PRACTICE QUESTIONS (2022-23)

SUBJECT ACCOUNTANCY 055

CLASS XII

TIME 3 HOURS

MAX. MARKS 80

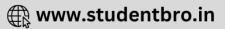
GENERAL INSTRUCTIONS:

- 1. This question paper contains 34 questions. All questions are compulsory.
- 2. This question paper is divided into two parts, Part A and B.
- 3. Part A is compulsory for all candidates.
- 4. Part B has two options i.e. (i) Analysis of Financial Statements and (ii) Computerised Accounting. Students must attempt only one of the given options.
- 5. Question 1 to 16 and 27 to 30 carries 1 mark each.
- 6. Questions 17 to 20, 31and 32 carries **3** marks each.
- 7. Questions from 21,22 and 33 carries 4 marks each
- 8. Questions from 23 to 26 and 34 carries 6 marks each
- 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.

PART A

(Accounting for Partnership Firms and Companies)

S.No.		Question					Marks
		Part A :- Accounting for Partnership Firm	s and	Compan	ies		
1.	Shreya her sha	and Radhey were partners sharing profits and was admitted for 1/5th share in the profits. are of goodwill premium in cash. The journal um is given below:	Shre	ya was u	nable to b	ring	1
	Date	Particular	LF	Debit (₹)	Credit (₹)		
		Shreya's Current A/c. Dr. To Navya's Capital A/c. To Radhey's Capital A/c (Being entry for goodwill treatment passed)		24,000	8,000 16,000		
	The ne a) b) c) d)	w profit-sharing ratio of Navya, Radhey and S 41: 7: 12 13:12: 10 3:1: 1 5:3: 2	hrey	a will be:			

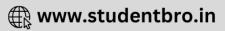


•	Asse	ertion (A):- Commission provided to	partne	r is sho	wn in Profit and Loss A/c.	1
		son (R):- Commission provided to p	-			
	be p	rovided at fixed rate.		_		
	5) (A) is correct but (R) is wrong				
	k) Both (A) and (R) are correct, but	(R) is n	ot the c	orrect explanation of (A)	
		Both (A) and (R) are incorrect.	. ,		,	
		Both (A) and (R) are correct, and	l (R) is tl	he corre	ect explanation of (A)	
•	A sh	are of ₹ 10 each, issued at ₹ 4 p	remium	out of	which ₹ 7 (including ₹ 1	1
	prer	nium) was called up and paid up. T	he unca	lled Cap	oital will be	
		a) ₹7 per share	b)	₹4 pe	r share	
		c) ₹8 per share	d)	₹3 pe	r share	
			OR .	•		
	Whi	le issuing type of I	Debentu	ires, co	mpany doesn't give any	
	und	ertaking for the repayment of				
	deb	entures.		-		
		a) Zero Coupon Rate Debentures	b	Non-C	Convertible Debentures	
		c) Secured Debentures	d	Non-F	Redeemable Debentures	
•	Sam	iksha, Arshiya and Divya were par	tners in	a firm	sharing profits and losses	1
	in tl	ne ratio of 5: 3: 2. With effect fro	m 1st /	April 20	22, they agreed to share	
	futu	re profits and losses in the ratio o	of 2: 5:	3. Their	Balance Sheet showed a	
	deb	t balance of ₹ 50,000 in the Prof	it and I	oss Ac	count and a balance of ₹	
	40,0	00 in the Investment Fluctuation F	und. Th	ne mark	et value of an investment	
	is ₹	30,000 against the book value of	₹50,000	D. Partn	ers have decided, not to	
	sho	w revised valued in the balance she	et and t	to pass a	an adjusting entry for it.	
	Whi	ch of the following is the correct tr	eatmen	<u>t of the</u>	above?	
	a)	Samiksha's Capital A/c. Dr.	9,000			
		To Arshiya's Capital A/c.		6,000		
		To Divya's Capital A/c		3,000		
	b)	Arshiya's Capital A/c. Dr.	5,000			
		To Samiksha's Capital A/c.		2,000		
		To Divya's Capital A/c.		3,000		
	c)	Arshiya's Capital A/c. Dr.	2,000			
		Divya's Capital A/c. Dr.	1,000			
		To Samilysha's Canital A/s		3,000		
		TO Sattikstia's Capital A/C				
	d)	To Samiksha's Capital A/c Arshiya's Capital A/c. Dr.	6,000			
	d)		6,000 3,000			
	d)	Arshiya's Capital A/c. Dr. Divya's Capital A/c. Dr.	-	9,000		
	d)	Arshiya's Capital A/c. Dr.	-	9,000		
	d)	Arshiya's Capital A/c. Dr. Divya's Capital A/c. Dr.	3,000	9,000		
	d)	Arshiya's Capital A/c. Dr. Divya's Capital A/c. Dr.	-	9,000		
		Arshiya's Capital A/c. Dr. Divya's Capital A/c. Dr. To Samiksha's Capital A/c	3,000 Or		losses in the ratio of 2.3	
	Soha	Arshiya's Capital A/c. Dr. Divya's Capital A/c. Dr. To Samiksha's Capital A/c	3,000 Or ng profi	ts and		
	Soha	Arshiya's Capital A/c. Dr. Divya's Capital A/c. Dr. To Samiksha's Capital A/c	3,000 Or ng profi ₹ 6,00,0	its and 000 resp	pectively. On 1st January	

5. 1 1 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	year ended 31st March 2022 if the lo to ₹2,500. a) Share of Loss Sohan -₹1,250 M b) Share of Loss Sohan -₹1,000 M c) Share of Loss Sohan -₹820 Mo d) Share of Loss Sohan -₹820 Mo d) Share of Loss Sohan -₹1,180 M Vihaan and Mann are partners sharing firm maintains fluctuating capital acco 31st March 2022 is ₹4,00,000 a respectively. Drawings during the y partnership Deed, Interest on capital allowed to them. Calculate the ope divisible profits during the year 2021-2 a) ₹3,30,000 b) ₹4,40,000 c) ₹4,00,000 d) ₹3,00,000	ohan – ₹ 1,500 han – ₹ 1,230 ohan – ₹ 1,770 profits and losses in the ratio of 3:2. The bunts and the balance of the same as on hd ₹ 4,65,000 for Vihaan and Mann ear were ₹ 65,000 each. As per the @ 10% p.a. on Opening Capital has been ening capital of Vihaan given that the	1
5. 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	 a) Share of Loss Sohan -₹ 1,250 M b) Share of Loss Sohan -₹ 1,000 M c) Share of Loss Sohan -₹ 820 Mod d) Share of Loss Sohan -₹ 1,180 M Vihaan and Mann are partners sharing firm maintains fluctuating capital according to the server of the server	ohan – ₹ 1,500 han – ₹ 1,230 ohan – ₹ 1,770 profits and losses in the ratio of 3:2. The bunts and the balance of the same as on hd ₹ 4,65,000 for Vihaan and Mann ear were ₹ 65,000 each. As per the @ 10% p.a. on Opening Capital has been ening capital of Vihaan given that the	1
6.	 b) Share of Loss Sohan -₹ 1,000 M c) Share of Loss Sohan -₹ 820 Mod d) Share of Loss Sohan -₹ 1,180 M Vihaan and Mann are partners sharing firm maintains fluctuating capital according the sequence of the sequence	ohan – ₹ 1,500 han – ₹ 1,230 ohan – ₹ 1,770 profits and losses in the ratio of 3:2. The bunts and the balance of the same as on hd ₹ 4,65,000 for Vihaan and Mann ear were ₹ 65,000 each. As per the @ 10% p.a. on Opening Capital has been ening capital of Vihaan given that the	1
5. S	 c) Share of Loss Sohan -₹ 820 Mod d) Share of Loss Sohan -₹ 1,180 M Vihaan and Mann are partners sharing firm maintains fluctuating capital according the service of the service of	nan – ₹ 1,230 ohan – ₹ 1,770 profits and losses in the ratio of 3:2. The punts and the balance of the same as on nd ₹ 4,65,000 for Vihaan and Mann ear were ₹ 65,000 each. As per the @ 10% p.a. on Opening Capital has been ening capital of Vihaan given that the	1
6.	 d) Share of Loss Sohan -₹ 1,180 M Vihaan and Mann are partners sharing firm maintains fluctuating capital according the sequence of the seq	ohan – ₹ 1,770 profits and losses in the ratio of 3:2. The bunts and the balance of the same as on nd ₹ 4,65,000 for Vihaan and Mann ear were ₹ 65,000 each. As per the @ 10% p.a. on Opening Capital has been ening capital of Vihaan given that the	1
6.	Vihaan and Mann are partners sharing firm maintains fluctuating capital acco 31st March 2022 is ₹ 4,00,000 a respectively. Drawings during the y partnership Deed, Interest on capital allowed to them. Calculate the ope divisible profits during the year 2021-2 a) ₹ 3,30,000 b) ₹ 4,40,000 c) ₹ 4,00,000 d) ₹ 3,00,000	profits and losses in the ratio of 3:2. The bunts and the balance of the same as on nd ₹ 4,65,000 for Vihaan and Mann ear were ₹ 65,000 each. As per the @ 10% p.a. on Opening Capital has been ening capital of Vihaan given that the	1
6.	firm maintains fluctuating capital accord 31st March 2022 is ₹ 4,00,000 a respectively. Drawings during the y partnership Deed, Interest on capital allowed to them. Calculate the oper divisible profits during the year 2021-2 a) ₹ 3,30,000 b) ₹ 4,40,000 c) ₹ 4,00,000 d) ₹ 3,00,000	ounts and the balance of the same as on nd ₹ 4,65,000 for Vihaan and Mann ear were ₹ 65,000 each. As per the @ 10% p.a. on Opening Capital has been ening capital of Vihaan given that the	1
-	d) ₹ 3,00,000		
-			
-		tures of ₹ 100 each at certain rate of	1
Ċ	premium and to be redeemed at 10% on Issue of Debentures, Statement 2,00,000. At what rate of premium, th	premium. At the time of writing off Loss of Profit and Loss was debited with ₹	
	a) 10%	b) 16%	
	c) 6%	d) 4%	
		Or	
	Durga Itd issued 80,000, 10% Debe	ntures of ₹ 100 each at certain rate of	
	-	at 20% premium. Existing balance of	
		these debentures was ₹ 25,00,000 and	
	-	ntures, the balance in Securities Premium	
	was ₹ 5,00,000. At what rate of discou	-	
	a) 10%	b) 5%	
	c) 25%	d) 15%	
7 .	Attire Ltd, issued a prospectus invitir	ng applications for 12,000 shares of ₹10	1
1	had applied for certain number of sha	on allotment and balance on call. Public res and application money was received. mey, if received restricts the company to	
	proceed with the allotment of shares,		
	a) ₹36,000	b) ₹45,000	
	c) ₹ 30,000	d) ₹ 32,400	
		rs in a firm with capital balances of ₹ ively on 31st March, 2022. Amay decides	1

