,000	**4,00,000**

Additional Information:

(i) ₹50,000 was charged as depreciation on Plant and Machinery. A machinery costing ₹60,000 (Book value ₹45,000) was sold for ₹42,000.

(ii) Bank loan was repaid on 1st April, 2022.

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Except the following all other Questions are from Set-1

PART-A

(Accounting for Partnership Firms and Companies)

17. Asha, Nisha and Hiten were partners in a firm sharing profits and losses in the ratio of 2:2:1. Their fixed capitals were ₹ 2,00,000, ₹ 1,50,000 and ₹1,00,000 respectively. The partnership deed provided for interest on capital @ 10% p.a. For the year ended 31st March, 2023, profits of the firm were distributed without providing interest on capital. Pass the necessary adjusting Journal entry to rectify the error. **3**

20. A business earned an average profit of ₹ 4,00,000 during the last few years. The normal rate of profit in the similar type of business is 10%. The value of assets and liabilities of the business were ₹ 20,00,000 and ₹ 5,00,000 respectively. Calculate the value of goodwill of the firm by Super Profits Method if it is valued at 2 years purchase of super profit. **3**

25. Pass the necessary journal entries for the following transactions on the dissolution of the firm of Abhay and Mansi after various assets (other than cash) and third party liabilities have been transferred to Realisation Account:

(i) Abhay took over stock worth ₹ 67,000 at ₹ 56,000.

(ii) There was an old computer which had been written off completely from the books. It was estimated to realise ₹ 4,000. It was taken away by Mansi at the estimated price less 10%.

(iii) Unrecorded liabilities of ₹ 7,500 were settled at ₹ 5,000.

(iv) Realisation expenses amounting to ₹ 8,000 were paid by Abhay.

(v) Investment, whose face value was ₹ 15,000, was realized at 40%.

(vi) Profit on realisation ₹ 24,000 was to be distributed between Abhay and Mansi in their profit sharing ratio which was 2:1. **6**

26. Pass journal entries relating to issue of debentures in the books of Star Ltd. in each of the following cases:

(i) Issued 50,000, 9% Debentures of ₹ 100 each at a discount of 10%, redeemable at par.

(ii) Issued 6,000, 9% Debentures of ₹ 100 each at a premium of 5%, redeemable at a premium of 10%.

(iii) Issued 4,000, 10% Debentures of ₹ 100 each at par, redeemable at a premium of 5%. **6**

PART-B

(Analysis of Financial Statements)

31. Under which major heads and sub-heads will the following items be placed in the balance sheet of the company as per Schedule III, Part I of the Companies Act, 2013:

(i) Computer Software **(ii)** Unclaimed dividend

(iii) Loose Tools **3**

32. Calculate current ratio from the following information:

	₹
Equity share capital	8,00,000
Inventories	1,00,000
Trade Receivables	1,20,000
Advance Tax	24,000
Cash and Cash equivalents	56,000
Trade Payables	60,000
Short term borrowings (Bank overdraft)	40,000
10% Investments	80,000

3

Delhi Set-3 67/5/3

Except the following all other Questions are from Set-1 & 2

PART-A

(Accounting for Partnership Firms and Companies)

17. Anvi, Vani and Karan were partners in a firm sharing profits in the ratio of 2:2:1. Their fixed capitals were ₹ 4,00,000, ₹ 5,00,000 and ₹ 6,00,000 respectively. For the year ended 31st March, 2023, interest on capital was credited to the partners capital accounts @ 6% p.a. instead of 10% p.a.

Pass the necessary adjusting Journal entry. **3**

20. Maira and Shreya were partners in a firm. They earned an average profit of ₹ 2,00,000 during the last few years. The normal rate of profit in the similar type of business is 10%. The value of assets and liabilities of the business were ₹ 18,00,000 and ₹ 3,00,000 respectively. Calculate the value of goodwill of the firm by super profit method if it is valued at 3 years purchase of super profit. **3**

25. Pass the necessary journal entries for the following transactions on the dissolution of the firm of Radha and Sudha after various assets (other than cash) and third party liabilities have been transferred to Realisation Account:

(i) Nitish, an old customer, whose account for ₹11,000 was written off as bad debt in the previous year, paid 70% of the amount.

(ii) Sundry creditors amounting to ₹ 40,000 were settled at a discount of 20%.

(iii) Radha took over investments worth ₹ 23,000 at ₹ 20,000.

(iv) Profit and Loss Account showed a debit balance of ₹ 18,000.

(v) Sudha's loan amounting to ₹ 15,000 was paid.

(vi) Machinery of the book value of ₹ 1,00,000 was given to a creditor of ₹ 85,000 in full settlement. **6**

26. Pass Journal entries relating to issue of debentures in the books of Unicorn Ltd. in each of the following cases:

(i) Issued 20,000, 8% Debentures of ₹ 100 each at a premium of 10%, redeemable at a premium of 5%.

(ii) Issued 8,000, 8% Debentures of ₹ 100 each at a discount of 10%, redeemable at a premium of 10%.

(iii) Issued 3,000, 8% Debentures of ₹ 100 each at par, redeemable at a premium of 10%.

PART-B

(Analysis of Financial Statements)

31. Under which major heads and sub-heads will the following items be placed in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013:

(i) Patents

(ii) Capital Reserve

(iii) Prepaid rent **3**

32. From the following information, calculate Working Capital Turnover Ratio:

Gross Profit Ratio	25%
Gross Profit	₹ 5,00,000
Shareholders Funds	₹ 25,00,000
Non-current liabilities	₹ 8,00,000
Non-current Assets	₹ 23,00,000

3

Outside Delhi Set-1 67/4/1

PART-A

(Accounting for Partnership Firms and Companies)

1. Kanha, Resham and Nisha were partners in a firm. Nisha had given a loan of ₹1,00,000 to the firm @ 10% p.a. The accountant of the firm is emphasizing that interest on loan will be paid 6% p.a. At what rate the interest on loan will be paid to Nisha?

(A) 6% p.a.

(B) 10% p.a.

(C) 8% p.a.

(D) No interest on loan will be paid. **1**

2. Gupta and Sharma are partners in a firm sharing profit in the ratio of 4:1. They admitted Preeti as a new partner for 1/4th share in the profits, which she acquired wholly from Gupta. New profit sharing ratio of Gupta, Sharma and Preeti will be:

(A) 2:1:1 **(B)** 11:4:5

(C) 3:3:2 **(D)** 7:5:4 **1**

3. Aditya, Vishesh and Nimesh were partners in a firm sharing profits and losses equally. Aditya died on 1 July, 2023. Remaining partners decided to continue the business of the firm and decided to share future profits in the ratio of 4:3. The gaining ratio of Vishesh and Nimesh will be:

(A) 4:3 **(B)** 3:2

(C) 5:2 **(D)** 1:1 **1**

4. **(a)** Vishant Ltd. invited applications for issuing 6,000 equity shares of ₹ 10 each at 10% premium. The issue was fully subscribed. The amount per share was payable as follows:

On application ₹ 3, on allotment- ₹ 3 (including premium), on first call ₹ 3 and on final call ₹ 2. Ashish the holder of 200 shares paid the entire money along with allotment. The total amount received on allotment was:

(A) ₹ 18,000 **(B)** ₹ 19,000

(C) ₹ 25,000 **(D)** ₹ 21,000 **1**

OR

(b) M Ltd. forfeited 5,000 equity shares of ₹ 10 each issued at a premium of 10% for non-payment of final call of ₹ 2 per share. The minimum amount at which these shares can be reissued as fully paid up will be:

(A) ₹ 5,000 **(B)** ₹ 10,000

(C) ₹ 12,000 **(D)** ₹ 50,000 **1**

5. **Assertion (A):** Under the fixed capital method, partners' capital accounts always show a credit balance.

Reason (R): Under the fixed capital method, all items like share of profit or loss, interest on capital, drawings, interest on drawings are recorded in a separate account called partners' current account. Choose the correct alternative from the following:

(A) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A).

(B) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).

(C) Assertion (A) is correct, but Reason (R) is incorrect.

(D) Assertion (A) is incorrect, but Reason (R) is correct. **1**

6. **(a)** Vanya and Aanya were partners in a firm sharing profit and losses in the ratio of 3:2. Their capital were ₹ 5,00,000 and ₹ 1,00,000 respectively. Vanya was entitled to interest on capital 8% p.a. and Aanya was entitled to salary ₹ 5,000 per month. The net profit before any appropriation was ₹ 1,75,000. Vanya's share in divisible profit will be:

(A) ₹ 45,000 **(B)** ₹ 30,000

(C) ₹ 37,500 **(D)** ₹ 40,000 **1**

OR

(b) Omkar and Shiva were partners in a firm. Omkar was entitled to a salary of ₹ 20,000 p.a. while Shiva was entitled to a salary of ₹ 50,000 p.a. Net profit for the year ended 31st March, 2023 after charging salary of Omkar and Shiva was ₹ 5,60,000, The total amount credited to Omkar's capital account will be:

(A) ₹ 2,45,000 **(B)** ₹ 2,65,000

(C) ₹ 3,15,000 **(D)** ₹ 3,00,000 **1**

7. **Assertion (A):** Interest on bearer debentures is paid to a person who produces the interest coupon attached to such debentures.

Reason (R): Bearer debentures are transferred by way of delivery and the company does not keep any record of these debenture holders.

Choose the correct option from the following:

(A) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A).

(B) Both Assertion (A) and Reason (R) are correct but Reason (R) is not the correct explanation of Assertion (A).

(C) Assertion (A) is correct, but Reason (R) is incorrect.

(D) Assertion (A) is incorrect, but Reason (R) is correct. **1**

8. **(a)** Arnav Ltd. purchased assets worth ₹ 24,00,000. It issued 9% debentures of ₹ 100 each at a discount of 4% for payment of the purchase consideration. The number of debentures issued to vendor were:

(A) ₹ 24,000 **(B)** ₹ 25,000

(C) ₹ 30,000 **(D)** ₹ 28,000 **1**

OR

(b) On 1st May, 2023, Amrit Ltd. issued 10,000, 10% debentures of ₹ 100 each at a premium of 10% redeemable at a premium of 10%. Loss on issue of debentures will be: **1**

(A) ₹ 2,00,000 **(B)** ₹ 1,30,000

(C) ₹ 1,00,000 **(D)** ₹ 80,000

9. **(a)** Riya, Rita and Renu were partners in a firm. On 31st March, 2023 Renu retired. The amount payable to Renu ₹ 2,17,000 was transferred to her loan account. Renu agreed to receive interest on this amount as per the provisions of Partnership Act, 1932. The rate at which interest would be paid to Renu is: **1**

(A) 9% p.a. **(B)** 6% p.a.

(C) 12% p.a. **(D)** 10% p.a.

OR

(b) Ravi, Vani and Toni were equal partners in a firm. After the retirement of Vani, the capital balances of Ravi and Toni were ₹ 1,56,000 and ₹ 1,08,000 respectively. The new capital of the firm was determined at ₹ 2,80,000. It was decided that the capital will be in proportion of the profit sharing ratio of the remaining partners. Toni will ______ bring for deficiency of his new capital. **1**

(A) ₹ 40,000 **(B)** ₹ 12,000

(C) ₹ 20,000 **(D)** ₹ 32,000

Read the following hypothetical situation and answer questions 10 and 11:

Aditi and Saurabh were partners in a firm sharing profits and losses in the ratio of 2:1. On 1st April, 2022 their capitals were ₹ 5,00,000 and ₹ 4,00,000 respectively. Before any appropriation, the firm earned a Net profit of ₹ 81,000 for the year ended 31st March, 2023. According to the partnership deed, interest on capital was to be provided @ 10% p.a.

