Part - A

(Accounting for Partnership Firms and Companies)

1) (i) (B) Gain $\frac{1}{30}$

2) (D) Profit ₹ 1,12,000

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

4) (i) (C) the Maximum amount of share capital which a company is authorised to issue

5) (ii) (A) ₹ 8000

6) (D) 14,000

7) (C) ₹ 6,00,000

8) (i) (B) ₹ 30

9) (B) ₹ 3,00,000

10) (B) ₹ 2,00,000

11) (A) Drawings

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

(ii)
13) D) $4\frac{1}{2}$

14) A) ₹ 2000

15) C) ₹ 57,000

16) A) 13 : 5 : 6

) (b) Journal entries

S.No.	Particulars		Debit ₹	Credit ₹
i)	Profit & Loss A/c	Dr.	1,20,000	
	To Profit & Loss Appropriation A/c			1,20,000
	(Profit transferred to P&L Appropriation)			
ii)	Profit & Loss Appropriation A/c	Dr.	1,20,000	
	To Chaman Capital A/c			60,000
	To Burman Capital A/c			40,000
	To Aman Capital A/c			20,000
	(Profit distributed)			
iii)	Chaman Capital A/c	Dr.	24,000	
	Burman Capital A/c	Dr.	16,000	
	To Aman Capital A/c			40,000
	(Profit deficiency to Aman was met)			

$1,20,000 \times \frac{3}{6}$

$40,000 \times \frac{3}{8}$

18) Journal entries

Particulars		Debit ₹	Credit ₹
i) General Reserve A/c	Dr.	1,00,000	
To Madhu Capital A/c			30,000
To Raj Capital A/c			20,000
To Atul Capital A/c			40,000
To Prachi Capital A/c			10,000
(General Reserve Transferred			
ii) Raj Capital A/c	Dr.	1,00000	
Prachi Capital A/c	Dr.	3,00,000	
To Madhu Capital A/c			1,00,000
To Atul Capital A/c			3,00,000
(Goodwill adjusted)			

calculations

Sacrificing Ratio = Old Ratio − New Ratio

Madhu → $\frac{3\times4}{10\times4} - \frac{1\times10}{4\times10} = \frac{12-10}{40} = \frac{2}{40}$ (S)

Atul → $\frac{4\times4}{10\times4} - \frac{1\times10}{4\times10} = \frac{16-10}{40} = \frac{6}{40}$ (S)

Raj → $\frac{2\times4}{10\times4} - \frac{1\times10}{4\times10} = \frac{8-10}{40} = \frac{-2}{40}$ (G)

Prachi → $\frac{1\times4}{10\times4} - \frac{1\times10}{4\times10} = \frac{4-10}{40} = \frac{-6}{40}$ (G)

(a) Journal entries

Priti Ltd.

S.NO	Particulars		Debit ₹	Credit ₹
i)	Sundry Assets A/c	Dr.	5,40,000	
	Goodwill A/c	Dr.	1,08,000	
	To Sundry Liabilities A/c			1,20,000
	To Payal Ltd. A/c			5,28,000
	(Business Purchased)			
ii)	Payal Ltd. A/c	Dr.	5,28,000	
	To Bank A/c			2,64,000
	To 10% Debentures A/c (2400×100)			2,40,000
	To Securities Premium A/c (2400×10)			24,000
	(Purchase Consideration met)			

No. of Debentures $= \frac{2,64,000}{100+10} = \frac{264000}{110}$

$= 2400$ Debentures

20) Goodwill = 4,00,000

4,00,000 = 5 × Super Profits

$$\text{Super Profit} = \frac{4,00,000}{5}$$

= ₹80,000

$$\text{Normal Profit} = \text{Capital Employed} \times \frac{\text{Normal Rate of Return}}{100}$$

$$= 9,00,000 \times \frac{8}{100}$$

= ₹72,000

Super Profits = Average Profits − Normal Profits

Average Profits = Super Profit + Normal Profits

= 80,000 + 72000

= ₹1,52,000

21) Dr. **Varsha's Capital A/c** Cr.