The goodwill of the firm was Gain on revaluation was ₹24,	000.		
a) ₹88,500		b) ₹ 90,500	
c) ₹65,375		d) ₹ 70,500	
	Or		
 A, B and C are partners. A's of has not invested any amound business. C wants 30,000 p.a. profit of ₹1,50,000. How much profits? a) A ₹ 60,000; B ₹ 60,000 b) A ₹ 90,000; B ₹ 30,000 c) A ₹ 40,000; B ₹ 40,000 	int as capital as salary, thou ch will each pai ; C ₹ 30,000 ; C ₹ 30,000	but he alone mana ugh the deed is silent tner receives as an a	ges the whole . Firm earned a
d) A ₹ 50,000; B ₹ 50,000	and C ₹ 50,00)	
d) A ₹ 50,000; B ₹ 50,000 Read the following hypoth Puneet and Raju are partners 5,00,000 and ₹ 10,00,000 commission of 10% on the ne to get a commission of 10%	netical situatio s in a clay toys respectively. T et profit before	n, Answer Question I making firm. Their ca he firm allowed Pu e charging any comm	apitals were neet to get a ission and Raju
Read the following hypoth Puneet and Raju are partners 5,00,000 and ₹ 10,00,000 commission of 10% on the ne	netical situatio s in a clay toys respectively. T et profit before on the net p oss Appropriati	n, Answer Question I making firm. Their ca he firm allowed Pu charging any comm rofit after charging a on Account for the ye	apitals were anneet to get a sission and Raju all commission ear ended 31st
Read the following hypoth Puneet and Raju are partners 5,00,000 and ₹ 10,00,000 commission of 10% on the ne to get a commission of 10% Following is the Profit and Lo March 2022.	netical situatio s in a clay toys respectively. T et profit before o on the net p oss Appropriati tion Account for t Amount	n, Answer Question I making firm. Their ca he firm allowed Pu charging any comm rofit after charging a on Account for the ye	apitals were anneet to get a sission and Raju all commission ear ended 31st
Read the following hypoth Puneet and Raju are partners 5,00,000 and ₹ 10,00,000 commission of 10% on the new to get a commission of 10% Following is the Profit and Loss Following is the Profit and Loss Dr. Profit and Loss Appropria Particulars To Puneet's Capital A/c (Commission)	netical situatio s in a clay toys respectively. T et profit before on the net p oss Appropriati tion Account for t	n, Answer Question I making firm. Their ca he firm allowed Pu charging any comm rofit after charging a on Account for the ye he year ended 31st Marcl	apitals were anneet to get a sission and Raju for an and Raju for an and Raju for an
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Read the following hypoth Puneet and Raju are partners 5,00,000 and ₹ 10,00,000 commission of 10% on the new to get a commission of 10% Following is the Profit and Los March 2022. Dr. Profit and Loss Appropria Particulars To Puneet's Capital A/c (Commission) (x10/100) To Raju's Capital A/c	netical situatio s in a clay toys respectively. T et profit before on the net p oss Appropriati tion Account for t Amount (₹)	n, Answer Question I making firm. Their ca he firm allowed Pu e charging any comm rofit after charging a on Account for the ye he year ended 31st March Particulars By Profit and Loss	apitals were an ission and Raju neet to get an ission and Raju all commission ear ended 31s
Read the following hypothPuneet and Raju are partners5,00,000 and ₹ 10,00,000commission of 10% on the netto get a commission of 10%Following is the Profit and LosFollowing is the Profit and LosMarch 2022.Dr.Profit and Loss AppropriaParticularsTo Puneet's Capital A/c(Commission)(x10/100)To Raju's Capital A/c(Commission)To Profit share transferred	netical situatio s in a clay toys respectively. T et profit before on the net p oss Appropriati tion Account for t Amount (₹)	n, Answer Question I making firm. Their ca he firm allowed Pu e charging any comm rofit after charging a on Account for the ye he year ended 31st March Particulars By Profit and Loss	apitals were anneet to get an ission and Raju and Raju and Raju and Raju annession. Annession anness
Read the following hypoth Puneet and Raju are partners 5,00,000 and ₹ 10,00,000 commission of 10% on the net to get a commission of 10% Following is the Profit and Los Following is the Profit and Los March 2022. Dr. Profit and Loss Appropria Particulars To Puneet's Capital A/c (Commission) (x10/100) To Profit share transferred to :-	netical situatio s in a clay toys respectively. T et profit before on the net p oss Appropriati tion Account for t Amount (₹)	n, Answer Question I making firm. Their ca he firm allowed Pu e charging any comm rofit after charging a on Account for the ye he year ended 31st March Particulars By Profit and Loss	apitals were anneet to get a sission and Raju for an and Raju for an and Raju for an