10. Interest on capital will be provided to Aditi and Saurabh in which of the following ratio? **1**

(A) 5:4 **(B)** 2:1

(C) 1:1 **(D)** 8:1

11. Interest on Aditi's capital will be: **1**

(A) ₹ 50,000 **(B)** ₹ 45,000

(C) ₹ 40,500 **(D)** ₹ 54,000

12. Vishnu and Mishu are partners in a firm. Mishu draws a fixed amount at the end of every quarter. Interest on drawings is charged 15% p.a. At the end of the year interest on Mishu's drawings amounted to ₹9,000. Interest on drawings was charged on drawings of Mishu for: **1**

(A) 6 months **(B)** 7½ months

(C) 4½ months **(D)** 4 months

13. On the dissolution of a partnership firm there were debtors of ₹ 34,000. Debtors of ₹ 1,000 became bad and 60% was realized from the remaining debtors. Which account will be debited and by how much amount on the realisation from debtors? **1**

(A) Realisation A/c by ₹ 33,000

(B) Profit & Loss A/c by ₹ 1,000

(C) Cash A/c by ₹ 19,800

(D) Debtors A/c by ₹ 14,200

14. **(a)** Which one of the following items is not dealt through Profit and Loss Appropriation Account? **1**

(A) Interest on Capital

(B) Interest on Drawings

(C) Rent paid to partners

(D) Partner's salary

OR

(b) At the time of admission of a partner, the Balance Sheet of the firm showed a workmen compensation reserve of ₹ 80,000. The claim for workmen compensation was estimated at ₹ 1,00,000. The shortfall of ₹ 20,000 will be: **1**

(A) debited to Revaluation Account

(B) credited to Revaluation Account

(C) debited to Partners' Capital Accounts

(D) credited to Partners' Capital Accounts

15. As per the provisions of Companies Act, 2013 Securities Premium cannot be utilized for: **1**

(A) buy back of shares

(B) issue of partly paid bonus shares

(C) writing off discount on issue of debentures

(D) writing off preliminary expenses

16. If vendors are issued fully paid shares of ₹ 1,25,000 in purchase consideration of net assets of ₹ 1,50,000, the balance of ₹ 25,000 will be credited to: **1**

(A) Statement of Profit and Loss

(B) Goodwill Account

(C) Capital Reserve Account

(D) Profit and Loss Adjustment Account

17. Reeha, Meenu and Sara were partners in a partnership firm sharing profits and losses in the ratio of 2:2:1. With effect from 1st April, 2023, they agreed to share profits and losses equally. On that date, there was a General Reserve of ₹ 50,000 in the books of the firm. It was agreed that:

(i) Goodwill of the firm be valued at ₹ 3,00,000.

(ii) Profit on revaluation of assets and re-assessment of liabilities amounted to ₹ 30,000.

Pass necessary journal entries for the above transactions in the books of the firm. **3**

18. (a) Mahesh Ltd. purchased Plant and Machinery from Ish Ltd. for ₹ 4,50,000. ₹ 50,000 was paid by cheque to Ish Ltd. and the balance by issuing 6% debentures of ₹ 100 each at a discount of 20%. Pass the necessary Journal Entries for the above transactions in the books of Mahesh Ltd. **3**

OR

(b) Manika Ltd. forfeited 500 shares of ₹ 100 each for non-payment of first call of ₹ 20 per share and second and final call of ₹ 25 per share. 250 of these shares were reissued at ₹ 50 per share fully paid up. Pass the Journal Entries for forfeiture and reissue of shares. **3**

19. (a) Aayush and Krish are partners sharing profits and losses equally. They decided to admit Vansh for an equal share in the profits. For this purpose, the goodwill of the firm was to be valued at four years' purchase of super profits.

The balance sheet of the firm on 31.3.2023 before admission of Vansh was as follows:

Balance Sheet of Aayush and Krish as on 31.3.2023

Liabilities		Amount (₹)	Assets	Amount (₹)
Capitals:			Machinery	75,000
Aayush	90,000		Furniture	15,000
Krish	50,000	1,40,000	Stock	30,000
General Reserve		20,000	Debtors	20,000
Loan		25,000	Cash	50,000
Creditors		5,000		
		1,90,000		**1,90,000**

The normal rate of return is 12% per annum. Average profit of the firm for the last four years was ₹ 30,000. Calculate Vansh's share of Goodwill. **3**

OR

(b) Varun, Tarun, Arun and Barun were partners in a firm sharing profits in the ratio of, 5:3:2:2. Arun retired on 31st March, 2023. Varun, Tarun and Barun decided to share future profits equally. On Arun's retirement, Goodwill of the firm was valued at ₹ 9,00,000. Showing your workings clearly, pass the necessary Journal entry for treatment of Goodwill on Arun's retirement without opening goodwill account. **3**

20. Atul and Gita were partners in a firm sharing profits and losses in the ratio of 3:2. Their fixed capitals were ₹ 4,00,000 and ₹ 2,00,000 respectively. After the accounts for the year were prepared, it was noticed that interest on capital 6% p.a., as provided in the partnership deed, was not credited to the capital accounts of partners before distribution of profits.

Pass the necessary adjusting Journal entry. Show your workings clearly. **3**

21. Ronit Ltd. was registered red with an authorised capital of ₹ 75,00,000 divided into 75,000 equity shares of ₹ 100 each. The company invited applications for issuing 45,000 shares.

The amount was payable as follows: ₹ 30 per share on application, ₹ 30 per share on allotment, ₹ 25 per share on first call and balance on final call. Applications were received for 42,000 shares and allotment was made to all the applicants. Charvi, to whom 3,300 shares were allotted, failed to pay both the calls. Her shares were forfeited. Present the share capital in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013. Also prepare notes to accounts. **4**

22. Ram, Ravi and Rohan were partners sharing profits in the ratio of 2:3:1. On 31st March, 2023, their Balance Sheet was as follows:

Balance Sheet of Ram, Ravi and Rohan
as on 31.3.2023

Liabilities		Amount (₹)	Assets		Amount (₹)
Creditors		3,62,000	Cash		14,000
General Reserve		18,000	Bank		2,96,000
Capitals:			Stock		80,000
Ram	1,00,000		Debtors	3,00,000	
Ravi	2,00,000		Less: provision for		
Rohan	3,00,000	6,00,000	doubtful debts	10,000	2,90,000
			Investments		50,000
			Land		2,50,000
		9,80,000			**9,80,000**

Rohan died on 30th September, 2023. On the death of a partner the partnership deed provided for the following:

(i) Goodwill was to be valued at two years' purchase of average profit of last three years. The profits for the last three years were: 2020-21 ₹ 45,000, 2021-22 ₹ 90,000 and 2022-23 ₹ 1,35,000.

(ii) Deceased partner's share of profit till the date of his death will be calculated on the basis of average profit of last three years.

Prepare Rohan's Capital Account to be rendered to his executors. **4**

23. (a) Lazal Ltd. invited applications for issuing 2,00,000 equity shares of ₹ 10 each, at 20% premium. Amount per share was payable as follows: ₹ 5 on application; ₹ 4 (including premium) on allotment; and balance on first and final call. Public applied for 3,20,000 shares, out of which applications for 20,000 shares were rejected and shares were allotted on pro-rata basis to the remaining applications. Kavita, an applicant of 15,000 shares failed to pay allotment and call money. Her shares were forfeited.

Pass necessary Journal entries for the above transactions in the books of the company. **6**

OR

(b) Chand Ltd. invited applications for issuing 1,00,000 equity shares of ₹ 10 each at a premium of ₹ 2 per share. The amount per share was payable as follows: ₹ 4 (including premium) on application, ₹ 5 on allotment and balance on first and final call. Applications were received for 1,80,000 shares of which applications for 30,000 shares were rejected and remaining applicants were allotted shares on pro-rata basis. Mansi holding 5,000 shares failed to pay first and final call money and her shares were forfeited.

Pass necessary Journal entries for the above transactions in the books of the company. **6**

24. (a) Anikesh and Bhavesh are partners in a firm sharing profits in the ratio of 7:3. Their Balance Sheet as on 31st March, 2023 was as follows:

Balance Sheet of Anikesh and Bhavesh
as on 31st March, 2023

Liabilities		Amount (₹)	Assets		Amount (₹)
Creditors		60,000	Cash		36,000
Outstanding wages		9,000	Debtors	54,000	
General Reserve		15,000	Less: Provision for		
			doubtful debts	6,000	48,000
Capitals:			Stock		60,000
Anikesh	1,20,000		Furniture		1,20,000
Bhavesh	1,80,000	3,00,000	Machinery		1,20,000
		3,84,000			**3,84,000**

On 1st April, 2023 Chahat was admitted for 1/4th share in the profits on the following terms:

(i) Chahat will bring ₹ 90,000 as her capital and ₹ 30,000 as her share of Goodwill premium.

(ii) Outstanding wages will be paid.

(iii) Stock will be reduced by 10%.

(iv) A creditor of ₹ 6,300, not recorded in the books, was to be taken into account.

Pass necessary Journal Entries for the above transactions in the books of the firm. **6**

OR

(b) Prina, Qadir and Kian were partners in a firm sharing profits in the ratio of 7:2:1. On 31st March, 2023 their Balance Sheet was as follows:

Balance Sheet of Prina, Qadir and Kian as on 31 March, 2023

Liabilities		Amount (₹)	Assets		Amount (₹)
Capitals:			Land		12,00,000
Prina	9,60,000		Building		9,00,000
Qadir	8,40,000		Furniture		3,60,000
Kian	9,00,000	27,00,000	Stock		6,60,000
General Reserve		3,00,000	Debtors	6,00,000	
Workmen's			Less: Provision for		
Compensation Reserve		5,40,000	doubtful debts	30,000	5,70,000
Creditors		3,60,000	Cash at Bank		2,10,000
		39,00,000			**39,00,000**

On the above date Qadir retired on the following terms:

(i) Goodwill of the firm was valued at ₹ 12,00,000

(ii) Land was to be appreciated by 30% and building was to be depreciated by ₹ 3,54,000.

(iii) A provision of 6% is to be maintained on debtors.

(iv) Liability for workmen's compensation was determined at ₹ 1,40,000.

(v) Amount payable to Qadir was transferred to his loan account.

(vi) Total capital of the new firm was fixed at ₹ 16,00,000 which will be adjusted according to their new profit ratio by opening current accounts.

Prepare Revaluation Account and Partners' Capital Accounts. **6**

25. Pass the necessary journal entries for the following transactions on the dissolution of the partnership firm of Tina and Rina after the various assets (other than cash and bank) and external liabilities have been transferred to realisation account:

(i) There was an outstanding bill for repairs for which ₹ 20,000 were paid.

(ii) The firm had stock of ₹ 80,000. Tina took over 50% of the stock at a discount of 20% while the remaining stock was sold off for ₹ 52,000.

(iii) The firm had 100 shares of ₹ 10 each which were taken over by the partners at market value of ₹ 20 per share in their profit sharing ratio of 3:2.

(iv) Realisation expenses of ₹ 4,000 were paid by Rina.

(v) Tina had given a loan of ₹ 40,000 to the firm which was duly paid.

(vi) Rina agreed to pay off her husband's loan of ₹ 10,000 at a discount of 10%. **6**

26. Pass necessary journal entries relating to issue of debentures and to write off discount/loss on issue of debentures in the books of Ajanta Ltd. in the following cases:

(i) 200, 9% debentures of ₹ 1,000 each are issued at 10% discount and redeemable at par. Balance in Securities Premium Account is ₹ 15,000.

(ii) 300, 11% debentures of ₹ 1,000 each are issued at 5% discount and redeemable at a premium of 10%. Balance in Securities Premium account is ₹ 35,000. **6**

PART-B

(Analysis of Financial Statements)

27. (a) The tool of 'Analysis of Financial Statements' which helps to assess the profitability, solvency and efficiency of an enterprise is known as:

(A) Cash flow statement

(B) Comparative statement

(C) Common size statement

(D) Ratio analysis **1**

OR

(b) ________ is also known as the Acid Test Ratio.

(A) Current ratio

(B) Quick ratio

(C) Gross profit ratio

(D) Return on investment ratio **1**

28. Quick ratio of Mega mart Ltd. is 1.5:1. Which of the following transactions will result in decrease in this ratio?

(A) Sale of goods costing ₹ 10,000 for ₹ 12,000.

(B) Cash collected from trade receivables ₹ 41,000.

(C) Purchase of goods for cash ₹ 38,000.

(D) Creditors were paid ₹ 11,000. **1**

29. (a) **Statement I:** Financing activities relate to long term funds or capital of an enterprise.

Statement II: Separate disclosure of cash flows arising from financing activities is important because they represent the extent to which expenditures have been made for resources intended to generate future income and cash flows.

Choose the correct option from the following:

(A) Both Statement I and Statement II are correct.

(B) Both Statement I and Statement II are incorrect.

(C) Statement I is incorrect and Statement II is correct.