Particulars	₹	Particulars	₹
To Varsha's Executors A/c	6,41,000	By Balance b/d	3,00,000
		By General Reserve	50,000
		By Interest on Capital (P&L Suspense)	6000
		By Aditi Capital A/c	81,000
		By Renu Capital A/c	54,000
		By Profit & Loss Suspense A/c	1,50,000
	6,41,000		641000

$\cancel{4}^{5}00{,}000 \times \frac{\cancel{8}^{1}}{\cancel{10}_{2}}$

$\cancel{1{,}35}^{27},000 \times \frac{3}{5}$

$3{,}00{,}000 \times \frac{5}{10}$ 150,000

W.N :

1) Interest on Capital

$3{,}00{,}000 \times \frac{\cancel{6}^{2}}{100} \times \frac{\cancel{4}^{1}}{\cancel{12}_{3}} = 6000$

2) Goodwill : $3 \times 90{,}000 \Rightarrow \cancel{2{,}70{,}000}^{1{,}35{,}000} \times \frac{\cancel{5}^{1}}{\cancel{10}_{2}} = 1{,}35000$

3) Profit

Sales	Profit
60,00,000	12,00,000
15,00,000	?

$\Rightarrow 15{,}00{,}000 \times \frac{\cancel{12{,}00{,}000}^{2}}{\cancel{60{,}00{,}000}} = 300000$

22)

RR Ltd.

(Extract) Balance Sheet as at . . . .

Particulars	Note No.	Current Year	Previous Year
I EQUITY AND LIABILITIES			
1) Share holders funds			
a) Share Capital	1	3,90,000	

Notes to Accounts

		₹
1) Share Capital		
AUTHORISED CAPITAL		
80,000 Equity Shares of ₹ 10 each		8,00,000
ISSUED CAPITAL		
40,000 Equity Shares of ₹ 10 each		4,00,000
SUBSCRIBED CAPITAL		
Subscribed & fully paid up		
38,000 Equity Shares of ₹ 10 each		3,80,000
Subscribed & not fully paid up		
2000 Equity Shares of ₹ 10 each	20,000	~~20~~,
(–) Calls in Arrears (2000×5)	(10,000)	10,000
		3,90,000

3) (i)

Suhavo Ltd.

JOURNAL

S.No	Particulars		Debit ₹	Credit ₹
i)	Bank A/c (10,000 x 90)	Dr.	9,00,000	
	To Debenture Application & Allotment A/c			9,00,000
	(Debenture Application money received)			
ii)	Debenture Application & Allotment A/c	Dr.	9,00,000	
	Loss on Issue of Debentures A/c (10,000 x 15)	Dr.	1,50,000	
	To 11% Debentures A/c (10,000 x 100)			10,00,000
	To Premium on Redemption of Debentures A/c (10,000 x 5)			50,000
	(Debentures were alloted)			

(ii)

Mudit Ltd

JOURNAL

S.No	Particulars		Debit ₹	Credit ₹
i)	Bank A/c (20,000 x 105)	Dr.	21,00,000	
	To Debenture Application & Allotment A/c			21,00,000
	(Application money received)			

(ii)

Debenture Application & Allotment A/c Dr. (20,000×10)	21,00,000	
Loss on Issue of Debentures A/c Dr.	2,00,000	
To 9% Debentures A/c (20,000 × 100)		20,00,000
To Securities Premium A/c (20,000 × 5)		1,00,000
To Premium on Redemption of Debentures A/c (20,000 × 10)		2,00,000
(Debentures were alloted)		

(iii)

Sudip Ltd.