	c) ₹36,000	d) ₹ 36,440	
10.	Puneet's share of profit will be :-	-,,	1
	a) ₹1,80,000	b) ₹ 1,44,000	
	c) ₹2,16,000	d) ₹1,60,000	
11.		following transactions in context of	1
	Division of Profits.		
	(i) Guarantee by Firm to Partners		
	(ii) Guarantee by Partners to Firm		
	(iii)Transfer of Profits to Profit and Lo	oss Appropriation Account	
	(iv)Guarantee by Partner to Partner	(1, 1) $(1, 1)$ $(1, 1)$ $(1, 1)$	
	a) (i); (iii) ; (iv) ; (ii)	b) (iii); (i) ; (ii) ; (iv)	
	c) (iii) ; (ii) ; (i); (iv)	d) (ii); (iii); (iv); (i)	
12.	If 10 000 shares of ₹10 each were forfei	ted for non-payment of final call money	1
		were re-issued @ ₹ 11 per share as fully	-
		aximum possible discount that company	
	can allow at the time of re-issue of the r		
	a) ₹28,000	b) ₹21,000	
	c) ₹9,000	d) ₹16,000	
		·	
13.		s Premium Balance can be utilised for	1
	which of the following purpose?		
	a) Issuing bonus to existing	b) Providing for Premium payable	
	shareholders to convert partly	on Redemption of Debentures.	
	paid up into fully paid-up		
	bonus shares.	d) Dury Deck of Debertures	
	c) Writing off all Capitalised	d) Buy Back of Debentures	
	Expenditures		
14.	Ganga and Jamuna are partners sharing	g profits in the ratio of 2:1. They admit	1
		fits. On the date of admission, Ganga's	-
	· · · · ·	apital was ₹ 73,000. Saraswati brings ₹	
	•	he agrees to contribute proportionate	
	capital of the new firm. How much capit		
	a) ₹43,750	<i>c</i> ,	
	b) ₹37,500		
	c) ₹50,000		
	d) ₹40,000		
15.	2 .	draws a fixed amount at the beginning	1
		is charged @8% p.a. At the end of the	
		ounts to ₹ 2,600. Monthly drawings of	
	Green were:		
	a) ₹8,000		

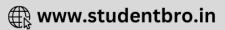


	b) ₹60,000 c) ₹7,000 d) ₹5,000	
	Or	
	 Girdhar, a partner withdrew ₹ 5,000 in the beginning of each quarter and interest on drawings was calculated as ₹ 1,500 at the end of accounting year 31 March 2022. What is the rate of interest on drawings charged? a) 6% p.a. b) 8% p.a. c) 10% p.a. d) 12% p.a. 	
16.	At the time of dissolution of a firm, Creditors are ₹ 70,000; Firm's Capital is ₹ 1,20,000; Cash Balance is ₹ 10,000. Other assets realised ₹ 1,50,000. Gain/Loss in the realisation account will be: a) ₹ 30,000 (Gain) b) ₹ 40,000 (Gain) c) ₹ 40,000 (Loss) d) ₹ 30,000 (Loss)	1
17.	Nirmala, Divisha and Sara were partners in a firm sharing profits and losses in the 3:4:3. Books were closed on 31st March every year. Sara died on 1 st February, 2022. As per the partnership deed Sara's executors are entitled to her share of profit till the date of death on the basis of Sales turnover. Sales for the year ended 31 st March 2021 was ₹ 10,00,000 and profit for the same year was ₹ 1,20,000. Sales show a positive trend of 20% and percentage of profit earning is reduced by 2%. Journalise the transaction along with the working notes.	3
18.	Amay, Anmol and Rohan entered into partnership on 1 st July, 2021 to share profits and losses in the ratio of 3:2:1. Amay guaranteed that Rohan's share of profit after charging interest on capital @ 6% p.a would not be less than ₹ 36,000 p.a. Their fixed capital balances are: ₹ 2,00,000, ₹ 1,00,000 and ₹ 1,00,000 respectively. Profit for the year ended 31 st March, 2022 was ₹1,38,000. Prepare Profit and Loss Appropriation A/c.	3
	Or	
	Ajay, Manish and Sachin were partners sharing profits in the ratio 5:3:2. Their Capitals were ₹ 6,00,000; ₹ 8,00,000 and ₹ 11,00,000 as on April 01, 2021. As per Partnership deed, Interest on Capitals were to be provided @ 10% p.a. For the year ended March 31, 2022, Profits of ₹ 2,00,000 were distributed without providing for Interest on Capitals. Pass an adjustment entry and show the workings clearly.	



19.	Anthony Ltd. issued 20,000, 9% Debentures of ₹ 100 each at 10% discount to Mithoo Ltd. from whom Assets of ₹ 23,50,000 and Liabilities of ₹ 6,00,000 were taken over. Pass entries in the books of Anthony Ltd. if these debentures were to be redeemed at 5% premium.	3
	Or	
	Random Ltd. took over running business of Mature Ltd. comprising of Assets of ₹ 45,00,000 and Liabilities of ₹ 6,40,000 for a purchase consideration of ₹ 36,00,000. The amount was settled by bank draft of ₹ 1,50,000 and balance by issuing 12% preference shares of ₹ 100 each at 15% premium. Pass entries in the books of Random Ltd.	
20.	Doremon, Shinchan and Nobita are partners sharing profits and losses in the ratio of 3:2:1. With effect from 1 st April, 2022 they agree to share profits equally. For this purpose, goodwill is to be valued at two year's purchase of the average profit of last four years which were as follows: Year ending on 31st March,2019 ₹ 50,000 (Profit) Year ending on 31st March,2020 ₹ 1,20,000 (Profit) Year ending on 31st March,2021 ₹ 1,80,000 (Profit) Year ending on 31st March,2022 ₹ 70,000 (Loss)On 1st April, 2021 a Motor Bike costing ₹ 50,000 was purchased and debited to travelling expenses account, on which depreciation is to be charged @ 20% p.a by Straight Line Method. The firm also paid an annual insurance premium of ₹ 20,000 which had already been charged to Profit and Loss Account for all the years. Journalise the transaction along with the working notes.	3
21.	 Altaur Ltd. was registered with an authorised Capital of ₹ 4,00,00,000 divided in 25,00,000 Equity Shares of ₹ 10 each and 1,50,000, 9% Preference Shares of ₹ 100 each. The company issued 8,00,000 Equity Shares for public subscription at 20% premium, payable ₹ 3 on application; ₹ 7 on allotment (including premium) and balance on call. Public had applied for 10,00,000 shares. Excess Applications were sent letters of regret. All the dues on allotment received except on 15,000 shares held by Sanju. Another shareholder Rocky paid his call dues along with allotment on his holding of 25,000 shares. You are required to prepare the Balance Sheet of the company as per Schedule III of Companies Act, 2013, showing Share Capital balance and also prepare Notes to Accounts. 	4
22.	Charu, Dhwani, Iknoor and Paavni were partners in a firm. They had entered into partnership firm last year only, through a verbal agreement. They contributed Capitals in the firm and to meet other financial requirements, few partners also provided loan to the firm. Within a year, their conflicts arisen due	4





	to certain disagreements and they decided to dissolve the firm. The firm had appointed Ms. Kavya, who is a financial advisor and legal consultant, to carry on the dissolution process. In the first instance, Ms. Kavya had transferred various assets and external liabilities to Realisation A/c. Due to her busy schedule; Ms. Kavya has delegated this assignment to you, being an intern in her firm. On the date of dissolution, you have observed the following transactions: (i) Dhwani's Loan of ₹ 50,000 to the firm was settled by paying ₹ 42,000. (ii)Paavni's Loan of ₹ 40,000 was settled by giving an unrecorded asset of ₹ 45,000. (iii)Loan to Charu of ₹ 60,000 was settled by payment to Charu's brother loan of the same amount. (iv)Iknoor's Loan of ₹ 80,000 to the firm and she took over Machinery of ₹ 60,000 as part payment.
	You are required to pass necessary entries for all the above mentioned transactions.
6	OTUA Ltd. was registered with an authorised capital of 2,00,000 equity shares of ₹ 100 each. The company offered 60,000 shares for public subscription at 25% premium. The share was payable as ₹ 40 on application and balance on allotment, with premium. Public had applied for 85,000 shares. Pro-rata allotment was made in the ratio of 5:4 and remaining applications were sent letters of regret.
	Mr. Anand holding 4,000 shares failed to pay allotment money and his shares were forfeited. Out of these 3,000 shares were re-issued at a discount of ₹ 20 per share. Pass necessary entries in the books of the OTUA Ltd.
	Or
	 Pass entries for forfeiture and re-issue in both the following cases. (a) Vikram Ltd. forfeited 5,000 shares of Rahul, who had applied for 6,000 shares for non-payment of allotment money of ₹ 5 per share and first and final call of ₹ 2 per share. Only application money of ₹ 3 was paid by him. Out of these 3,000 shares were re-issued @ ₹ 12 per share as fully paid.
	(b) Ratan Ltd. forfeited 3,000 shares of ₹ 10 each (issued at ₹ 2 premium) for non-payment of first call of ₹ 2 per share. Final call of ₹ 3 per share was not yet made. Out of these 2,000 shares were re-issued at ₹ 10 per share as fully paid.