(D) Statement I is correct and Statement II is incorrect. **1**

OR

(b) What will be the effect of transaction 'Payment of employee benefit expenses' on the cash flow statement?

(A) Outflow from operating activities.
(B) Outflow from investing activities.
(C) Outflow from financing activities.
(D) No effect on cash flow. **1**

30.

	Purchased (₹)	Sold (₹)
Investments	2,00,000	1,80,000
Goodwill	3,00,000	-

From the above information, "Cash flows from investing activities' will be:
(A) Inflow ₹ 3,20,000
(B) Outflow ₹ 3,20,000
(C) Outflow ₹ 20,000
(D) Inflow ₹ 20,000 **1**

31. Classify the following items under Major Heads and Sub-Heads (if any) in the Balance Sheet of a company as per Schedule III, Part I of the Companies Act, 2013:
(i) Accrued Income
(ii) Capital Advances
(iii) Capital work-in-progress **3**

32. A business has a current ratio of 3:1 and quick ratio of 1.2: 1. If working capital is ₹ 1,80,000, calculate total current assets and inventory. **3**

33. **(a)** Prepare a Common Size Balance Sheet of X Ltd. from the following information: **4**

Balance Sheet of X Ltd.
as on 31st March, 2023

Particulars	Note No.	31.3.2023 (₹)	31.3.2022 (₹)
I. Equity and Liabilities:			
1. Shareholders' funds			
(a) Equity Share Capital		30,00,000	15,00,000
(b) Reserves and Surplus		10,00,000	5,00,000
2. Non-current liabilities		20,00,000	20,00,000
3. Current liabilities		20,00,000	10,00,000
Total		**80,00,000**	**50,00,000**
II. Assets:			
1. Non-current assets		40,00,000	30,00,000
2. Current assets			
(a) Inventories		40,00,000	20,00,000
Total		**80,00,000**	**50,00,000**

OR

(b) From the following information prepare a Comparative Statement of Profit and Loss of Y Ltd: **4**

Particulars	31.3.2023	31.3.2022
Revenue from operations (₹)	40,00,000	20,00,000
Purchase of stock in trade (₹)	24,00,000	12,00,000
Change in inventories (% of purchase of stock in trade)	25%	20%
Other expenses (₹)	2,00,000	1,60,000
Tax rate	40%	40%

34. Following is the Balance Sheet of Bharat Gas Ltd. as at 31.3.2023:

Balance Sheet of Bharat Gas Ltd., as at 31.3.2023

Particulars	Note No.	31.3.2023 (₹)	31.3.2022 (₹)
I. Equity and Liabilities:			
1. Shareholders' funds			
(a) Share capital		14,00,000	10,00,000
(b) Reserves and Surplus	1	5,00,000	4,00,000
2. Non-current Liabilities		5,00,000	1,40,000
Long term borrowings			
3. Current liabilities			
(a) Trade payables		1,00,000	60,000
(b) Short term provisions	2	80,000	60,000
Total		**25,80,000**	**16,60,000**

II. Assets:			
1. Non-current Assets			
(a) Fixed Assets			
(Property, plant and equipment and intangible assets)			
(i) Tangible assets (Property, plant and equipment)	3	16,00,000	9,00,000
(ii) Intangible assets	4	1,40,000	2,00,000
2. Current Assets			
(a) Inventories		2,50,000	2,00,000
(b) Trade receivables		5,00,000	3,00,000
(c) Cash and cash equivalents		90,000	60,000
Total		**25,80,000**	**16,60,000**

Notes to Accounts:

Note No.	Particulars	31.3.2023 (₹)	31.3.2022 (₹)
1.	Reserves and Surplus:		
	Balance in Statement of Profit and Loss	5,00,000	4,00,000
		5,00,000	4,00,000
2.	Short term provisions:		
	Provision for Taxation	80,000	60,000
		80,000	60,000
3.	Tangible Assets:		
	(Property, Plant & Equipment)		
	Machinery	18,50,000	10,00,000
	Less: Accumulated Depreciation	(2,50,000)	(1,00,000)
		16,00,000	9,00,000
4.	Intangible Assets:		
	Goodwill	1,40,000	2,00,000
		1,40,000	2,00,000

Adjustments: During the year a machine costing ₹ 3,00,000 on which accumulated depreciation was ₹ 45,000 was sold for ₹ 1,35,000, Calculate 'Cash flows from Operating Activities'. **6**

Outside Delhi Set-2 67/4/2

Except the following all other Questions are from Set-1

PART-A

(Accounting for Partnership Firms and Companies)

17. Mehak, Ayush and Anshu were partners in a firm sharing profits and losses in the ratio of 5:3:2. With effect from 1st April, 2023, they agreed to share profits and losses in the ratio of 4:3:3. On that date, there was a General Reserve of ₹ 80,000 in the books of the firm. It was agreed that:

(i) Goodwill of the firm be valued at ₹ 3,00,000.

(ii) Loss on revaluation of assets and re-assessment of liabilities amounted to ₹ 50,000.

Pass necessary journal entries for the above transactions in the books of the firm. **3**

20. Piya and Rosa were partners in a firm sharing profits and losses in the ratio of 3:5. Their fixed capitals were ₹ 10,00,000 and ₹ 6,00,000 respectively. After the accounts for the year were prepared, it was noticed that interest on capital 8% p.a., as provided in the partnership deed, was not credited to the capital accounts of partners before distribution of profits.

Pass the necessary adjusting entry. Show your workings clearly. **3**

25. Pass the necessary journal entries for the following transactions on the dissolution of the firm of Sudha and Shiva after the various assets (other than cash and bank) and third party liabilities have been transferred to realisation account:

(i) Sudha agreed to pay off her husband's loan ₹ 19,000.

(ii) A debtor, whose debt of ₹ 9,300 was written off as bad debts in the books, paid ₹ 7,500 in full settlement.

(iii) Shiva took over all investments at ₹ 13,300.

(iv) An unrecorded creditor of ₹ 20,000 was paid by Sudha at a discount of 10%.

(v) The firm had 300 shares in Veligare Ltd. acquired at a cost of ₹ 3,000 and had been written off completely from the books. These shares were valued at ₹ 5 each and divided among the partners in their profit sharing ratio.

(vi) Realisation expenses ₹ 3,400 were paid by Sudha for which she was allowed a remuneration of ₹ 3,000. **6**

26. Pass necessary journal entries relating to issue of debentures and to write off discount/loss on issue of debentures in the books of Dhatu Ltd. in the following cases:

(i) 400, 11% debentures of ₹ 1,000 each are issued at 10% discount and redeemable at par. Balance in Securities Premium Account is ₹ 50,000.

(ii) 500, 10% debentures of ₹ 1,000 each are issued at 10% discount and redeemable at a premium of 10%. Balance in Securities Premium Account is ₹ 75,000. **6**

PART-B

(Analysis of Financial Statements)

31. Under which Major Heads and Sub-Heads (if any) will the following items be presented in the Balance Sheet of a company as per Schedule III, Part I of the Companies Act, 2013: **3**

(i) Design **(ii)** Unpaid dividend

(iii) Capital work-in-progress

32. Calculate 'Operating Profit Ratio' from the following information: **3**

Revenue from operations	₹ 10,00,000
Gross profit	25% on cost
Office and administrative expenses	₹ 18,000
Selling and distribution expenses	₹ 2,000
Loss by theft	₹ 20,000

Outside Delhi Set-3 **67/4/3**

Except the following all other Questions are from Set-1 & 2

PART-A

(Accounting for Partnership Firms and Companies)

17. Nita, Mita and Karan were partners in a firm sharing profits and losses in the ratio of 4:3:3. With effect from 1st April, 2023. They agreed to share profits and losses in the ratio of 1:2:2. On that date, there was a General Reserve of ₹ 70,000 in the books of the firm It was agreed that:

(i) Goodwill of the firm be valued at ₹ 1,00,000.

(ii) Loss on revaluation of assets and re-assessment of liabilities amounted to ₹ 40,000.

Pass necessary journal entries for the above transactions in the books of the firm. **3**

20. Rajesh and Anu were partners in a firm sharing profits and losses in the ratio of 1:2. Their fixed capitals were ₹ 6,00,000 and ₹ 3,00,000 respectively. After the accounts for the year were prepared, it was noticed that interest on capital 12% p.a., as provided in the partnership deed, was not credited to the capital accounts of partners before distribution of profits.

Pass the necessary adjusting journal entry. Show your workings clearly. **3**

25. Pass the necessary journal entries for the partnership firm of Mohit and Rohit after the various assets (other than cash and bank) and the third party liabilities have been transferred to realisation account:

(i) A machine which was not recorded in the books was taken over by Mohit at ₹ 7,000; whereas its expected value was ₹ 10,000.

(ii) Rohit's loan of ₹ 15,000 was settled at ₹ 13,500.

(iii) The firm had investments of ₹ 1,00,000. Mohit took over 50% of the investments at a discount of 10%, while the remaining investments were sold off for ₹ 60,000.

(iv) Realisation expenses amounted to ₹ 23,000.

(v) Sundry creditors amounting to ₹ 45,000 were settled at a discount of ₹ 2,000.

(vi) Loss on realisation ₹ 12,000 was divided between the partners in their profit sharing ratio. **6**

26. Pass necessary journal entries relating to issue of debentures and to write off discount/loss on issue of debentures in the books of Srijan Ltd. in the following cases:

(i) 900, 6% debentures of ₹ 1,000 each are issued at 5% discount and redeemable at par. Balance in Securities Premium account is ₹ 50,000.

(ii) 700, 8% debentures of ₹ 1,000 each are issued at 10% discount and redeemable at a premium of 10%. Balance in Securities Premium account is ₹ 1,00,000. **6**

PART-B

(Analysis of Financial Statements)

31. Under which Major Heads and Sub-Heads (if any) will the following items be presented in the Balance Sheet of a company as per Schedule III, Part I of the Companies Act, 2013?

(i) Capital Advances

(ii) Income received in Advance

(iii) Stores and Spare Parts **3**

32. The average inventory of AB Ltd. is ₹ 1,00,000 and the inventory turnover ratio is 6 times. Calculate the amount of revenue from operations if goods are sold at a profit of 25% on revenue from operations. **3**

ANSWERS

Delhi Set-1

1. Option (C) is correct.

Explanation: According to Partnership Act 2013, a maximum of 50 Partners can be admitted in to a Partnership firm.

2. Option (B) is correct.

Explanation: D's Share = $\frac{1}{6}$

C's new share = Old Share = $\frac{1}{4}$

Remaining Share for A and B = $1-\left[\frac{1}{4}+\frac{1}{6}\right]$

$= 1-\left[\frac{3+2}{12}\right]=1-\frac{5}{12}$

$= =\frac{12-5}{12}=\frac{7}{12}$

A's new share = $\frac{1}{2}$ of $\frac{7}{12}=\frac{7}{24}$

B's new share = $\frac{1}{3}$ of $\frac{7}{12}=\frac{7}{36}$

New share of A, B, C and D = $\frac{7}{24}:\frac{7}{36}:\frac{1}{4}:\frac{1}{6}$

$=\frac{21}{72}:\frac{14}{72}:\frac{18}{72}:\frac{12}{72}$

= 21 : 14 : 18 : 12

3. (a) Option (C) is correct.

'OR'

(b) Option (A) is correct.

Explanation: Credit balance of Share forfeiture = Amount received on Forfeited Shares except Securities Premium

= ₹6 Per Share

Maximum discount allowed on reissue of Shares = ₹6 per Share

Minimum Price Per Share at which these Shares can be reused = ₹10 – ₹6 = ₹4

4. Option (D) is correct.

Explanation: The eligibility of the Partners for Acts of the firm is unlimited. Hence, there Private Assets can also be used to pay off the firms debts.

5. (a) Option (C) is correct.

Explanation: When profits are not sufficient, then available profits is credited in ratio of appropriation to partners' capital / current A/c.

Hence, interest on capital to be credited

Ridhima: $21,000\times\frac{3}{7}=$ ₹9,000

Kavita = $21,000\times\frac{4}{7}=$ ₹ 12,000

'OR'

(b) Option (D) is correct.

Explanation: Average period when drawing are made at the end of each Quarter = 4.5 months

Interest on drawings = $(9,000\times4)\times\frac{6}{100}\times\frac{4.5}{12}$

= ₹ 810

6. (a) Option (B) is correct.

