Class-XII

Accountancy(055)

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PART-A

Ans 1. Some items that are considered as capital items while preparing financial statements of Not-for-Profit organisation are:

i) Life Membership Fees

ii) Purchase of Fixed Assets like machinery, Building, etc.

iii) Funds for specific purpose like tournament fund, prize fund, etc.

iv) Legacy for specific purpose

Ans 2.

A : B : C : D

Old Ratio = 4 : 3 : 2 : 1

Share taken over by B and D each = $\frac{2}{10} \times \frac{1}{2}$

$= \frac{1}{10}$

B's new share = old share + gained share

$= \frac{3}{10} + \frac{1}{10}$

$= \frac{4}{10}$

D's new share = old share + gained share

$= \frac{1}{10} + \frac{1}{10}$

$= \frac{2}{10}$

	A : B : D
New Ratio =	4 : 4 : 2

Ans 3 Working Notes

Provision for D/d = $\frac{5}{\cancel{100}} \times 2,00,0\cancel{00}$	Ravi, Mohan & Sohan's share each = $\frac{1}{3} \times 5000$
$= 10,000$	$= 1667$

Pg. 17

⇒ Ans on back for Journal entries

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Ans 4.

Creditor's A/c

Particulars	Amount	Particulars	Amount
To ~~balance c/d~~ Bank A/c (payment)	11,49,000	By balance b/d	5,40,000
To balance c/d	8,25,000	By Credit Purchases A/c (Bal. fig.)	14,34,000
	19,74,000		19,74,000

Purchases during the year (Credit + Cash)		17,64,000
Add: Opening stock	1,70,000	
Less: Closing stock	(3,75,000)	(2,05,000)
Amount of medicines to be debited to Income & Expenditure A/c		15,59,000

Ans 5.

C F S

Profit sharing Ratio = 5 : 4 : 1

Net Profit	Sales
3,00,000	24,00,000
x	4,00,000

Let Net profit from 1^{st} April, 2021 to 30^{th} June 2021 $= x$

$\therefore 24,00,000 \times x = 4,00,000 \times 3,00,000$

$\therefore x = \frac{\cancel{4,00,000} \times \cancel{3,00,000}}{\cancel{24,00,000}_{6}}$

$= 50,000$

F's share of profit $= \frac{4}{10} \times 50,000$

$= 20,000$

=> Journal entry on Pg. 18

6

Ans 6. No. of debentures = $\frac{\text{Purchase consideration}}{\cancel{\text{No. of}}\ \text{Issue price}}$

$= \frac{\cancel{10,00,000}\ \cancel{200,000}\ 8000}{\cancel{125}\ \cancel{25}}$

= 8000 debentures

⇒ Journal entry on Pg. 19

Ans 7.

Income & Expenditure A/c

Expenditure	Amount	Income	Amount
~~To Subscriptions~~	~~1,75,000~~	By Subscriptions A/c	1,75,000
To loss on sale of old furniture A/c	6,000	By Entrance fees A/c	50,000
To Honorarium A/c	75,000	By Sale of old newspaper A/c	2,000
To stationery A/c	15,000	By Donations A/c	45,000
To Electricity Bill A/c	~~85,000~~ 35,000		
To Rent A/c	1,20,000		
To Surplus (Bal. fig.)	21,000		
	2,72,000		2,72,000

Ans 8. ⇒ Journal entries on Pg 20 & 21

Ans 9. ⇒ Journal entries on Pg 22

PART-B

Ans 10. Cash flow statement is a statement showing inflow & outflow of cash for an organisation during an accounting period.

Cash outflow is when cash is paid for some purpose. For example, purchase of machinery leads to outflow of cash.

Cash inflow is when cash is received for some purpose. For example, payment made by debtors lead to inflow of cash.

It shows inflow and outflow of cash from Operating, Investing and Financing activities.

Common Size Statement of P&L

Ans 11

Particulars	Note No.	Absolute values 2020-21	Absolute values 2021-22	% of Revenue from op. 2020-21	% of Revenue from op. 2021-22
I. Revenue from operations		10,00,000	20,00,000		
II. Expenses					
Other Income		5,00,000	5,00,000		
Expenses		7,00,000	10,00,000		
Total Expense		1			
III. Profit before Tax (I-II)					
Less: Tax @ 50%					
IV. Profit after Tax					

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Common-size Statement of P&L

Ans 11.

Particulars	Note No.	Absolute Values 2020-21	Absolute Values 2021-22	% of Revenue from 2020-21	% of Revenue from 2021-22
I. Revenue from operations		10,00,000	20,00,000	100	100
II. Other Income		5,00,000	5,00,000	50	25
III. Total Revenue		15,00,000	25,00,000	150	125
IV. Expenses		7,00,000	10,00,000	70	50
V. Profit before Tax (III - IV)		8,00,000	15,00,000	80	75
Less: Tax @ 50%		(4,00,000)	(7,50,000)	40	37.5
VI. Profit after tax		4,00,000	7,50,000	40	37.5

	Particulars	Details	Amount
12	A. Operating Activities		
★	Net profit after tax & extraordinary items		4,00,000
	Add: T- Provision for tax	1,50,000	1,50,000
★	Net profit before tax & extraordinary items		5,50,000
	Adjustment for non-cash & non-operating items		
	Add: Interest on debentures	40,000	40,000
★	Operating profit before WC changes		5,90,000
	less: Decrease in Trade payables	(1,00,000)	
	Add: Increase in other CL	2,00,000	
	less: Increase in inventories	(6,60,000)	(5,60,000)
★	Operating profit after WC changes		30,000

	less: Tax paid	(1,00,000)	
	Cash flow from operating Activities		(70,000)
B	Investing Activities		
	less: Purchase of land	(20,00,000)	
	Extra		
	Cash flow from investing activities		(20,00,000)
C.	Financing Activities		
	Add: Proceeds from issue of equity shares	20,00,000	
	Add: Proceeds from long-term borrowing	4,00,000	
	less: Interest on debentures	(40,000)	23,60,000
	Cash flow from financing activities		23,60,000

Net cash flow from (A+B+C) [-70,000 - 20,00,000 + 23,60,000]		2,90,000
Add: Opening cash & cash equivalents	60,000	60,000
Closing cash & cash equivalents		3,50,000

~~Provision~~

Ans 3.