	Balai	nce Sheet as a	t March 31, 20	122	
Liabilitie		Amount (₹)	Assets		Amount (₹)
Creditor	rs	56,000	Plant and Ma	chinery	70,000
General	Reserve	14,000	Buildings		98,000
Capital /	Accounts:		Stock		21,000
Х	1,19,000		Debtors	42,000	
Y	1,12,000	2,31,000	(-)Provision	7,000	35,000
			Cash in Hand		77,000
		3,01,000			3,01,000

Z was admitted for 1/6th share on the following terms:

(i) Z will bring ₹ 56,000 as his share of capital, but was not able to bring any amount to compensate the sacrificing partners.

(ii) Goodwill of the firm is valued at ₹. 84,000.

(iii)Plant and Machinery were found to be undervalued by ₹ 14,000 Building was to brought up to ₹ 1,09,000.

(iv)All debtors are good.

(v) Capitals of X and Y will be adjusted on the basis of Z's share and adjustments will be done by opening necessary current accounts.

You are required to prepare revaluation account and partners' capital account.

Or

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

	Bala	nce Sheet	
Liabilities	Amount (₹	Assets	Amount (₹)
Creditors	13,000	Cash	4,700
Bills Payable	590	Debtors	8,000
Capital Accounts:		Stock	11,690
P 15,	000	Buildings	23,000
Q 10,	000	Profit and Loss Account	1,200
R 10,	000 35,000		
	48,590		48,590

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

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

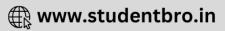
(ii) A provision for doubtful debts to be made at 5 % on debtors.

- (iii)Goodwill of the firm is valued at ₹ 18,000 and adjustment to be made by raising and writing off the goodwill.
- (iv) ₹ 2,800 was to be paid to Q immediately and the balance in his capital account to be transferred to his loan account carrying interest as per the agreement.

(v) Remaining partner decided to maintain equal capital balances, by opening current account.

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			s capital acco			
25.	-	d C were partners sharing P&L in the ntry for treatment of goodwill after hi				6
	Date	Particulars	L.F	Debit (₹)	Credit (₹)	
		B's Capital A/c Dr. C's Capital A/c Dr. To A's Capital A/c (Entry for goodwill treatment passed time of death of partner)	at the	1,80,000 1,20,000	3,00,000	
	profits death immed paid in with int Pass ne	fit till date of death was estimated as of past three years. Final dues payab was calculated as ₹ 8,40,000 out iately by giving him Furniture valued for three equal annual instalments start terest rate as specified in Section 37 o ecessary entry for profit share to be	le to A's exe of which or the same ing from 30 f Indian Parti credited to	cutors on 2,40,000 and balance June, 202 hership Act	the date of was paid e was to be 0, together ; 1932	
26.		e A's executors account till final settler				
	each ar The cou issue d debent were to issued o	2Wealth Ltd. had share capital of ₹ 80 and 20,000, 8% Debentures of ₹ 100 eac mpany need additional funds of ₹ 55 bebentures in such a way that they ures of the same class as earlier, at b be redeemed at 20% premium afte on 01 October, 2021. e required to	ch as part of ,00,000 for v got require 10% premiu	capital emp vhich they d funds at im. These	oloyed. decided to fter issuing debentures	6
	each ar The cou issue d debent were to issued o You are (a) F (b) F	nd 20,000, 8% Debentures of ₹ 100 ead mpany need additional funds of ₹ 55 ebentures in such a way that they ures of the same class as earlier, at b be redeemed at 20% premium after on 01 October, 2021.	ch as part of ,00,000 for v got require 10% premiu r 4 years. Th es Account Account of ^s res on Marc	capital emp vhich they d funds at m. These nese deben assuming ₹ 2,80,000. h 31, 2022	oloyed. decided to fter issuing debentures tures were there was 2 assuming	6
	each ar The cou issue d debent were to issued o You are (a) F (b) F	nd 20,000, 8% Debentures of ₹ 100 ead mpany need additional funds of ₹ 55 lebentures in such a way that they ures of the same class as earlier, at b be redeemed at 20% premium after on 01 October, 2021. Pass entries for issue of Debentures. Prepare Loss on Issue of Debentures existing balance of Securities Premium Pass entries for Interest on debentu	ch as part of ,00,000 for v got require 10% premiu r 4 years. Th Account of ^a res on March nd 31 March	capital emp vhich they d funds at m. These nese deben ese deben ₹ 2,80,000. h 31, 2022 every year	oloyed. decided to fter issuing debentures tures were there was 2 assuming	6
27.	each ar The cou issue d debent were to issued o You are (a) F (b) F (c) F	and 20,000, 8% Debentures of ₹ 100 eac mpany need additional funds of ₹ 55 lebentures in such a way that they ures of the same class as earlier, at to be redeemed at 20% premium after to n 01 October, 2021. required to Pass entries for issue of Debentures. Prepare Loss on Issue of Debentures. Prepare Loss on Issue of Debenture existing balance of Securities Premium Pass entries for Interest on debentur nterest is payable on 30 September an Part B :- Analysis of Fina (Option – al statements are prepared on certain	ch as part of ,00,000 for v got require 10% premiu r 4 years. Th Account of res on Marc nd 31 March ncial Staten 1) basic assum	capital emp vhich they d funds at m. These nese deben ₹ 2,80,000. th 31, 2022 every year nents	oloyed. decided to fter issuing debentures itures were there was 2 assuming -requisites) ndards	6
27.	each ar The cou issue d debent were to issued o You are (a) F (b) F (c) F i Financi known a)	and 20,000, 8% Debentures of ₹ 100 eac mpany need additional funds of ₹ 55 lebentures in such a way that they ures of the same class as earlier, at to be redeemed at 20% premium after on 01 October, 2021. Pass entries for issue of Debentures. Prepare Loss on Issue of Debentures. Prepare Loss on Issue of Debenture existing balance of Securities Premium Pass entries for Interest on debentu nterest is payable on 30 September an (Option – al statements are prepared on certain as Provision of Companies Act,2013	ch as part of ,00,000 for v got require 10% premiu r 4 years. Th Account of res on Marc nd 31 March ncial Staten 1) basic assum	capital emp vhich they d funds at m. These hese deben ₹ 2,80,000. h 31, 2022 every year hents ptions (pre	oloyed. decided to fter issuing debentures itures were there was 2 assuming -requisites) ndards	



		cash. Sum of Operating Ratio and Operating	sold quickly at low margins to realise ating Profit ratio is always 100%.		
		a) All are correct.	b) Only (i) and (iii) are correct.		
		C) Only (ii) and (iii) a correct.	re d) Only (i) and (ii) are correct		
8.		he following calculate Interest cov ofit after tax Rs 12,00,000; 10% de	verage ratio bentures Rs 1,00,00,000; Tax Rate 40%		
		a) 1.2 times b) 3 ti c) 2 times d) 5 ti			
29.		theft will be recorded in Cash Flo	td. of ₹ 5,00,000 for Loss of Machinery ow Statement in which of the following		
	-	Added under Operating Activities as Extraordinary Item and Subtracted from Operating Activities also.	 b) Subtracted under Operating Activities as Extraordinary Item and Added to Operating Activities also. 		
	c)	Added under Operating Activities as Extraordinary Item and Outflow under Investing Activity also.	 d) Subtracted under Operating Activities as Extraordinary Item and Inflow under Investing Activities also. 		
	Or				
	deben [.] balanc	tures were to be redeemed at 15	es of ₹ 100 each at 10% Discount. These % Premium at the end of 5 years. The as on the date of Issue was ₹ 3,70,000. Cash Flow Statement?		
	a	Added ₹ 1,30,000 under Operating Activities as Loss on Issue of Debentures written off and Inflow of ₹ 20,00,000 under Financing Activities.	b) Added ₹ 5,00,000 under Operating Activities as Loss on Issue of Debentures written off and Inflow of ₹ 18,00,000 under Financing Activities.		
	c)	Added ₹ 1,30,000 under Operating Activities as Loss on Issue of Debentures written off and Inflow of ₹ 18,00,000	d) Added ₹ 5,00,000 under Operating Activities as Loss on Issue of Debentures written off and Inflow of ₹ 20,00,000		