Explanation:

Loss on issue of debentures = Premium on Redemption of debentures

=10% of (10,000× 100)

=₹ 1,00,000

'OR'

(b) Option (C) is correct.

Interest on debentures for one year = $(8,000\times100)\times\frac{11}{100}$

=₹ 80,000

7. Option (B) is correct.

8. (a) Option (C) is correct.

Amount of WCR to be distributed among partners=₹ 1,50,000 – ₹ 1,20,000

=₹30,000

Share of Nidhi in WCR=30,000× $\frac{1}{6}$

=₹5,000

'OR'

(b) Option (d) is correct.

Amount due to Mohit = ₹ 1,80,000

Amount actually paid =₹ 2,00,000

Mohit's share in firm's Goodwill = ₹ 2,00,000 – ₹ 1,80,000

= ₹ 20,000

9. Option (B) is correct.

10. Option (D) is correct.

Explanation: Total drawings made by keshav =(1,500×4) = ₹ 6,000

Keshav's share in profits = $15,000\times\frac{3}{5}=$ ₹ 9,000

Opening capital of Keshav = Closing Capital + Drawings made by him - Profit transferred

= 55,000+6,000-9,000

=₹52,000

11. Option (C) is correct.

Explanation: $9{,}000 \times \frac{8}{100} \times \frac{5}{12}$ = ₹ 300

12. Option (D) is correct.

Explanation: No. of shares issued

$= \frac{28{,}60{,}000}{100+10} = \frac{28{,}60{,}000}{110}$

= 26,000 shares

13. Option (C) is correct.

Explanation: Credit balance of share forfeiture =Amount received on forfeiture of shares

=₹ 5×100 (shares)

=₹ 500

Credit balance of share forfeiture for 70 shares

$= \frac{500 \times 70}{100}$ =₹ 350

Discount on reissue of shares = Nil

Gain on reissue = ₹350 - Nil

= ₹350

14. Option (A) is correct.

Explanation: Isha's Old Share = $\frac{3}{5}$, New Share = $\frac{1}{2}$

Isha's Sacrifice = $\frac{3}{5} - \frac{1}{2} = \frac{6-5}{10} = \frac{1}{10}$

Manisha's Old Share = $\frac{2}{5}$, New Share = $\frac{1}{2}$

Manisha's Gain = $\frac{1}{2} - \frac{2}{5} = \frac{5-4}{10} = \frac{1}{10}$

Hence, Manisha will compensate to Isha

₹ 3,00,000× $\frac{1}{10}$ = ₹ 30,000.

15. Option (A) is correct.

Explanation: Ginni's actual share in profit = $1{,}10{,}000 \times \frac{1}{11}$

= ₹ 10,000

Guaranteed amount = ₹ 50,000

So, ₹ 40,000 will be compensated by Mahi

Mahi's Share in Profit = $1{,}10{,}000 \times \frac{6}{11}$

= ₹ 60,000

Mahi's Share in Profits after giving guaranteed amount to Ginni = 60,000 – 40,000

= ₹ 20,000

16. (a) Option (B) is correct.

Explanation: Firm's profit from 1 April, 2023

$= 4{,}50{,}000 \times \frac{3}{12}$ =₹1,12,500

Sukriti's Share = $1{,}12{,}500 \times \frac{2}{5}$

= ₹ 45,000

OR

(b) Option (A) is correct.

Explanation: Journal Entry:

Realization A/c	Dr.	75,000	
To Pawan's Capital A/c			75,000

17. **Adjustment Table**

Particulars	Anand	Ridhi	Shyam	Firm
Wrongly allowed int. on capital @9%	(9,000)	(5,400)	(3,600)	(18,000)
Correct int. on capital @7%	7,000	4,200	2,800	14,000
Wrong distribution	(2,000)	(1,200)	(800)	(4,000)
Profit to be credited	1,600	1,600	800	4,000
Net Effect	(400)	400	Nil	Nil

Anand's Current A/c	Dr.	400	
To Ridhi's Current A/c			400
[Being adjustment entry passed]			

18. (a) Mahesh's old share = $\frac{5}{10}$, new share = $\frac{1}{3}$

Mahesh's gain/sacrifice = $\frac{5}{10} - \frac{1}{3} = \frac{15-10}{30} = \frac{5}{30}$ (Sacrifice)

Ramesh's old share = $\frac{3}{10}$, new share = $\frac{1}{3}$

Ramesh's gain/sacrifice = $\frac{3}{10} - \frac{1}{3} = \frac{9-10}{30} = \frac{-1}{30}$ (Gain)

Naresh's old share = $\frac{2}{10}$, new share = $\frac{1}{3}$

Naresh's gain/sacrifice = $\frac{2}{10} - \frac{1}{3} = \frac{6-10}{30} = \frac{-4}{30}$ (Gain)

Credit balance of General Reserve = ₹ 3,60,000

Debit balance of P&L ₹ 1,80,000

Actual Adjustment (Cr.) ₹ 1,80,000

Mahesh's account to be credited with

= ₹ 1,80,000 × $\frac{5}{30}$ = ₹ 30,000

Ramesh's account to be debited with

= ₹ 1,80,000× $\frac{1}{30}$ = ₹ 6,000

Naresh's account to be debited with

= ₹ 1,80,000× $\frac{4}{30}$ = ₹ 24,000

Ramesh's Capital A/c	Dr.	6,000	
Naresh's Capital A/c	Dr.	24,000	
To Mahesh's Capital A/c			30,000
[Being adjustment entry passed]			

OR

(b) Ravi's old share = $\frac{2}{7}$, new share = $\frac{5}{7}$

Gain/Sacrifice = $\frac{2}{7}-\frac{5}{7}=\frac{-3}{7}$ (Gain)

Guru's old share = $\frac{2}{7}$, new share = $\frac{1}{7}$

Gain/Sacrifice = $\frac{2}{7}-\frac{1}{7}=\frac{1}{7}$ (Sacrifice)

Mani's old share = $\frac{2}{7}$, new share = $\frac{1}{7}$

Gain/Sacrifice = $\frac{2}{7}-\frac{1}{7}=\frac{1}{7}$ (Sacrifice)

Firm's Goodwill = ₹1,40,000

Ravi's Capital A/c to be debited with = $1,40,000\times\frac{3}{7}$
= ₹60,000

Journal Entry

Ravi's Capital A/c	Dr.	60,000	
To Guru's Capital A/c			20,000
To Mani's Capital A/c			20,000
To Soni's Capital A/c			20,000
[Being adjustment of Goodwill]			

19. (a) **In the books of Chavi Ltd.**

Journal Entries

Machinery A/c	Dr.	1,60,000	
To Neo Ltd.			1,60,000
[Being machinery purchased]			
Neo Ltd.	Dr.	1,60,000	
To Bank A/c			50,000
To Share Capital A/c			1,00,000
To Securities Premium A/c			10,000
[Being purchase consideration paid]			

OR

(b)

Date	Particulars		L.F.	Dr. Amount (₹)	Cr. Amount (₹)
	Bank A/c	Dr.		3,60,000	
	To 8% Deb. App. and Allot. A/c				3,60,000
	[Being debenture money received]				
	8% Deb. App. and Allot. A/c	Dr.		3,60,000	
	Discount on issue of deb. A/c	Dr.		40,000	
	To 8% Debentures A/c				4,00,000
	[Being debentures money transfer to debenture account]				
	Securities Premium A/c	Dr.		40,000	
	To Discount on issue of deb. A/c				40,000
	[Being Discount on issue of debentures written off]				

20. Normal profit = Capital employed × $\frac{\text{NRR}}{100}$

$= 7,00,000\times\frac{10}{100}$ = ₹70,000

Actual average profit = ₹90,000

Super Profit = Actual average profit – Normal profit

= 90,000 – 70,000

= ₹20,000

Goodwill = Super profit × No. of year's purchase

= 20,000 × 5

= ₹ 1,00,000

21. Dr. **Purav's Capital Account** **Cr.**

Particulars	Amount (₹)	Particulars	Amount (₹)
To Drawings A/c	10,000	By Balance b/d	40,000
To Purav's Executor's A/c	75,400	By P&L Suspense A/c	3,000
		By Interest on Capital $\left[40,000\times\frac{12}{100}\times\frac{6}{12}\right]$	2,400
		By Madhav's Capital A/c	22,500
		By Raghav's Capital A/c	7,500
		By General Reserve A/c	10,000
	85,400		**85,400**

Firm's Goodwill = 50,000 ×3 = ₹1,50,000

Purav's share in goodwill = ₹30,000 to be compensated by Madhav and Raghav in 3:1.

22.

Particulars	Note No.	Current year
EQUITY AND LIABILITIES		
Shareholders' Funds		
(a) Share Capital	[1]	13,48,000

Particulars		(₹)
[1] Share Capital		
Authorised Capital		
2,00,000 Equity Shares of ₹ 10 each		20,00,000
Issued capital		
1,80,000 Shares of ₹ 10 each		18,00,000
Subscribed but not fully paid up capital:		
1,64,000 Shares of ₹ 8 each	13,12,000	
Share Forfeiture A/c	36,000	13,48,000

23. (a) **Journal Entries**

Date	Particulars		L.F.	Amount (₹)	Amount (₹)
	Bank A/c	Dr.		7,00,000	
	To Share Application A/c				7,00,000
	[Being application money received on 1,40,000 shares]				
	Share Application A/c	Dr.		7,00,000	
	To Share Capital A/c				4,00,000
	To Share Allotment A/c				3,00,000
	[Being application money adjusted]				
	Share Allotment A/c	Dr.		7,20,000	
	To Share Capital A/c				4,00,000
	To Securities Premium A/c				3,20,000
	[Being allotment money due with premium]				
	Bank A/c	Dr.		4,15,800	
	Calls-in-Arrears A/c			4,200	
	To Share allotment A/c				4,20,000
	[Being allotment money received on 79,200 shares]				
	Share capital A/c	Dr.		8,000	
	Securities Premium A/c	Dr.		3,200	
	To Calls-in-Arrears A/c				4,200
	To Share Forfeiture A/c				7,000
	[Being 800 shares forfeited]				

OR

(b) **Journal Entries**

Date	Particulars		L.F.	Amount (₹)	Amount (₹)
	Bank A/c	Dr.		2,31,000	
	To Share Application and Allotment A/c				2,31,000
	[Being money received on 33,000 shares]				
	Share Application and Allotment A/c	Dr.		2,31,000	
	To Share Capital A/c				2,10,000
	To Bank A/c				21,000
	[Being application and allotment money adjusted]				

	Share First and Final Call A/c Dr. To Share Capital A/c To Securities Premium A/c [Being money on call due with premium]		1,50,000	 90,000 60,000
	Bank A/c Dr. Calls-in-arrears A/c Dr. To Share First and Final Call A/c [Being money received on 29,500 shares]		1,47,500 2,500	 1,50,000
	Share Capital A/c Dr. Securities Premium A/c Dr. To Calls-in-arrears A/c To Share Forfeiture A/c [Being 500 shares forfeited]		5,000 1,000	 2,500 3,500
	Bank A/c Dr. Share Forfeiture A/c Dr. To Share Capital A/c [Being 500 shares re-issued]		4,000 1,000	 5,000
	Share Forfeiture A/c Dr. To Capital Reserve A/c [Being profit transferred to capital reserve account]		2,500	 2,500

24.(a) Dr. **Revaluation Account** **Cr.**

Particulars	Amount (₹)	Particulars	Amount (₹)
To P.B.D To Arnav's Capital A/c To Bhavi's Capital A/c To Chavi's Capital A/c	10,000 60,000 40,000 20,000	By Plant & Machinery	1,30,000
	1,30,000		1,30,000

Dr. **Partners' Capital Account** **Cr.**

Particulars	Arnav	Bhavi	Chavi	Particulars	Arnav	Bhavi	Chavi
To Chavi's Capital A/c To P & L A/c To Balance c/d	48,000 15,000 1,77,000	32,000 10,000 1,58,000	 5,000 1,95,000	By Balance b/d By Revaluation A/c By Arnav's Capital A/c By Bhavi's Capital A/c	1,80,000 60,000	1,60,000 40,000	1,00,000 20,000 48,000 32,000
	2,40,000	**2,00,000**	**2,00,000**		**2,40,000**	**2,00,000**	**2,00,000**
To Cash A/c To Balance c/d	 3,18,000	 2,12,000	1,95,000	By Balance b/d By Cash A/c	1,77,000 1,41,000	1,58,000 54,000	1,95,000
	3,18,000	**2,12,000**	**1,95,000**		**3,18,000**	**2,12,000**	**1,95,000**