JOURNAL

i) Bank A/c (30,000 × 100) Dr.	30,00,000	
To Debenture Application & Allotment A/c		30,00,000
(Application received)		
ii) Debenture Application & Allotment A/c Dr.	30,00,000	
Loss on Issue of Debentures A/c (30,000 × 5) Dr.	1,50,000	
To 8% Debentures A/c		30,00,000
To Premium on Redemption of Debentures A/c		1,50,000
(Debentures were alloted)		

4) Journal entries

S.No	Particulars		Debit ₹	Credit ₹
(i)	Realisation A/c	Dr.	34,000	
	To Sharma Capital A/c			34,000
	(Sharma paid creditor of ₹ 40,000 for ₹ 34,000 in full settlement)			
(ii)	Realisation A/c	Dr.	80,000	
	To Verma Capital A/c			80,000
	(Verma agreed to pay his wife's Loan)			
(iii)	Verma Capital A/c	Dr.	2400	
	To Realisation A/c			2400
	(Verma took typewriter at 20% less than estimated price)			
iv)	Cash / Bank A/c	Dr.	1,200	
	To Realisation A/c			1,200
	(Neelu paid 80% of the amount written off as bad debts)			

$3000 \times \frac{20}{100}$ = 600; 3000 − 600 = 2400

$1{,}500 \times \frac{80}{100}$ = 1200

v)	Realisation A/c Dr.	8000	
	To Sharma Capital A/c		8000
	(Dissolution expenses were paid by Sharma)		
vi)	Sharma Capital A/c Dr.	24,000	
	Verma Capital A/c Dr.	16,000	
	To Realisation A/c		40,000
	(Loss on Realisation was distributed b/w partners)		

25) (a)

Revaluation A/c

Dr. Particulars		₹	Particulars	₹ Cr.
To Furniture		6000	By Investments	12000
To Profit transferred to:				
Sanju Capital	3600			
Manju Capital	2400	6000		
		12000		12000

Partners Capital A/c

Dr. Cr.

Particulars	Sanju	Manju	Uday	Particulars	Sanju	Manju	Uday
To Plant & Machinery	48,000	32,000	-	By Balance b/d	1,40,000	1,20,000	-
				By General Reserve	24,000	16,000	
To Balance c/d	1,25600	1,10,400	78,667	By Revaluation	3,600	2400	
				By Premium for Goodwill	6000	4000	
				By Cash/Bank			78,667
	1,73,600	1,42,400	78,667		1,73600	1,42400	78,667

WN:

Capital of Sanju & Manju = 1,25,600
1,10,400
2,36,000

Capital of Uday $= 2,36,000 \times \frac{4}{3} \times \frac{1}{4}$

$= ₹\ 78667$

$$78667 \times 3 = 236001$$

$$236000 \div 3 = 78666.7$$

26) (a)

i) Star Ltd.

JOURNAL

S.No	Particulars		Debit ₹	Credit ₹
i)	Share Capital A/c (8000 x 80)	Dr.	6,40,000	
	Securities Premium A/c (8000x10)	Dr.	80,000	
	To Share Allotment A/c (8000 x 40)			3,20,000
	To Share First Call A/c (8000 x 30)			2,40,000
	To Forfeited Shares A/c (8000 x 20)			1,60,000
	(8000 shares were forfeited)			
ii)	Bank A/c (6000 x 70)	Dr.	4,20,000	
	Forfeited Shares A/c (6000 x 10)	Dr.	60,000	
	To Share Capital A/c (6000 x 80)			4,80,000
	(Forfeited shares of ₹ 6000 reissued)			
iii)	Forfeited Shares A/c	Dr.	60,000	
	To Capital Reserve A/c			60,000
	(Profit on Reissue transferred)			

W.N.
Shares
8000
6000
=> 6000
1200
(-) 60
60

(ii) Premier Ltd.