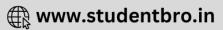


	equipment's	
	31st March, 2022 31st March, 2021 Office Equipment ₹ 2,00,000 ₹ 3,00,000	
	Additional Information:Depreciation for the year 2021-22 was Rs. 40,000Purchase of Office Equipment purchased during the year Rs. 30,000Part of Office Equipment sold at a profit of Rs. 12,000a) ₹1,00,000b) ₹1,02,000	
	c) ₹ 90,000 d) ₹ 1,12,000	
31.	Classify the following items under Major heads and Sub-head (if any) in the Balance Sheet of a Company as per schedule III of the Companies Act 2013. (i) Current maturities of long term debts (ii) Furniture and Fixtures (iii) Provision for Warranties (iv) Income received in advance (v) Capital Advances (vi) Advances recoverable in cash within the operation cycle	3
32.	Lala Ltd. and Bala Ltd. use different accounting policies for inventory valuation. These variations leave a big question mark on the cross-sectional analysis and comparison of these two firms was not possible. Identify the limitation of Ratio Analysis highlighted in the above situation. Also explain any two other limitations of Ratio Analysis apart from the identified above.	3
33.	Determine Return on Investment and Net Assets Turnover ratio from the following information:-Profits after Tax were ₹ 6,00,000; Tax rate was 40%; 15% Debentures were of ₹20,00,000; 10% Bank Loan was ₹ 20,00,000; 12% Preference Share Capital ₹ 30,00,000; Equity Share Capital ₹ 40,00,000 ; Reserves and Surplus were ₹ 10,00,000; Sales ₹ 3,75,00,000 and Sales Return ₹ 15,00,000.	4
	Or	
	 Debt to Capital Employed ratio is 0.3:1. State whether the following transactions, will improve, decline or will have no change on the Debt to Capital Employed Ratio. Also give reasons for the same. (i) Sale of Equipments costing ₹ 10,00,000 for ₹ 9,00,000. (ii) Purchased Goods on Credit for ₹ 1,00,000 for a credit of 15 months, assuming operating cycle is of 18 months. (iii) Conversion of Debentures into Equity Shares of ₹ 2,00,000. 	

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orm that proc heir clients D :1 by capitalisin priations was following items l paid during th Machinery ry due to fire received for Lo		via UPI and PO 21-22, Smartpay rofits of Smartpay	S, and issued in the
heir clients D 1 by capitalisir opriations was following item l paid during th Machinery ry due to fire received for Lo	ouring the year 20 ng reserves. The p ₹ 7,50,000. This s: - e year	21-22, Smartpay rofits of Smartpay profit was arrive <u>Amount (₹)</u> <u>90,000</u> <u>40,000</u> 20,000	issued y in the
:1 by capitalisin opriations was following item: l paid during th Machinery ry due to fire received for Lc	ng reserves. The p ₹ 7,50,000. This s: - e year oss of Machinery	rofits of Smartpay profit was arrived Amount (₹) 90,000 40,000 20,000	y in the
priations was following items l paid during th Machinery ry due to fire received for Lo	₹ 7,50,000. This s: - e year oss of Machinery	profit was arrived Amount (₹) 90,000 40,000 20,000	
following items l paid during th Machinery ry due to fire received for Lc	s: - e year oss of Machinery	Amount (₹) 90,000 40,000 20,000	
l paid during th Machinery ry due to fire received for Lc	e year oss of Machinery	90,000 40,000 20,000	
Machinery ry due to fire received for Lo	oss of Machinery	90,000 40,000 20,000	
Machinery ry due to fire received for Lo	oss of Machinery	90,000 40,000 20,000	
ry due to fire received for Lc		20,000	
received for Lo			
		10,000	
Current Investr	ments received		
Current Investr	ments received		
		30,000	
		20,000	
	31.3.22 (₹)	31.3. 21(=	₹)
	12,00,000	10,00,00	00
count	3,00,000	5,00,00	00
	1,50,000	1,50,00	00
able Securities	1,50,000	1,00,00	00
	2,00,000	3,00,00	
stments			
	80,000	60,00	0
á	able Securities estments	1,50,000 able Securities 1,50,000 2,00,000 3,00,000	1,50,000 1,50,000 able Securities 1,50,000 1,00,00 2,00,000 3,00,000 2,00,000 3,00,000 2,00,000 3,00,000 estments 4,00,000 3,00,000 2,50,000 2,00,000 3,00,000 30,000 80,000 30,000





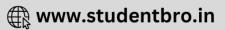
	Part B :- Computerised Accounting (Option – II)	
27.	The syntax of PMT Function is (a) PMT (rate, pv, nper, [fv], [type]) (b) PMT (rate, nper, pv, [fv], [type]) (c) PMT (rate, pv, nper, [type], [fv]) (d) PMT (rate, nper, pv, [type], [fv])	1
	Or	
	In Excel, the chart tools provide three different options,, and for formatting.	
	 (a) Layout, Format, DataMaker (b) Design, Layout, Format (c) Format, Layout, Label (d) Design, DataMaker, Layout 	
28.	Which formulae would result in TRUE if C4 is less than 10 and D4 is less than 100? (a) =AND(C4>10, D4>10) (b) =AND(C4>10, C4<100). (c) =AND(C4>10, D4<10). (d) =AND (C4<10, D4,100)	1
29.	Which function results can be displayed in Auto Calculate? (a) SUM and AVERAGE (b) MAX and LOOK (c) LABEL and AVERAGE (d) MIN and BLANK	1
	Or	
	<pre>When navigating in a workbook, which command is used to move to the beginning of the current row? (a) [Ctrl]+[Home] (b) [Page Up] (c) [Home] (d) [Ctrl]+[Backspace]</pre>	
30.	What category of functions is used in this formula: =PMT (C10/12, C8, C9,1) (a) Logical (b) Financial	1





(c) Payment	
(d) Statistical	
State any three types of Accounting Vouchers used for entry in Tally software.	3
State any three requirements which should be considered before making an investing decision to choose between 'Desktop database' or 'Server database'.	3
State the features of Computerized Accounting system.	4
Or	
Explain the use of 'Conditional Formatting'.	
Describe two basic methods of charging depreciation. Differentiate between both of them.	6
	(d) Statistical State any three types of Accounting Vouchers used for entry in Tally software. State any three requirements which should be considered before making an investing decision to choose between 'Desktop database' or 'Server database'. State the features of Computerized Accounting system. Or Explain the use of 'Conditional Formatting'. Describe two basic methods of charging depreciation. Differentiate between both of





Practice Questions - ANSWER KEY 2022-23 SUBJECT ACCOUNTANCY 055 CLASS XII

Q.N o	Question	Mar ks
	Part A	
	(Accounting for Partnership Firms and Companies)	
Q.1	D. Ostensible Partner	1
Q.2	A. A Debit of Rs.6,00,000 towards Alex's salary.	1
Q.3	C. Observations 1 & 2	1
Q.4	A. Goodwill is to be calculated for Incident 1, Incident 2 and Incident 3.	1
Q.5	A. Offer 1	1
Q.6	B. Poornima's share of profits in both the firms is equal	1
Q.7	A. Rs.12,00,000 , Rs.28,00,000 Rs.10,00,000	1
Q.8	B. Rs.2.16,000 & Rs,1,44,000	1
Q.9	C. 1, 2 & 2	1
Q.1 0	A. Rs.1,60,000 , Rs.80,000 & Rs.60,000	1