Working Note:

Combined adjusted capitals of all partners = 1,77,000 + 1,58,000 + 1,95,000
= ₹ 5,30,000

New Profit-sharing ratio = 3:2

New capital of Arnav $= 5{,}30{,}000 \times \frac{3}{5}$ = ₹ 3,18,000

New capital of Bhavi $= 5{,}30{,}000 \times \frac{2}{5}$ = ₹2,12,000

OR

(b) Dr. **Revaluation A/c** **Cr.**

Particulars		Amount (₹)	Particulars	Amount (₹)
To Partners' Capital A/c:			By Land and Building	2,12,000
Divya	1,80,000		By P.B.D	8,000
Ekta	60,000	2,40,000	By Creditors	20,000
		2,40,000		**2,40,000**

Dr. **Partners' Capital A/c** **Cr.**

Particulars	Divya	Ekta	Sona	Particulars	Divya	Ekta	Sona
To Balance c/d	14,65,000	8,55,000	4,00,000	By Balance b/d By Revaluation A/c By Cash A/c By General Reserve A/c By Premium for Goodwill	10,00,000 1,80,000 2,40,000 45,000	7,00,000 60,000 80,000 15,000	 4,00,000
	14,65,000	**8,55,000**	**4,00,000**		**14,65,000**	**8,55,000**	**4,00,000**
To Current A/c To Balance c/d	2,65,000 12,00,000	4,55,000 4,00,000		By Balance b/d	14,65,000	8,55,000	4,00,000
	14,65,000	**8,55,000**	**4,00,000**		**14,65,000**	**8,55,000**	**4,00,000**

Calculation of closing capitals of Divya and Ekta

Sona's capital for $\frac{1}{4}^{th}$ share = 4,00,000

Total capital of the firm = 4,00,000 ×4 = ₹ 16,00,000

Divya's new capital = 16,00,000 × $\frac{3}{4}$ = ₹ 12,00,000

Ekta's new capital = 16,00,000 × $\frac{1}{4}$ = ₹ 4,00,000

25. **Journal Entries**

Date	Particulars	L.F.	Amount(₹)	Amount(₹)
i.	Realization A/c Dr. To Bank A/c [Being creditors settled at 10% discount]		36,000	 36,000
ii.	Shruti's Capital A/c Dr. To Realization A/c [Being unrecorded computer taken over by Shruti]		50,000	 50,000
iii.	No entry			
iv.	Avyan Capital's A/c Dr. Shruti's Capital A/c Dr. To Profit and Loss A/c [Being debit balance of P&L A/c distributed between partners]		21,000 21,000	 42,000
v.	Bank A/c Dr. To Realization A/c [Being an old furniture with the firm sold off]		9,000	 9,000
vi.	Realization A/c Dr. To Shruti's Capital A/c [Being realization expenses paid by Shruti on behalf of the firm]		11,000	 11,000

26. **In the books of Novex Limited**

Journal Entries

Date	Particulars	L.F.	Amount Dr.	Amount Cr.
(i)	Bank A/c Dr. To Deb. App and Allot. A/c [Being debentures application and allotment money received]		33,00,000	 33,00,000
	Deb. App. and Allotment A/c Dr. To 10 % Deb. A/c To Securities Premium A/c [Being debentures issued at premium, redeemable at par]		33,00,000	 30,00,000 3,00,000
(ii)	Bank A/c Dr. To Deb. App.and Allotment A/c [Being deb. application and allotment money received]		4,60,000	 4,60,000

	Particulars		L.F.	Dr. (₹)	Cr. (₹)
	Deb. App. and Allot. A/c	Dr.		4,60,000	
	Loss on issue of deb. A/c	Dr.		40,000	
	To 10 % Deb. A/c				4,00,000
	To Securities Premium A/c				60,000
	To Premium on redemption of deb. A/c				40,000
	[Being debentures issue at a premium, redeemable at a premium]				
(iii)	Bank A/c	Dr.		4,75,000	
	To Deb. App. and Allot. A/c				4,75,000
	[Being deb. app. and allot. money received]				
	Deb App. and Allot. A/c	Dr.		4,75,000	
	Loss on issue of deb. A/c	Dr.		75,000	
	To 10 % Debentures A/c				
	To Premium on Redemption of Deb. A/c				5,00,000
	[Being debentures issued at a discount, redeemable at a premium]				50,000

Part-B

27. Option (C) is correct.

28. Option (B) is correct.

Explanation: Current Assets

= Total Assets – Non-current Assets

= 3,00,000 – 2,60,000 = ₹ 40,000

Current Liabilities = Total Assets – Share holders' Funds – Non-current liabilities

= 3,00,000 – 2,00,000 – 80,000 = ₹ 20,000

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

$$= \frac{40,000}{20,000} = 2:1$$

OR

Let, Current Liabilities = x

Current Assets = $4x$

Quick Assets = $2.5x$

$4x$ = ₹ 60,000

x = ₹ 15,000

$2.5x = 2.5 \times 15,000$ = ₹ 37,500

Thus, Quick Assets = Current Assets – Inventory

37,500 = 60,000 – Inventory

inventory = 60,000 – 37,500 = ₹ 22,500

29. (a) Option (D) is correct.

Explanation: Since the primary business of a financing company involves lending and borrowing money, the interest paid on loans directly relates to the core operations of the business.

OR

(b) Option (A) is correct.

Dr. **Provision for Taxation A/c** **Cr.**

Particulars	Amount (₹)	Particulars	Amount (₹)
To Bank A/c	15,000	By Balance b/d	10,000
To Balance c/d	25,000	By P&L A/c (Bal.fig)	30,000
		(Provision made)	
	40,000		40,000

30. Option (C) is correct.

31.

Items	Major Head	Sub Head
(i) Stores and Spares	Current Assets	Inventories
(ii) Calls-in-advance	Current Liabilities	Other Current Liabilities
(iii) Income Received in Advance	Current Liabilities	Other Current Liabilities

32. Inventory Turnover Ratio

$$= \frac{\text{Cost of Revenue from Operations}}{\text{Average Inventory}}$$

$$= \frac{90,000}{20,000}$$

=4.5 times

Average Inventory

$$= \frac{\text{Opening Inventory} + \text{Closing Inventory}}{2}$$

$$= \frac{19,000 + 21,000}{2}$$

= 20,000

Cost of RFO = Opening Inventory + Net Purchases + Direct Expenses – Closing Inventory

= 19,000 +(80,000 – 1,000) + 9,000 (Wages)+ 4000 Carriage Inward) – 21,000

= ₹ 90,000

33.(a)

Comparative Statement of Profit & Loss of Shikha Ltd.
For the year ended 31st March, 2022 and 31st March, 2023

Particulars	Note no.	2021 - 22 (₹) (A)	2022 - 23 (₹) (B)	Absolute Change (₹) (C = B – A)	Percentage Change(%) (D=C/A× 100)
I.Revenue from operations		20,00,000	32,00,000	12,00,000	60
II.Total Income		20,00,000	32,00,000	12,00,000	60
III.Less:Expenses					
(a) Employee benefit expenses		6,00,000	9,60,000	3,60,000	60
(b) Other expenses		4,00,000	6,40,000	2,40,000	60
Total Expenses		10,00,000	16,00,000	6,00,000	60
IV. Profit before Tax(II– III)		10,00,000	16,00,000	6,00,000	60
V. Less: Tax (50%)		5,00,000	8,00,000	3,00,000	60
VI. Profit after Tax(IV –V)		**5,00,000**	**8,00,000**	**3,00,000**	**60**

OR

(b)

Common Size Statements of Profit & Loss
for the year ended 31st March, 2023

Particulars	Note No.	Absolute Amounts		Percentage of Balance Sheet Total	
		A Ltd.	B Ltd.	A Ltd.	B Ltd.
I.Revenue from operations		20,00,000	10,00,000	100	100
II.Other Income		3,00,000	80,000	15	8
III. Total income		23,00,000	10,80,000	115	108
IV. Expenses		10,40,000	4,80,000	52	48
V. Profit before tax (III-IV)		12,60,000	6,00,000	63	60
VI.Less :Tax (40%)		5,04,000	2,40,000	25.2	24
VII.Profit After tax (V-VI)		7,56,000	3,60,000	37.8	36

34.

Cash Flow Statement of Yogita Ltd.
For the year ending 31st March, 2023

Particulars	Amount (₹)	Amount (₹)
A. Cash Flow from Investing Activity		
Purchase of machinery	(3,80,000)	
Sale of machinery	42,000	
Net Cash used in Investing activity		**(3,38,000)**
B. Cash Flow from Financing Activity		
Proceeds from issue of Shares	2,00,000	
Repayment of Loan taken from bank	(70,000)	
Increase in Bank Overdraft	1,00,000	
Interest on loan (1,50,000 × 10 %)	(15,000)	
Net Cash from Financing activity		**2,15,000**

WN1

Dr. **Plant & Machinery A/c** **Cr.**

Particulars	Amount (₹)	Particulars	Amount (₹)
To Balance b/d	4,70,000	By Accumulated Depreciation A/c	15,000
To Bank A/c (Purchase)	3,80,000	By Bank A/c	42,000
		By Loss on sale	3,000
		By Balance c/d	7,90,000
Total	8,50,000	**Total**	8,50,000

Delhi Set-2

17. **Journal entries**

Date	Particulars		Amount (₹)	Amount (₹)
	Nisha's Current A/c	Dr.	3,000	
	To Asha's Current A/c			2,000
	To Hiten's Current A/c			1,000
	(Being error rectified)			

Adjustment Table

Particulars	Asha	Nisha	Hiten	Firm
Interest on capital @ 10%p.a	20,000(Cr.)	15,000(Cr.)	10,000(Cr.)	45,000(Dr.)
Profit already distributed	18,000(Dr.)	18,000(Dr.)	9,000(Dr.)	45,000(Cr.)
Difference	2,000 (Cr.)	3,000 (Dr.)	1,000(Cr.)	0

20. Super profit = Average profit – Normal profit

Normal profit = Capital employed × NRR

= (20,00,000 – 5,00,000) × 10%

= ₹ 1,50,000

Super profit = 4,00,000 – 1,50,000

= ₹ 2,50,000

Firm's Goodwill = Super profit × Number of years of purchase

= 2,50,000 × 2

= ₹ 5,00,000

25. **Journal entries**

Date	Particulars		Amount (₹)	Amount (₹)
i.	Abhay's Capital A/c	Dr.	56,000	
	To Realisation A/c			56,000
	(Being stock taken by Abhay)			
ii.	Mansi's Capital A/c	Dr.	3,600	
	To Realisation A/c			3,600
	(Being Computer taken by Mansi)			
iii.	Realisation A/c	Dr.	5,000	
	To Bank A/c			5,000
	(being unrecorded liabilities settled)			
iv.	Realisation A/c	Dr.	8,000	
	To Abhay's Capital A/c			8,000
	(Being realization expenses paid by Ajay)			
v.	Bank A/c	Dr.	6,000	
	To Realisation A/c			6,000
	(Being investments realised at 40%)			
vi.	Realisation A/c	Dr.	24,000	
	To Abhay's Capital A/c			16,000
	To Mansi's Capital A/c			9,000
	(Being profit on realisation distributed)			

26. **Journal entries**

Date	Particulars		L.F.	Amount (₹)	Amount (₹)
(i)	Bank A/c	Dr.		45,00,000	
	To Debenture Application and Allotment A/c				45,00,000
	(Being debenture application and allotment money received)				
	Debenture Application and Allotment A/c	Dr.		45,00,000	
	Discount on Issue of Debentures A/c	Dr.		5,00,000	
	To 9% Debentures A/c				50,00,000
	(Being debentures issued at discount, redeemable at par)				

(ii)	Bank A/c Dr. To Debenture Application and Allotment A/c (Being debenture application and allotment money received)		6,30,000	 6,30,000
	Debenture Application and Allotment A/c Dr. Loss on Issue of Debentures A/c Dr. To 9% Debentures A/c To Securities Premium A/c To Premium on Redemption of Deb. A/c (Being debentures issued at premium, redeemable at premium)		6,30,000 60,000	 6,00,000 30,000 60,000
(iii)	Bank A/c Dr. To Debenture Application and Allotment A/c (Being debenture application and allotment money received)		4,00,000	 4,00,000
	Debenture Application and Allotment A/c Dr. Loss on Issue of Debentures A/c Dr. To 9% Debentures A/c To Premium on Redemption of Deb. A/c (Being debentures issued at par, redeemable at premium)		4,00,000 20,000	 4,00,000 20,000

31.