JOURNAL

S.No	Particulars		Debit ₹	Credit ₹
i)	Share Capital A/c (3000 × 8)	Dr.	24000	
	To Share First Call A/c (3000 × 3)			9000
	To Forfeited Shares A/c (3000 × 5)			15000
	(Shares of 3000 were forfeited)			
ii)	Bank A/c (2000 × 12)	Dr.	24000	
	To Share Capital A/c (2000 × 8)			16000
	To Securities Premium A/c (2000 × 4)			8000
	(2000 forfeited shares were reissued)			
iii)	Forfeited Shares A/c	Dr.	10,000	
	To Capital Reserve A/c			10,000
	(Profit on Reissue transferred)			

W.N

Shares	Gain
3000	15000
2000	?

$\Rightarrow \frac{2000 \times 15000}{3000}$

$= 10,000$

Part - B

OPTION - I

(Analysis of Financial Statements)

27) (D) Cash outflow from investing activities of ₹ 4,70,000

28) (i) (C) Statement I is correct and Statement II is incorrect

29) (C) Repayment of long Term loan of ₹ 7,00,000

30) (ii) (B) Quick Ratio

31)

Items	Heads	Sub-heads
i) Livestock	Non current Assets	Property, Plant & Equipment & Intangible assets - Property, Plant, Equipment
ii) Accrued income	Current Assets	Other current assets

	Heads	Subheads
iii) Unpaid Dividend	Current Liabilities	Other Current liabilities

2) Gross Profit Ratio $= \dfrac{\text{Gross Profit}}{\text{Revenue from Operations}} \times 100$

Revenue from operations = 10,00,000

Gross profit = Revenue from operations − Cost of Revenue from operations

Cost of Revenue from Operations = Purchase + Carriage inwards + Wages + Decrease in Inventory − Returns outwards

= ₹ 3,00,000 + 60,000 + 50,000 + 40,000 − 20,000

= ₹ 4,30,000

Gross Profit = 10,00,000 − 4,30,000

= ₹ 5,70,000

Gross Profit Ratio $= \dfrac{5,70,000}{10,00,000} \times 100$

= 57 %

33) (b) Common Size Statement of Profit & Loss of Neurosci Ltd. for the year ended 31st March, 2[illegible]

Particulars	2021-22	2022-23	22 % of Revenue from operations	23 % of Revenue from operations
I Revenue from operations	20,00,000	40,00,000	100	100
II Expenses				
purchase of Stock in trade	2,00,000	4,00,000	10	10
Other Expenses	20,000	40,000	1	1
	2,20,000	4,40,000	11	11
III Profit before Tax	17,80,000	35,60,000	89	89
(-) Tax	8,90,000	17,80,000	44.5	44.5
IV Profit after Tax	8,90000	1780000	44.5	44.5

34)

Nishant Ltd.

Cash Flow from Operating Activities as at 31st March, 2023

Particulars		₹	₹
Net Profit before Tax and Extraordinary items		75,000	
Adjustment of Non Cash, Non Operating items			
(+) Depreciation on Machinery	33,000		
Amortisation on Goodwill	36,000		
Interest on Debentures	8,500		
Loss on Sale of Machinery	1000	78,500	
Operating Profit before Working Capital Changes		1,53,500	
(–) Decrease in Trade Payables	12,500		
Increase in Inventories	4000		
Increase in Trade Receivables	13,500	(30,000)	
Cash generated in operating activity		1,23,500	
(–) Tax paid		38,500	
Cash flow from Operating activities			85000

Working Notes:

1) Net profit before Tax & Extraordinary items

	₹
Profit during the year	50,000
(+) Provision for Tax	25,000
	75,000

2) Machinery A/c

To Balance b/d	5,00,000	By Accumulated Dep.	8000
To Bank	1,47,000	By Bank	3000
		By Loss on Sales	1000
		By Balance c/d	6,35,000
	6,47,000		6,47,000

3) Accumulated Depreciation A/c

To Machinery	8000	By Balance b/d	75000
		By Depreciation (b/f)	33,000
To Balance c/d	1,00,000		
	1,08,000		1,08,000