Q.1 A.	Debit	of Rs.4,500 each in Anusha and Vasu Capital	accounts.			1
1						
Q.1 A. 5	She ca	an be assured of interest on loan even case of	of loss.			1
2						
014	Rs 4 (000 and Rs.20,000 respectively				1
3						-
0.1 D	Poioc	t some of the applications, allot in full to son	a of the applicatio	and make pro r	rata allotment to remaining applicants	1
Q.1 D. 4	Rejec	t some of the applications, and in full to som	ne of the application	ons and make pro-r	ata anotherit to remaining applicants	1
	Increa	ase in capital redemption reserve by Rs.75,00	00			1
⁵ OR						
Δ -	The a	mount of application money received is at le	ast Rs 500			
			431 113.500			
Q.1 B. 3	300					1
6						
Q.1						3
7 SI.	.No.	Particulars	Apoorva	Sindhu]	
A		Their existing shares	1/2	1/5		
			2/3 x 3/10 =	1/3 x 3/10 =		
В		Share acquired by remaining partners	2/10	1/10		
		New shares of remaining partners (c= a +	7/10	2/42		
С		b)	7/10	3/10		
D		Share gifted by Apoorva	$1/2 \times 1/4 = 1/8$	0		
E		Share acquired by Aarush (other than gift)	1/2 x 1/8 = 1/16			
F		New Shares (c – d - e)	41/80	19/80		
		New ratio of Apoorva , Sindhu and	41/80 : 19/80 : 2	0/80 = 41 : 19 :		
		Aarush	20			



	Apoorva's share of profit in the original partnership = 0.5 Apoorva's share of profits in the new partnership = 0.51 There is a negligible change in Apoorva's share of profit as compared to the original profit sharing ratio and hence, Sindhu' s claim is incorrect.	
8	- All the partners are jointly and severally responsible. Hence all the partners are responsible to pay for the compensation. – Mutual agency There is no distinction between the partners and the partnership firm (No separate legal entity), unlike the company and its shareholders. Since the total assets of the firm (total of capitals) is insufficient to cover the compensation in full, the shortfall shall be met using personal assets of the partners.	3
	Journals for 1.Transfer of assets 2. transfer of liabilities 3. Realisation of assets 4. settlement of liabilities 5. Transfer of loss 6. Transfer of general reserve to partners capital account in profit sharing ratio.	3
Q.1 9	Presentation under fluctuating capital system Fluctuating capital system Capital account	3





Dr									Cr
Date	Particulars	Rashmi	Hari	Maya	Date	Particulars	Rashmi	Hari	Maya
		Rs	Rs	Rs			Rs	Rs	Rs
	Withdrawal					Opening			
XX	of capital	-	-	55,000	XX	capital	2,50,000	1,35,000	3,50,000
	Share of					Addition of			
XX	profits	28,000	28,000	28,000	XX	capital	25,000	35,000	-
XX	Balance c/f	2,47,000	1,42,000	2,67,000					
		2,75,000	1,70,000	3,50,000			2,75,000	1,70,000	3,50,000
The bal	ances of all the	partners shal	l be presente			le of the balance	sheet under th	e head partne	ers capital.
				Fixed capit	al				
				System					
				Fixed capi	tal acco	bunt			
Dr	De alla la se	Rashmi	11		D	De altre la co	De ale aut		Cr
Date	Particulars	Rs	Hari Rs	Maya Rs	Date	Particulars	Rashmi Rs	Hari Rs	Maya Rs
	Withdrawal	113	113	113		Opening	113	113	113
хх	of capital	-	_	55,000	xx	capital	2,50,000	1,35,000	3,50,000
	or ouprear			55,000		Addition of	2,00,000	2,00,000	0,00,000
хх	Balance c/f	2,75,000	1,70,000	2,95,000	xx	capital	25,000	35,000	-
					xx				
		2,75,000	1,70,000	3,50,000	_		2,75,000	1,70,000	3,50,000
				Current ca	oital ac	count			
Dr			1	1				1	Cr
Date	Particulars	Rashmi	Hari	Maya	Date	Particulars	Rashmi	Hari	Maya
		Rs	Rs	Rs			Rs	Rs	Rs
	Share of								
ХХ	profits	28,000	28,000	28,000	XX	Balance c/f	28,000	28,000	28,000
				1			1		





<u> </u>										1	1
		28,000 28,000 28	,000		2	8,000	28,000	28,000			
		ed capital of all the partners shall be presented of all the partners shall be presented on the asso					1		apital. The current		
	capital	or an the partners shart be presented on the asse	et side of the c	balance shee	t under the nead	a Partners	s current ca	ipitai.			
OR	The acc	ount is not correct as the rate of interest used	by her in the	calculations	are not in line	with the	rates of inte	erest presci	ibed in Table F	3	
	As per t	able F, rate of interest on calls in arrears is 129	%.								
	As per 1	Fable F, rate of interest on calls in advance is 1	0%								
	•	on calls in arrears – Rs. 840									
	interest										
	Interest	on calls in advance – Rs. 3,292									
Q.2	Sl.no	Particulars	Case 1	Case 2	Case 3					3	
0	А	Minimum issue	19,500	19,500	19,500						
		65,000-45,500									
		Premium receivable on minimum issue (If									
	В	any)	5,850	-	-						
	С	Existing Securities premium	1,000	1,000	1,000						
	D	Total Securities premium	6,850	1,000	1,000						
	_		6.500	6.500	6.500						
	E	Premium payable on redemption	6,500	6,500	6,500						
	F	Difference (E-D)	-350	5,500	5,500						
		Number of shares to be issued =									
		(A+B+F)/Issue price	1,923	3,125	2,500						

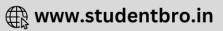
Q.2		Balance Shee	et of Lazada Itd.			
1	Liabilities	Rs	Assets		Rs	
	Reserves & Surplus Securities premium	72,	Current Assets000Cash at bank		12,72,000	
	Secured loans 12% debentures Debentures redemption prem	12,00, nium 72,	Miscellaneous exper 000 Loss on issue of debe		72,000	
		13,44,	000		13,44,000	
Q.2		Revaluation a	ccount			
2	Debit	Amount (Rs.)	Credit	Ame (Rs.	ount)	
	To Furniture To Inventory To Provision for doubtful debts	18870 1284 500	By Trade payables		16850 3804	
		20,654	_		20,654	
3	Computing Income from Skylin Compute Monica's share of pro Compute interest on Monica's The higher of the two shall be I Journal in Skyline books – 1 ma Monica A/c – 3,59,559 To Bank - 3,59,559	ofit – Rs.3,59,559 balance – Rs.22, her income.				





(Being Monica's share o	of profit paid)			
Balance to be funded b	y drawings/Lo	oan = Rs.2,40,441 – 0.5 mark s	S	
Interest on drawings =	Rs 5 /10 - 1 r	nark		
interest on drawings –	(3.5,410 11	IIGIK		
Interest on Loan = Rs.6,	411.75 – 0.5	marks		
Drawings is a more eco	nomical alter	native		
Ū				
Journal entry for Drawi	ngs and inter	est on drawings – 2 marks		
Pr	ofit and loss	Appropriation Account		
Dr			Cr	
Particulars	Rs	Particulars	Rs	
To Interest on capital	40,500	By Net Profit	5,49,091	
ro interest on capital	10,500	By Interest on drawings	3,13,031	
Ramesh – 21,500		(Ramesh)	780	
Shekar - 19,000				
To Salary (Ramesh)	3,36,000			
To commission	3,30,000			
(Ramesh)	43,927			
To Commission				
(Shekar) To Profit transferred	11,697			
to	117,747			
Ramesh – 58,873	11/,/4/			
Shekar – 58,874				
Computation of ne	et profit – 1 n	nark	1	