Items	Major Head	Sub Head
Computer Software	Non Current assets	Property, Plant and Equipment and Intangible assets(Intangible assets)
Unclaimed Dividend	Current liabilities	Other Current Liabilities
Loose tools	Current assets	Inventories

32. Current ratio $= \dfrac{\text{Current assets}}{\text{Current liabilities}}$

$= \dfrac{3,00,000}{1,00,000}$

$=3:1$

Current Assets =Inventories + Trade Receivables + Advance tax + Cash and cash equivalents

= 1,00,000 + 1,20,000 + 24,000 + 56,000

=3,00,000

Current Liabilities = Trade payables + Bank Overdraft

=60,000 + 40,000

= 1,00,000

Delhi Set-3

17. **Journal Entries**

Date	Particulars	Amount (₹)	Amount (₹)
	Anvi's Current A/c Dr. Vani's Current A/c Dr. To Karan's Current A/c (Being error rectified)	8,000 4,000	 12,000

Adjustment Table

Particulars	Anvi	Vani	Karan	Firm
Interest on capital @ 4%p.a	16,000(Cr.)	20,000(Cr.)	24,000(Cr.)	60,000(Dr.)
Profit already distributed	24,000 (Dr.)	24,000(Dr.)	12,000 (Dr.)	60,000 (Cr.)
Difference	8,000 (Dr.)	4,000 (Dr.)	12,000(Cr.)	0

20. Super profit = Average profit – Normal profit

Normal profit = Capital employed × NRR

= (18,00,000 – 3,00,000) × 10%

= ₹1,50,000

Super profit = 2,00,000 – 1,50,000

= ₹50,000

Firm's Goodwill = Super profit × Number of years of purchase

= 50,000 × 3

= ₹1,50,000

25. **Journal Entries**

Date	Particulars		L.F.	Amount Dr. (₹)	Amount Cr. (₹)
(i)	Bank A/c	Dr.		7,700	
	To Realization A/c				7,700
	(Being amount recovered from nitish)				
(ii)	Realization A/c	Dr.		32,000	
	To Bank A/c				32,000
	(Being amount paid to Creditors)				
(iii)	Radha's Capital A/c	Dr.		20,000	
	To Realization A/c				20,000
	(Being Investment takes over by radha)				
(iv)	Radha's Capital A/c	Dr.		9,000	
	Sudha's Capital A/c	Dr.		9,000	
	To Profit and Loss A/c				18,000
	(Being debit balance of Profit and Loss written off)				
(v)	Sudha's Loan A/c	Dr.		15,000	
	To Bank A/c				15,000
	(Being Sudha's loan paid by firm)				
(vi)	No entry			–	–

26. **In the books of Uniform Limited**
Journal Entries

Date	Particulars		L.F.	Amount Dr.	Amount Cr.
(i)	Bank A/c	Dr.		22,00,000	
	To 8% Debenture Application and Allotment A/c				22,00,000
	(Being debenture application and allotment money received)				
	8% Debenture Application and Allotment A/c	Dr.		22,00,000	
	Loss on Issue of Debenture A/c	Dr.		1,00,000	
	To 8 % Debenture A/c				20,00,000
	To Securities Premium A/c				2,00,000
	To Premium on Redemption of Deb. A/c				1,00,000
	(Being debentures application and allotment amount due)				
(ii)	Bank A/c	Dr.		7,20,000	
	To 8% Debenture Application and Allotment A/c				7,20,000
	(Being Debenture Application and Allotment money received)				
	Debenture Application and Allotment A/c	Dr.		7,20,000	
	Loss on Issue of Debenture A/c	Dr.		1,60,000	
	To 8 % Debenture A/c				8,00,000
	To Premium on Redemption of Deb. A/c				80,000
	(Being Debenture Application and Allotment amount due)				
(iii)	Bank A/c	Dr.		3,00,000	
	To 8% Debenture Application and Allotment A/c				3,00,000
	(Being debenture application and allotment money received)				
	8% Debenture Application and Allotment A/c	Dr.		3,00,000	
	Loss on Issue of Debenture A/c	Dr.		30,000	
	To 8 % Debentures A/c				3,00,000
	To Premium on Redemption of Deb. A/c				30,000
	(Being debentures application and allotment amount due)				

31.

Name of Items	**Major Heading**	**Sub Heading**
(i) Patents	Non Current Assets	Property, Plant and Equipment and Intangible assets (Intangible assets)
(ii) Capital Reserve	Shareholders' Funds	Reserve and Surplus
(iii) Prepaid Rent	Current assets	Other Current assets

32. Gross Profit Ratio

$$= \frac{\text{Gross Profit}}{\text{Revenue from Operations (RFO)}} \times 100$$

$$25 = \frac{5,00,000}{\text{RFO}} \times 100$$

$$\text{RFO} = \frac{5,00,000}{25} \times 100$$

$$= ₹\ 20,00,000$$

Capital employed (From Equity and Liabilities side)
= Shareholders' funds + Non Current liabilities
= 25,00,000 + 8,00,000
= ₹33,00,000

Capital employed (from Asset side) = Non Current Assets + Working Capital

33,00,000 = 23,00,000 + Working Capital

Working Capital = 33,00,000 – 23,00,000
= ₹10,00,000

$$\text{Working Capital Turnover Ratio} = \frac{\text{RFO}}{\text{Working Capital}}$$

$$= \frac{20,00,000}{10,00,000}$$

= 2 times

Outside Delhi Set-1

1. Option (B) is correct.

2. Option (B) is correct.

Explanation:

$$\text{Gupta's New Share} = = \frac{4}{5} - \frac{1}{4} = \frac{16-5}{20} = \frac{11}{20}$$

$$\text{Sharma's Share} = \frac{1}{5} = \frac{4}{20}$$

$$\text{Preeti's Share} = \frac{1}{4} = \frac{5}{20}$$

3. Option (C) is correct.

Explanation:

Gaining Ratio = Old Ratio – New Ratio

$$\text{Vishesh} = = \frac{1}{3} - \frac{4}{7} = \frac{7-12}{21} = \frac{5}{21}$$

$$\text{Nimesh} = = \frac{1}{3} - \frac{3}{7} = \frac{7-9}{21} = \frac{2}{21}$$

4. (a) Option (B) is correct.

OR

(b) Option (B) is correct.

5. Option (A) is correct.

6. (a) Option (A) is correct.

OR

(b) Option (D) is correct.

7. Option (A) is correct.

8. (a) Option (B) is correct.

OR

(b) Option (C) is correct.

9. (a) Option (B) is correct.

OR

(b) Option (D) is correct.

Explanation:

$$\text{Toni will bring} = \frac{2,80,000}{2} - 1,08,000 = ₹\ 32,000$$

10. Option (A) is correct.

Explanation: When the business firm faces loss, the interest on capital will not be provided. If there is insufficient profit, that is, the net profit is less than the amount of interest on capital, interest on capital will not be given, but the profit among the partners of the business firm will be distributed in their capital ratio.

11. Option (B) is correct.

Explanation:

$$\text{Aditi} = 81,000 \times \frac{5}{9} = ₹\ 45,000$$

12. Option (C) is correct.

Explanation: Average Period

$$= \frac{\text{Time Left After the First Drawings} + \text{Time Left After the Last Drawings}}{2}$$

$$= \frac{(9+0)}{2}$$

$$= 4\frac{1}{2} \text{ months}$$

13. Option (C) is correct.

Explanation: Cash realised from creditors = (34,000 – 1,000) × 60%

$$= 33,000 \times \frac{60}{100} = ₹\ 19,800$$

14. (a) Option (C) is correct.

Explanation: Rent paid to a partner is charge against profit and recorded in debit side of profit and loss account.

OR

(b) Option (A) is correct.

15. Option (B) is correct.

Explanation: The Companies Act, 2013 specifies the permissible uses of securities premium to ensure transparency and proper utilization of funds raised by the company through the issuance of shares at a premium. The restriction on using securities premium for the issue of partly paid bonus shares is primarily to safeguard the interests of shareholders and maintain the integrity of the company's capital structure.

16. Option (C) is correct.

17. **Journal entries**

Date	Particulars		Amount (₹)	Amount (₹)
	General Reserve A/c	Dr.	50,000	
	Revaluation A/c	Dr.	30,000	
	To Reeha Capital A/c			32,000
	To Meenu Capital A/c			32,000
	To Sara Capital A/c			16,000
	(Being General Reserve and Revaluation profit transferred to Partners Capital A/c in old ratio)			
	Saara Capital A/c	Dr.	40,000	
	To Meenu Capital A/c			20,000
	To Reeha Capital A/c			20,000
	(Being goodwill adjusted)			

Calculation of gaining and sacrificing ratio

Reeha $= \frac{2}{5} - \frac{1}{3} = \frac{(6-5)}{15} = \frac{1}{15}$(sacrifice)

Meenu $= \frac{2}{5} - \frac{1}{3} = \frac{(6-5)}{15} = \frac{1}{15}$(sacrifice)

Sara $= \frac{1}{5} - \frac{1}{3} = \frac{(3-5)}{15} = \frac{2}{15}$(gain)

18.(a) **Journal Entries**

Date	Particulars		Amount (₹)	Amount (₹)
	Plant & Machinery A/c	Dr.	4,50,000	
	To Ish Ltd.			4,50,000
	(Being assets purchased)			
	Ish Ltd.	Dr.	4,50,000	
	Discount on issue of debenture A/c	Dr.	1,00,000	
	To Bank A/c			50,000
	To 6% Debentures A/c			5,00,000
	(Being payment made by cheque and issued 5000, 6% Debentures)			

OR

(b) **Journal entries**

Date	Particulars		Amount (₹)	Amount (₹)
	Share Capital A/c	Dr.	50,000	
	To Share Forfeiture A/c			27,500
	To Share First Call A/c			10,000
	To Share Second & Final Call A/c			12,500
	(Being shares forfeited)			
	Bank A/c	Dr.	12,500	
	Share Forfeiture A/c	Dr.	12,500	
	To Share Capital A/c			25,000
	(Being 250 shares re-issued)			
	Share Forfeiture A/c	Dr.	1,250	
	To Capital Reserve A/c			1,250
	(Profit on 250 reissued shares transferred to capital reserve)			

19. (a) Super profit = Average profit – Normal profit

Normal profit = Capital employed × NRR

= (1,40,000 + 20,000 + 25,000) × 12%

= ₹ 22,200

Super profit = 30,000 – 22,200

= ₹ 7,800

Goodwill = Super profit x No. of years of purchase

= 7,800 × 4

= ₹ 31,200

Vansh share of goodwill = 31,200 × $\frac{1}{3}$

= ₹ 10,400

OR

(b) Old ratio = 5:3:2:2

New ratio = 1:1:1

Calculation of gaining and sacrificing ratio

Varun = $\frac{5}{12} - \frac{1}{3} = \frac{1}{12}$ (sacrifice)

Tarun = $\frac{3}{12} - \frac{1}{3} = -\frac{1}{12}$(gain)

Barun = $\frac{2}{12} - \frac{1}{3} = -\frac{2}{12}$(gain)

Journal entries

Date	Particulars		Amount (₹)	Amount (₹)
	Tarun Capital A/c Barun Capital A/c To Arun Capital A/c To Varun Capital A/c (Being goodwill adjusted)	Dr. Dr.	75,000 1,50,000	 1,50,000 75,000

20. **Journal entries**

Date	Particulars		Amount (₹)	Amount (₹)
	Gita's Current A/c To Atul's Current A/c (Being error rectified)	Dr.	2,400	 2,400

Adjustment Table

Particulars	Atul	Gita	Total
Interest on capital (Cr.)	24,000	12,000	36,000
Profit already distributed (Dr.)	21,600	14,400	36,000
Difference	2,400 (Cr.)	2,400 (Dr.)	

21. **Ronit Ltd.**
Balance Sheet (Extract)
as at ....