Amount (Rs.) Amount (Rs.) Net profit before adjustments 10,00,000 Less: Manager's Salary 2,16,000 Less: Rent Less: Manager's Commission 1,80,000 Less: Manager's Commission 54,909 Profit to be transferred to P&L appropriation account 5,49,091 Computation of net profit. Manager's salary, Commission and Rent are charges against the profit and not appropriations out of profits. Hence the items have been taken to compute net profit and not debited under the P&L Appropriation account. Q.2 1 mark for each classification with appropriate explanation. 4 1. – Dissolution of partnership – Insolvency of a partner OR Subject to contract between the partners, this could also result in dissolution of the	
Net profit before adjustments (Net yr) Net profit before adjustments 10,00,000 Less: Manager's Salary 2,16,000 Less: Rent 1,80,000 Less: Manager's 54,909 Profit to be transferred to P&L appropriation account 5,49,091 Computation of net profit. Manager's salary, Commission and Rent are charges against the profit and not appropriations out of profits. Hence the items have been taken to compute net profit and not debited under the P&L Appropriation account. Q.2 1 mark for each classification with appropriate explanation.	
adjustments 10,00,000 Less: Manager's Salary 2,16,000 Less: Rent 1,80,000 Less: Manager's 2,000 Commission 54,909 Profit to be transferred to 54,909 Ps&L appropriation account 5,49,091 Computation of net profit. Manager's salary, Commission and Rent are charges against the profit and not appropriations out of profits. Hence the items have been taken to compute net profit and not debited under the P&L Appropriation account. 2.2 1 mark for each classification with appropriate explanation.	
Less: Manager's Salary 2,16,000 Less: Rent 1,80,000 Less: Manager's 54,909 Profit to be transferred to 54,909 Profit to be transferred to 5,49,091 Computation of net profit. Manager's salary, Commission and Rent are charges against the profit and not appropriations out of profits. Hence the items have been taken to compute net profit and not debited under the P&L Appropriation account. 2.2 1 mark for each classification with appropriate explanation.	
Less: Rent 1,80,000 Less: Manager's 54,909 Profit to be transferred to PRL appropriation account P&L appropriation account 5,49,091 Computation of net profit. Manager's salary, Commission and Rent are charges against the profit and not appropriations out of profits. Hence the items have been taken to compute net profit and not debited under the P&L Appropriation account. Q.2 1 mark for each classification with appropriate explanation.	
Less: Manager's 54,909 Profit to be transferred to 54,909 Profit to be transferred to 5,49,091 Computation of net profit. Manager's salary, Commission and Rent are charges against the profit and not appropriations out of profits. Hence the items have been taken to compute net profit and not debited under the P&L Appropriation account. Q.2 1 mark for each classification with appropriate explanation.	
Less: Manager's 54,909 Profit to be transferred to PRL appropriation account P&L appropriation account 5,49,091 Computation of net profit. Manager's salary, Commission and Rent are charges against the profit and not appropriations out of profits. Hence the items have been taken to compute net profit and not debited under the P&L Appropriation account. P.2 1 mark for each classification with appropriate explanation.	
Commission 54,909 Profit to be transferred to PRL appropriation account P&L appropriation account 5,49,091 Computation of net profit. Manager's salary, Commission and Rent are charges against the profit and not appropriations out of profits. Hence the items have been taken to compute net profit and not debited under the P&L Appropriation account. P.2 1 mark for each classification with appropriate explanation.	
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items have been taken to compute net profit and not debited under the P&L Appropriation account. 1.2 1 mark for each classification with appropriate explanation.	
firm – On the happening of certain contingencies. Students can choose either of the views.	
2. – Dissolution of the firm – Compulsory dissolution, when the business of the firm becomes illegal.	
3 Dissolution of partnership – Completion of venture	
4 Dissolution of partnership – Death of a partner OR Subject to contract between the partners, this could also result in dissolution of the firm On the happening of certain contingencies. Students can choose either of the views.	-
2 marks for stating any 2 distinctions.	
Termination of business	
Settlement of assets and liabilities	

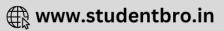




Q.2			I		Vorking no	ote				
	Share	holders		Money rece	ved on First	Final	Money	not receiv First	red on Final	
			Application	Allotment	call	call	Allotment	call	call	
	Fall		2,000	0	0	0	2,000	2,000	2,000	
	Winte	r	4,000	4,000	0	0	0	4,000	4,000	
	Spring	B	3,000	3,000	3,000	0	0	0	3,000	
	Total		9,000	7,000	3,000	0	2,000	6,000	9,000	
	Mone Receiv	,	4 36,000	6 42,000	6 18,000	4	6 12,000	6 36,000	4 36,000	
1.2			In t	he books of s		ł.				
,	Journal entries									
	Date A	Particul Bank A/				Dr.(Rs. 22,50,0	, ,)		
	А	-	c ebenture appli	cation A/c		22,50,0	22,50,	000		
			he application	-	ved on		22,30,			
			debentures @							
		Debenti	ures Applicatio	on A/c		22,50,	000			
			t on issue of D 6 Debentures .		/c	2,50,6	000 25,00,	000		
			he issue of 10,	-	entures @					
	в	Fixed as	set A/c			8,00,0	000			

		To Vendor A/c		8,00,000		
	(B	eing the purchase of fixed assets from				
	ve	ndor)				
	Ve	ndor A/c	8,00,000			
	Di	scount on Issue of Debentures A/c	4,50,000			
		To 6% Debentures A/c		12,50,000		
		eing the issue of debentures of Rs. 12,50,000 vendor to satisfy his claim)				
с		nk A/c	12,00,000			
		To Bank loan A/c		12,00,000		
		eing a loan of Rs.12,00,000 taken from bank				
		issuing debentures of .12,50,000 as collateral security)				
	113					
No		made in the backs of account of the company	· at the time	of making issue of such deheatures. In the Dalance Chest the fact th	at the	
		s being issued as collateral security and outsta		of making issue of such debentures. In the Balance Sheet the fact th	lat the	
ueb	enture	, ,				
		Working notes				6
	1	Total number of shares applied by Alex	8	000*80000/70000=9143		
		Total number of shares applied by Alex Amount due but not paid by Alex	8	000*80000/70000=9143		
				000*80000/70000=9143 143*6=54858		
		Amount due but not paid by Alex				
		Amount due but not paid by Alex Application money received		143*6=54858		





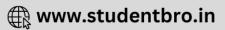
	Allotment money due but not received	41142	
	3 Calculation of allotment money received later or	n	
	Total allotment money due	240000	
	Less: money already received during application		
	stage	60000	
	Less: Allotment money not received from Alex	41142	
		138858	
	Part B :- Analysis of Financial Statements Option -I		
Q.2 7	A. Cash from Operating activity		1
OR	A. Cash and cash equivalents decreased by Rs.17,10,000		1
Q28	A. Quick ratio can be different from current ratio due to the	presence of advance income tax payment	1
Q.2 9	A. Obtain discount from vendors		1
Q.3	C. Zeus and Thor both are correct		1
0	OR		
	A. Decrease in inventory by Rs.25,000		
	A. Food sells more quickly than luxury watches and belts		3
1	OR Food is in greater demand than luxury watches ar	nd belts	
	OR Food store will probably have a lower value of inv	ventory due as it is perishable in nature OR Food is cheaper than clothing	
	OR other reasonable answer		





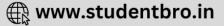
	s a lower gross profit margin than luxury watches and belts	
OR The food store is cutting prices to sell	nore goods	
OR other reasonable answer		
C. different accounting policies		
different size of business		
different type of goods sold		
other reasonable answer		
32		
1. Cashflow from Operating Activities	2635	
2. Cash flow from Investing activities	105	
3. Cash flow used in financing activities	-820	
4. Cash and cash equivalents at the end of the		
period	2080	
Adjustments to be made for		
Depreciation		
Flood relief		
Income tax		
paid		
Interest paid		
Dividend paid		
Share capital		



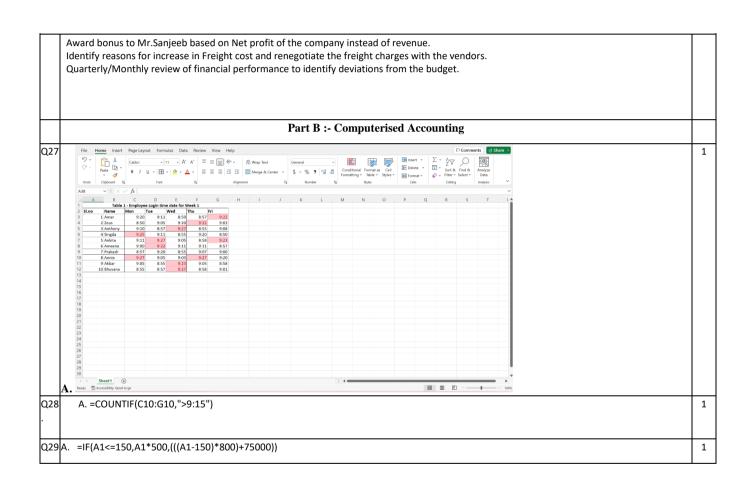


Q.3 1. A cash flow statement when used along with other financial statements provides information that enables users to evaluate changes in net 4 assets of an enterprise, its financial structure (including its liquidity and solvency) and its ability to affect the amounts and timings of cash flows in order to adapt to changing circumstances and opportunities. 2. Cash flow information is useful in assessing the ability of the enterprise to generate cash and cash equivalents and enables users to develop models to assess and compare the present value of the future cash flows of different enterprises. 3. It also enhances the comparability of the reporting of operating performance by different enterprises because it eliminates the effects of using different accounting treatments for the same transactions and events. 4. It also helps in balancing its cash inflow and cash outflow, keeping in response to changing condition. It is also helpful in checking the accuracy of past assessments of future cash flows and in examining the relationship between profitability and net cash flow and impact of changing prices OR Neena should choose company A. Higher equity and lower debt indicates safety for the investor. A higher interest coverage ratio indicates higher safety of interest. Most suitable workings – Debt-equity ratio & Interest coverage ratio. Alternate workings - Total Assets to Debt ratio or proprietary ratio or Debt to capital employed and Interest coverage ratio Working notes Company A Company B Particulars (Rs.) (Rs.) 1.5 : 1 2.85:1 Debt-equity ratio Total Assets to Debt ratio 1.73:1 1.37 : 1 proprietary ratio 0.38:1 0.26:1 Debt to capital employed ratio 0.6:1 0.74:1 1.35 times Interest coverage ratio 4 times

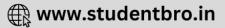




			Percenta Revenue operati	from	
Particulars	2019 (Rs. '000)	2020 (Rs. '000)	2019	2020	
Revenue from Operations	480000	760000	100%	100%	
Direct expenses	192000	311600	40%	41%	
Gross profit	288000	448400	60%	59%	
Salary & Bonus	108000	201000	23%	26%	
Freight cost	57600	212800	12%	28%	
Other indirect costs	14400	22420	3%	3%	
Net Profit	108000	12180	23%	2%	
There is a profitability issue as Therefore, the profit is less tha The Gross profit has decreased negligible.	n budgeted. by 1% in 2020 vis-à-vis 201	·	ginal and hen	ice	

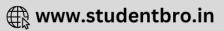






	OR A. #VALUE	!			
30	B. =SUM(A	1:A5)/(10-10)			
	OR				
	A. A foreign	key of a table should be the primary key of an	other table.		
224			-	1	
131	SI.No	A I am used to avoide changes in row or	В		
		column references when a formula is moved			
		or copied from one cell to another. Who am			
	1	l?	Dollar (\$) - Absolute		
		A numerical value will be treated as text if			
	2	the number is preceeded by me	Apostrophe (')		
		I can be used to join text items to achieve			
	3	the same result as a =CONCATENATE function	Ampersand (&)		
	5	I am a friend to an investor looking forward	Ampersanu (&)		
	4	to collect his periodic interest	ACCRINT		
		I make it easy for you to calculate your			
	5	periodic payment for an annuity	PMT		
		I am a friend to an investor looking to			
	6	estimate his cumulative interest	CUMIPMT		
				fore every, software should provide the following:	





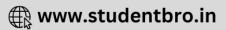
	1.Password Security	
	2. Data Audit	
	3. Data Vault Password	
	Security: Password is a mechanism, which enables a user to access a system including data. The system facilitates defining the user rights according to organisation policy. Consequently, a person in an organisation may be given access to a particular set of a data while he may be denied access to another set of data. Password is the key (code) to allow the access to the system.	
	Data Audit: This feature enables one to know as to who and what changes have been made in the original data thereby helping and fixing the responsibility of the person who has manipulated the data and also ensures data integrity.	
	Data Vault: Software provides additional security through data encryption	
Q33	DATA VALIDATION feature can be implemented in the Time Tracking sheets to resolve the above issue.	4
	Data validation is a feature to define restrictions on type of data entered into a cell. It can be used to configure data validation rules for cells data that will not allow users to enter invalid data, There may be warning messages when users tries to type wrong data in the cell. The messages also guide users to what input is expected for the cell, and instructions to correct any errors.	
	This results in the data being accurate and consistent with the Billing database.	
	A drop-down list can be created by predefining the Names of the employees, projects and clients, this ensures that the employees enter/choose accurate names thereby reducing inconsistencies.	
	A Date and time validation feature can be introduced to ensure that the date and time is recorded only in the accepted date format.	
	Hence, the Data Validation feature of excel can be used to resolve the inconsistency issues faced by the Billing department	
	OR	
	any 3	





	rotTable report is an interactive way to quickly summarise large amounts of data. Use a PivotTable report to analyse numerical data in depth to answer unanticipated questions about data. A PivotTable report designed for:	
1	 Querying large amounts of data in user-friendly ways. Sub totalling and aggregating numeric data, summarising data by categories and subcategories, and creating custom calculations and formulas. 	
	 Expanding and collapsing levels of data to focus on results, and providing from details to the summary of data for areas of interest. Moving rows to column or columns to rows (or "pivoting") to see different summaries of the source data. 	
_	 Filtering, sorting, grouping, and conditionally formatting the most useful and the interesting subset of data to enable us to focus on the information that we want. 	
5	5. Presenting concise, attractive, and annotated online or printed reports.	
6	5. The use of a PivotTable report is to analyse related totals, when we have a long list of figures to sum and to compare several facts about each figure.	
34 4 900	od and reliable CAS software should have the following 5 salient features	-
	ou and reliable CAS software should have the following 5 salient reatures	6
. 0	IPLE AND INTEGRATED CAS	6
1 SIN CAS o		-
1 SIM CAS o Syste	designed to automate and integrate all the business operations. The CAS should be integrated with enhanced MIS (Management Information	-
1 SIN CAS o Syste It ma simp	APLE AND INTEGRATED CAS designed to automate and integrate all the business operations. The CAS should be integrated with enhanced MIS (Management Information em), Multi-lingual and Data Organisation capabilities to simplify all the business processes of the organisation easily and cost-effectively ay be simple for individual process but due to the lack of uniformity and compatibility with one another the overall CAS software is not	-
1 SIN CAS o Syste It ma simp 2 TRA CAS s	APLE AND INTEGRATED CAS designed to automate and integrate all the business operations. The CAS should be integrated with enhanced MIS (Management Information em), Multi-lingual and Data Organisation capabilities to simplify all the business processes of the organisation easily and cost-effectively ay be simple for individual process but due to the lack of uniformity and compatibility with one another the overall CAS software is not le and it cannot be integrated.	-
1 SIN CAS of Syste It ma simp 2 TR/ CAS s trans	APLE AND INTEGRATED CAS designed to automate and integrate all the business operations. The CAS should be integrated with enhanced MIS (Management Information em), Multi-lingual and Data Organisation capabilities to simplify all the business processes of the organisation easily and cost-effectively ay be simple for individual process but due to the lack of uniformity and compatibility with one another the overall CAS software is not le and it cannot be integrated. ANSPARENCY AND CONTROL should increase data accessibility and enhances user satisfaction. With computerised accounting, the organisation should greater	-





CAS must provide user-definable templates (data entry screens or forms) for fast, accurate data entry of the transactions. It also helps in generalising desired documents and reports. In this case the new CAS is ensuring accuracy and speed individually for that particular business process.

4 SCALABILITY

CAS should enable change in the volume of data processing in tune with the change in the size of the business. The software can be used for any size of the business and type of the organisation. There is no clarity regarding the scalability of the CAS. In the light of restricted number of users, it can be assumed that the increase in volume of data processing could lead to additional costs of running the CAS therefore increasing the overall cost of CAS.

5 RELIABILITY

CAS has to make sure that the generalised critical financial information is accurate, controlled and secured. In this case, since the CAS cannot be integrated and there is a severe restriction on its access and transparency, the financial information provided cannot be reliable as it cannot be vouched for its accuracy, control and security.