Particulars	Note No.	Amount Current year	Amount Previous Year
I. EQUITY AND LIABILITIES: **Shareholder's Funds** **(a) Share Capital**	 1	 40,68,000	

Notes to Accounts:		Amount
(1) Share Capital:		
Authorised Capital:		
75,000 Equity Shares of ₹100 each		75,00,000
Issued Capital:		
45,000 Equity Shares of ₹100 each		45,00,000
Subscribed Capital:		
Subscribed and Fully Paid Capital:		
38,700 Equity Shares of ₹100 each fully Called-up	38,70,000	
Add: Share Forfeiture (3300 shares, ₹ 60 paid up)	1,98,000	**40,68,000**

22. **Dr.** **Rohan's Capital Account** **Cr.**

Particulars	Amount	Particulars	Amount
To Rohan's Executor's A/c	3,40,500	By Balance b/d By General Reserve	3,00,000 3,000
		By Ram's Capital A/c	12,000

		By Ravi's Capital A/c	18,000
		By Profit and Loss	
		Suspense A/c	7,500
	3,40,500		**3,40,500**

Working note:

Goodwill = Average profit × No. of years of purchases

$$= \left(\frac{(45,000+90,000+1,35,000)}{3}\right) \times 2$$

= ₹1,80,000

Rohan share of goodwill = $1,80,000 \times \frac{1}{6} = 30,000$

Gaining ratio = 2:3

Calculation of P&L Suspense:

Average profit = 90,000

P&L Suspense = $90,000 \times \frac{1}{6} \times \frac{6}{12}$

= ₹ 7,500

23.(a)

Journal Entries

Date	Particulars		L.F.	Dr. ₹	Cr. ₹
	Bank A/c	Dr.		16,00,000	
	To Share Application A/c				16,00,000
	(Application money received on 3,20,000 shares)				
	Share Application A/c	Dr.		16,00,000	
	To Share Capital A/c				10,00,000
	To Share Allotment A/c				5,00,000
	To Bank A/c				1,00,000
	(Amount transferred to share capital and excess adjusted)				
	Share Allotment A/c	Dr.		8,00,000	
	To Share Capital A/c				4,00,000
	To Securities Premium A/c				4,00,000
	(Allotment due)				
	Bank A/c	Dr.		2,85,000	
	Calls-in-arrears A/c	Dr.		15,000	
	To Share Allotment A/c				3,00,000
	(Allotment money received)				
	Share First & Final Call A/c	Dr.		6,00,000	
	To Share Capital A/c				6,00,000
	(Call money due)				
	Bank A/c	Dr.		5,70,000	
	Call in Arrear	Dr.		30,000	
	To Share First & Final Call A/c				6,00,000
	(Call money received)				
	Share Capital A/c	Dr.		1,00,000	
	To Share Forfeiture A/c				55,000
	To Calls-in-arrears A/c				45,000
	(Being shares forfeited)				

Working note:

Amount received on allotment

= 8,00,000 – 5,00,000 – 15,000

= 2,85,000

Amount due = 8,00,000

Adjusted due to pro rata = 5,00,000

Amount failed:

Kavita Applied = 15,000 shares

Allotted = $15,000 \times \frac{2}{3}$ = 10,000 shares

Amount due from Kavita = 10,000 × 4 = ₹40,000

Excess received on application = 5,000 shares × 5 = ₹ 25,000

Net amount failed = 40,000 - 25,000

= ₹15,000

OR

(b) **Journal Entries**

Date	Particulars		L.F.	Dr. (₹)	Cr. (₹)
	Bank A/c	Dr.		7,20,000	
	To Share Application A/c				7,20,000
	(Application money received on 1,80,000 shares)				
	Share Application A/c	Dr.		7,20,000	
	To Share Capital A/c				2,00,000
	To Securities Premium A/c				2,00,000
	To Share Allotment A/c				2,00,000
	To Bank A/c				1,20,000
	(Amount transferred to share capital and excess adjusted)				
	Share Allotment A/c	Dr.		5,00,000	
	To Share Capital A/c				5,00,000
	(Allotment due)				
	Bank A/c	Dr.		3,00,000	
	To Share Allotment A/c				3,00,000
	(Allotment money received)				
	Share First & Final Call A/c	Dr.		3,00,000	
	To Share Capital A/c				3,00,000
	(Call money due)				
	Bank A/c	Dr.		2,85,000	
	Call in Arrears A/c	Dr.		15,000	
	To Share First & Final Call A/c				3,00,000
	(Call money received)				
	Share Capital A/c	Dr.		50,000	
	To Share forfeiture A/c				35,000
	To Call in arrear A/c				15,000
	(Being shares forfeited)				

Working note:

Amount received on allotment = 5,00,000 – 2,00,000

= ₹3,00,000

24.(a) **Journal entries**

Date	Particulars		Amount (₹)	Amount (₹)
	Cash A/c	Dr.	1,20,000	
	To Chahat's Capital A/c			90,000
	To Premium for Goodwill A/c			30,000
	(Being new partner bought cash for his share)			
	Premium for goodwill	Dr.	30,000	
	To Anikesh's Capital A/c			21,000
	To Bhavesh's Capital A/c			9,000
	(Being premium for goodwill adjusted)			
	Outstanding wages	Dr.	9,000	
	To Cash A/c			9,000
	(Being outstanding Wages paid)			
	Revaluation A/c	Dr.	12,300	
	To Stock			6,000
	To Creditor			6,300
	(Being stock value reduced and unrecorded liability recorded)			

	Anikesh's Capital A/c Dr. Bhavesh's Capital A/c Dr. To Revaluation A/c (Being revaluation loss transferred to Capital A/c in old ratio)	8,610 3,690	 12,300
	General Reserve A/c Dr. To Anikesh's capital A/c To Bhavesh's Capital A/c (Being general reserve transferred to Capital A/c in old ratio)	15,000	 10,500 4,500

OR

(b) Dr. **Revaluation Account** Cr.

Particulars	(₹)	Assets	(₹)
To Building To Provision for doubtful debts	3,54,000 6,000	By Land	3,60,000
	3,60,000		3,60,000

Dr **Partners' Capital Account** Cr

Particulars	Prina	Qadir	Kian	Particulars	Prina	Qadir	Kian
To Qadir's Capital A/c	2,10,000		30,000	By Balance b/d	9,60,000	8,40,000	9,00,000
				By General Reserve A/c	2,10,000	60,000	30,000
To Qadir's Loan A/c		12,20,000		By WCR	2,80,000	80,000	40,000
To Balance c/d	12,40,000		9,40,000	By Prina's Capital A/c		2,10,000	
				By Kian's Capital A/c		30,000	
	14,50,000	**12,20,000**	**9,70,000**		**14,50,000**	**12,20,000**	**9,70,000**
To Kian's Current A/c			7,40,000	By Balance b/d	12,40,000		9,40,000
To Balance c/d	14,00,000		2,00,000	By Prina Current A/c	1,60,000		
	14,00,000		**9,40,000**		**14,00,000**		**9,40,000**

New PSR = 7:1

Qadir's Goodwill $= 12{,}00{,}000 \times \frac{2}{10} = 2{,}40{,}000$

Gaining ratio = 7:1

25. **Journal entries**

Date	Particulars	Amount (₹)	Amount (₹)
	Realization A/c Dr. To Bank A/c (Being outstanding bill for repairs paid)	20,000	 20,000
	Tina's Capital A/c Dr. Bank A/c Dr. To Realization A/c (Being 50% stock taken by Tina and rest sold)	32,000 52,000	 84,000
	Tina's Capital A/c Dr. Rina's Capital A/c Dr. To Realization A/c (Being 100 shares taken over by partners at market value in 3:2)	1,200 800	 2,000
	Realization A/c Dr. To Rina's Capital A/c (Being realization expenses paid by Rina)	4,000	 4,000
	Tina's Loan A/c Dr. To Bank A/c (Being Tina loan paid)	40,000	 40,000
	Realization A/c Dr. To Rina's Capital A/c (Being Rina took over her husband loan)	9,000	 9,000

26. **Journal entries**

Date	Particulars		Amount (₹)	Amount (₹)
i.	Bank A/c	Dr.	1,80,000	
	To 9% Debenture Application & Allotment A/c			1,80,000
	(Receipt of application money)			
	9% Debenture Application & Allotment A/c	Dr.	1,80,000	
	Discount on Issue of Debentures A/c	Dr.	20,000	
	To 9% Debentures A/c			2,00,000
	(Allotment of debentures at a discount)			
	Securities Premium A/c	Dr.	15,000	
	Statement of Profit and Loss	Dr.	5,000	
	To Discount on Issue of Debentures A/c			20,000
	(Loss on issue of debentures written-off)			
ii.	Bank A/c	Dr.	2,85,000	
	To Debenture Application & Allotment A/c			2,85,000
	(Receipt of application money)			
	Debenture Application & Allotment A/c	Dr.	2,85,000	
	Loss on Issue of Debentures A/c	Dr.	45,000	
	To 11% Debentures A/c			3,00,000
	To Premium on Redemption of Debentures A/c			30,000
	(Allotment of debentures at a discount and redeemable at premium)			
	Securities Premium A/c.	Dr.	35,000	
	Statement of Profit and Loss	Dr.	10,000	
	To Loss on Issue of Debentures A/c.			45,000
	(Loss on issue of debentures written-off)			

PART-B

27. (a) Option (D) is correct.

Explanation: Ratio analysis involves the calculation and interpretation of various financial ratios derived from the financial statements to evaluate the financial performance and position of a company. These ratios help in understanding aspects such as profitability, liquidity, solvency, efficiency, and overall financial health of the enterprise.

OR

(b) Option (B) is correct.

Explanation: The Quick ratio is also known as the Acid Test Ratio. It measures a company's ability to meet its short-term obligations with its most liquid assets, excluding inventory from current assets.

28. Option (C) is correct.

Explanation: This transaction will result in decrease in current assets.

29. (a) Option (D) is correct.

Explanation: Separate disclosure of cash flows arising from investing activities is important because they represent the extent to which expenditures have been made for resources intended to generate future income and cash flows.

OR

(b) Option (A) is correct.

30. Option (B) is correct.

31.

Items	Major Head	Sub Head
Accrued Income	Current assets	Other current assets
Capital Advances	Non-current assets	Long term loans & advances
Capital Work in progress	Non-current assets	Property, Plant and Equipment and Intangible Assets - Capital Work in progress

32. Current ratio $= \dfrac{\text{Current assets}}{\text{Current Liabilities}} = \dfrac{3}{1}$

Let the ratio be "X"

When current assets is 3x then current liabilities will be X

Working capital = Current assets – Current liabilities

Working capital = 3x – X = 1,80,000

2x = 1,80,000

X = 90,000

Current Liabilities = ₹90,000

Current assets = 3x = 3 × 90,000

= ₹2,70,000

Quick ratio $= \dfrac{\text{Quick assets}}{\text{Current Liabilities}}$

$$= \frac{(\text{Current assets - Inventory})}{\text{Current liability}}$$

$$1.2:1 = \frac{(\text{Current assets - Inventory})}{\text{Current liability}}$$

$$1.2:1 = \frac{(2,70,000 - \text{Inventory})}{90,000}$$

$90,000 \times 1.2 = 2,70,000 - \text{Inventory}$

$1,08,000 + \text{Inventory} = 2,70,000$

Inventory = ₹1,62,000

33.(a)

X Ltd.

Common Size Balance Sheet
as at 31st March 2022 and 31st March 2023

Particulars	Note No.	Absolute Amounts		Percentage of Balance Sheet Total	
		2022 (₹)	2023 (₹)	2022	2023
I. EQUITY AND LIABILITIES:				(%)	(%)
1.Shareholders' Funds					
a) Share Capital		15,00,000	30,00,000	30	37.5
b) Reserves and Surplus		5,00,000	10,00,000	10	12.5
2.Non–current Liabilities		20,00,000	20,00,000	40	25
3.Current Liabilities		10,00,000	20,00,000	20	25
Total		**50,00,000**	**80,00,000**	**100.00**	**100.00**
II.ASSETS:					
1. Non–Current Assets		30,00,000	40,00,000	60	50
2.Current Assets (a) Inventories		20,00,000	40,00,000	40	50
Total		**50,00,000**	**80,00,000**	**100.00**	**100.00**

OR

(b)

Comparative Statement of Profit and Loss of Y Ltd.
for the year ended 31st March 2022 and 31st March 2023

Particulars	Note no.	2022 (₹) (A)	2023 (₹) (B)	Absolute Change (₹) (C = B – A)	Percentage change(%) (D=C/A× 100)
I. Revenue from operations		20,00,000	40,00,000	20,00,000	100
II. Total Income		20,00,000	40,00,000	20,00,000	100
Less:Expenses Purchase of stock in trade Change in inventories Other expenses		12,00,000 2,40,000 1,60,000	24,00,000 6,00,000 2,00,000	12,00,000 3,60,000 40,000	100 150 25
III. Total Expenses		16,00,000	32,00,000	16,00,000	100
IV. Profit before Tax (II–IV)		4,00,000	8,00,000	4,00,000	100
V. Less: Tax (40%)		1,60,000	3,20,000	1,60,000	100
Profit after Tax (IV –V)		2,40,000	4,80,000	2,40,000	100

34.

Cash Flow Statement of Bharat Gas Ltd.

Particulars	Amount (₹)	Amount (₹)
A.Cash Flow from Operating Activities		
Net Profit before Tax (1,00,000 + 80,000)	1,80,000	
Adjustment of non-cash & non-operating items:		

Add: Depreciation for the year (WN 1) Loss on sale of machine (WN 2) Amortization of goodwill	 1,95,000 1,20,000 60,000	
Operating Profit Before Working Capital Changes	**5,55,000**	
Less: Increase in current assets Inventories Trade Receivables Add: Increase in current liability Trade payables	 (50,000) (2,00,000) 40,000	
Cash generated from operations	3,45,000	
Less:Taxpaid	60,000	
Cash Flow from Operating Activities		**2,85,000**

WN 1

Dr. **Accumulated Depreciation A/c** **Cr.**

Particulars	Amount (₹)	Particulars	Amount (₹)
		By Balance B/d	1,00,000
To Machinery A/c	45,000	By Statement of Profit and Loss	1,95,000
To Balance c/d	2,50,000		
	2,95,000		**2,95,000**

WN 2

Loss on sale of machine

Current value of machine = 3,00,000 - 45,000 = 2,55,000

Loss = 2,55,000 – 1,35,000 = 1,20,000

Outside Delhi Set-2

17. **Journal entries**

Date	Particulars	L.F.	Amount Debit	Amount Credit
	General Reserve A/c Dr. To Mehak's Capital A/c To Ayush Capital A/c To Anshu's Capital A/c (Being General Reserve distributed to old partners in old ratio)		80,000	 40,000 24,000 16,000
	Anshu's Capital A/c Dr. To Mehak's Capital A/c (Being share of Goodwill adjusted among existing partners)		30,000	 30,000
	Anshu's Capital A/c Dr. Ayush's Capital A/c Dr. Anshu's Capital A/c Dr. To Revaluation A/c (Loss on revaluation written off from Partners' Capital A/c in old profit sharing ratio)		25,000 15,000 10,000	 50,000

Working Note

1. Calculation of Sacrificing /Gaining Ratio

Sacrificing /Gaining share = Old share – New share

$$\text{Mehak} = \frac{5}{10} - \frac{4}{10} = \frac{1}{10} \text{ (Sacrifice)}$$

$$\text{Ayush} = \frac{3}{10} - \frac{3}{10} = 0$$

$$\text{Anshu} = \frac{2}{10} - \frac{3}{10} = \frac{-1}{10} \text{ (Gain)}$$

20. **Journal Entry**

Date	Particulars	L.F.	Amount Dr.	Amount Cr.
	Ross' Current A/c Dr. To Piya's Current A/c (For rectification made for omission of Interest on Capital)		27,500	 27,500

Past Adjustment Table

Particular	Piya		Ross		Firm	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Interest on Capital @ 8%		80,000		60,000	1,40,000	
Profits wrongly distributed	52,000		87,000			140,000
Net Difference	27,000 (Cr.)			27,500 (Dr.)		
	80,000	**80,000**	**87,500**	**87,500**	**1,40,000**	**1,40,000**

25. **Journal Entries**

Date	Particulars	L.F.	Amount Dr.	Amount Cr.
(i)	Realisation A/c Dr. To Sudha's Capital A/c (Loan paid by Sudha)		19,000	 19,000
(ii)	Bank A/c Dr. To Realisation A/c (Bad debts recovered)		7,500	 7,500
(iii)	Shiva's Capital A/c Dr. To Realisation A/c (Being Investment taken over by shiva)		13,300	 13,300
(iv)	Realisation A/c Dr. To Sudha's Capital A/c (Creditors paid by Sudha)		18,000	 18,000
(v)	Sudha's Capital A/c Dr. Shiva's Capital A/c Dr. To Realization A/c (Shares taken by partners)		750 750	 1,500
(vi) (a)	Realization A/c Dr. To Sudha's Capital A/c (Being remuneration provided to Sudha)		3,000	 3,000
(b)	Realization A/c Dr. To Sudha's Capital A/c (Realization expenses paid by Sudha)		 3,400	 3,400

26. **Journal Entries**

In the Books of Dhatu Ltd.

Date	Particulars	L.F.	Amount Dr.	Amount Cr.
(i)	Bank A/c (400×900) Dr. To Debenture Application and Allotment A/c (Being debenture application and allotment money received)		3,60,000	 3.60.000
	Debenture Application and Allotment A/c Dr. Discount on issue of Debenture A/c Dr. To 11% debenture A/c (Being debenture application and allotment money due)		3,60,000 40,000	 4,00,000

	Securities Premium A/c Dr. To Discount on issue of Debenture A/c (Being discount on Issue of debenture written of using security Premium A/c)		40,000	40,000
(ii)	Bank A/c (500×900) Dr. To Debenture Application and Allotment A/c (Being debenture application and allotment money received)		4,50,000	4,50,00
	Debenture Application and Allotment A/c Dr. Loss on Issue of Debenture (500×200) A/c Dr. To 10% Debenture A/c To Premium Payable on Redemption A/c (Being debenture application A/c and allotment money due)		4,50,000 1,00,000	5,00,000 50,000
	Securities Premium A/c Dr. Statement of Profit and Loss A/c Dr. To Loss on Issue of Debenture A/c (Being Loss on Issue of debenture written off)		75,000 25,000	1,00,000

31.

Name of Item	Major heading	Sub heading
(i) Design	Non current Assets	Property, Plant and Equipment and Intangible assets (Intangible assets)
(ii) Unpaid dividend	Current Liabilities	Other Current liabilities
(iii) Capital work-in-progress	Non Current Assets	Property, Plant and Equipment and Intangible assets (Capital work-in-progress)

32. Operating Ratio $= \dfrac{\text{Cost of Revenue from operations} + \text{Operating expenses}}{\text{Revenue from operations}} \times 100$

Cost of revenue from operation = Revenue from operations – Gross profit

$$= 10{,}00{,}000 - \left(\frac{10{,}00{,}000}{125} \times 25\right)$$

$$= 10{,}00{,}000 - 2{,}00{,}000$$

$$= 8{,}00{,}000$$

Operating expenses = Office and Administrative expenses + Selling and Distribution expenses

$$= 18{,}000 + 2{,}000$$

$$= 20{,}000$$

Thus, Operating ratio $= \dfrac{8{,}00{,}000 + 20{,}000}{10{,}00{,}000} \times 100$

$$= 82\%$$

Outside Delhi Set-3

17. **Journal Entries**

Date	Particular	L.F.	Amount Dr.	Amount Cr.
	General Reserve A/c Dr. To Nita's Capital A/c To Mita's Capital A/c To Karan's Capital A/c (Being general reserve distributed)		70,000	 28,000 21,000 21,000
	Mita's Capital A/c (1,00,000 × $\frac{1}{10}$) Dr. Karan's Capital A/c (1,00,000 × $\frac{1}{10}$) Dr. To Nita's Capital A/c (1,00,000 × $\frac{2}{10}$) (Being share of Goodwill adjusted among existing partners)		10,000 10,000	 20,000

	Nita's Capital A/c Dr. Mita's Capital A/c Dr. Karan's Capital A/c Dr. To Revaluation A/c (Being Loss on revaluation written off from partners' Capital A/c)		16,000 12,000 12,000	 40,000

Working Note

Calculation of decrilicing Sacrificing/Gaining ratio

Sacrificing/Gaining ratio = Old Share – New Share

$$\text{Nita} = \frac{4}{10} - \frac{1\times 2}{5\times 2} = \frac{2}{10}(\text{Sacrifice})$$

$$\text{Mita} = \frac{3}{10} - \frac{2\times 2}{5\times 2} = \frac{-1}{10}(\text{Gain})$$

$$\text{Karan} = \frac{3}{10} - \frac{2\times 2}{5\times 2} = \frac{-1}{10}(\text{Gain})$$

20. **Journal Entry**

Date	Particular	L.F.	Amount Debit	Amount Credit
	Anu's Current A/c Dr. To Rajesh's Current A/c (For rectification of interest on capital)		36,000	 36,000

Particular	Rajesh		Anu		Firm	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Interest on Capital @12% p.a	–	72,000	–	36,000	1,08,000	–
Profits wrongly distributed	36,000	–	72,000	–	–	1,08,000
Net difference	36,000 (Cr.)	–	–	36,000 (Dr.)	–	–
	72,000	72,000	72,000	72,000	1,08,000	1,08,000

25. **Journal Entries**

Date	Particular	L.F.	Amount Dr.	Amount Cr.
(i)	Mohit's Capital A/c Dr. To Realisation A/c (Being machine taken by Mohit)		7,000	 7,000
(ii)	Rohit's Loan A/c Dr. To Bank A/c To Realization A/c (Being rohit's loan settled)		15,000	 13,500 1,500
(iii)	Mohit's Capital A/c Dr. Bank A/c Dr. To Realisation A/c (Being investment taken over by Mohit and remaining sold in market)		45,000 60,000	 1,05,000
(iv)	Realisation A/c Dr. To Bank A/c (Being realisation expense paid)		23,000	 23,000
(v)	Realisation A/c Dr. To Bank A/c (Being creditors settled)		43,000	 43,000
(vi)	Mohit's Capital A/c Dr. Rohit's Capital A/c Dr. To Realisation A/c (Being loss on realisation distributed)		6,000 6,000	 12,000

26. **Journal Entry**

In the books of Srijan Ltd.

Date	Particular	L.F.	Amount Dr.	Amount Cr.
(i)	Bank A/c Dr.		8,55,000	
	To Debentures Application and Allotment A/c			8,55,000
	(Being debenture application and allotment money received)			
	Debentures Application and Allotment A/c Dr.		8,55,000	
	Discount on issue of debentures A/c Dr.		45,000	
	To 6% debentures A/c			9,00,000
	(Being debentures application and allotment money due)			
	Securities Premium A/c Dr.		45,000	
	To Discount on issue of debentures A/c			45,000
	(Being discount on issue of debentures written off)			
(ii)	Bank A/c Dr.		6,30,000	
	To Debentures Application and Allotment A/c			6,30,000
	(Being debenture application and allotment money received)			
	Debentures Application and Allotment A/c Dr.		6,30,000	
	Loss on issue of debenture A/c Dr.		1,40,000	
	To 8% Debentures A/c			7,00,000
	To Premium payable on redemption A/c			70,000
	(Being debenture application and allotment money due)			
	Securities Premium A/c Dr.		1,00,000	
	Statement of Profit & Loss Dr.		40,000	
	To Loss on Issue of Debentures A/c			1,40,000
	(Being loss on issue of debentures written off)			

31.

Name of Item	Major heading	Sub heading
(i) Capital Advance	Non-current Assets	Long term loans and Advances
(ii) Income received in Advance	Current liabilities	Other current Liabilities
(iii) Stores and spares parts	Current Assets	Inventories

32. Inventory Turnover Ratio

$$= \frac{\text{Cost of Revenue from Operations}}{\text{Average Inventory}}$$

$$6 \text{ times} = \frac{\text{Cost of Revenue from Operations}}{1,00,000}$$

Cost of Revenue from Operations = 6,00,000

If Revenue from Operations is 100, and Profit is 25

Thus Cost of Revenue from Operations is 100 – 25=75

$$\therefore \text{Revenue from Operations} = \frac{6,00,000}{75} \times 100$$

$$= ₹8,00,000$$