रोज़नामचा Journal

तिथि Date	विवरण Particulars		खाता बही पृष्ठ सं० Ledger Folio No.	नाम राशि (₹) Debit Amount (₹)	जमा राशि (₹) Credit Amount (₹)
2022 March 31	Debtors A/c	Dr.		5000	
	To Revaluation A/c				5000
	(Being unrecorded debtors of ₹ 5000 recorded)				
March 31	Revaluation A/c	Dr.		10,000	
	To Provision for Bad & doubtful debts A/c				10,000
	(Being 5% provision for bad & doubtful debts created on debtors)				
March 31	Ravi's Cap. A/c	Dr.		1667	
	Mohan's Cap. A/c	Dr.		1667	
	Sohan's Capital A/c	Dr.		1666	
	To Revaluation A/c				5000
	(Being loss on revaluation distributed among partners)				

Ans 5

रोज़नामचा Journal

तिथि Date	विवरण Particulars		खाता बही पृष्ठ सं० Ledger Folio No.	नाम राशि (₹) Debit Amount (₹)	जमा राशि (₹) Credit Amount (₹)
2021 30th June	Profit & Loss Suspense A/c	Dr.		20,000	
	To F's capital A/c				20,000
	(Being F's share in profit till his ~~retirement~~ death given to him)				

Ans 6.

रोज़नामचा Journal

तिथि Date	विवरण Particulars		खाता बही पृष्ठ सं० Ledger Folio No.	नाम राशि (₹) Debit Amount (₹)	जमा राशि (₹) Credit Amount (₹)
	Sundry Assets A/c	Dr.		18,00,000	
	To Sundry Liabilities A/c				6,00,000
	To Y Ltd A/c				10,00,000
	To Capital Reserve A/c				2,00,000
	(Being assets purchased and liabilities took over for purchase consideration of 10,00,000)				
	Y Ltd A/c	Dr.		10,00,000	
	To 9% Debentures A/c (8000×100)				8,00,000
	To SPR A/c (8000×25)				2,00,000
	(Being 8000, 9% Debentures of ₹100 issued for ₹125 as payment to Y Ltd.)				

Ans 8.

रोज़नामचा **Journal**

तिथि Date	विवरण Particulars	खाता बही पृष्ठ सं० Ledger Folio No.	नाम राशि (₹) Debit Amount (₹)	जमा राशि (₹) Credit Amount (₹)
i)	a) T's Capital A/c Dr.		90,000	
	To Realisation A/c			90,000
	(Being stock taken over by T for ₹90,000)			
	b) Bank A/c Dr.		40,000	
	To Realisation A/c			40,000
	(Being remaining stock sold for ₹40,000)			
ii)	No entry			
iii)	Bank A/c Dr.		5,000	
	To Realisation A/c			5,000
	(Being debtors of ₹5000 previously written off recovered)			
iv)	Realisation A/c Dr.		72,000	
	To Bank A/c			72,000
	(Being Mrs. V's loan paid by firm)			

Ans 8.

रोज़नामचा Journal

तिथि Date	विवरण Particulars		खाता बही पृष्ठ सं० Ledger Folio No.	नाम राशि (₹) Debit Amount (₹)	जमा राशि (₹) Credit Amount (₹)
v)	T's Capital A/c	Dr.		32,000	
	U's Capital A/c	Dr.		16,000	
	V's Capital A/c	Dr.		32,000	
	To Realisation A/c				80,000
	(Being loss on realisation distributed among partners in their profit sharing ratio)				

Ans 9.

रोज़नामचा Journal

तिथि Date	विवरण Particulars		खाता बही पृष्ठ सं० Ledger Folio No.	नाम राशि (₹) Debit Amount (₹)	जमा राशि (₹) Credit Amount (₹)
a)	i) Bank A/c (50,000 × 100)	Dr.		50,00,000	
	To Debenture Application & Allotment A/c				50,00,000
	(Being amount received for 50,000, 9% Debenture of ₹100 each)				
	ii) Debenture Application And Allotment A/c	Dr.		50,00,000	
	To 9% Debentures A/c (50,000 × 100)				50,00,000
	(Being allotment of 50,000, 9% debentures of ₹100 each redeemable at par)				
b)	i) Bank A/c (10,000 × 107)	Dr.		10,70,000	
	To Debenture Application & Allotment A/c				10,70,000
	(Being amount received for 10,000, 8% Debentures of ₹100 each issued at ₹107)				

Ans 9

रोज़नामचा Journal

तिथि Date	विवरण Particulars		खाता बही पृष्ठ सं० Ledger Folio No.	नाम राशि (₹) Debit Amount (₹)	जमा राशि (₹) Credit Amount (₹)
ii)	Debenture Application & Allotment A/c	Dr.		10,70,000	
	To 8% Debentures A/c (10,000×100)				10,00,000
	To SPR A/c (10,000×7)				70,000
	(Being allotment of 10,000, 8% Deb. of ₹100 each issued at ₹107 and redeemable at par)				
c)	i) Bank A/c (750×90)	Dr.		67,500	
	To Deb. Application & Allot A/c				67,500
	(Being amount received for 750, 8% Deb. issued at ₹90)				
	ii) Deb. Application & Allot A/c	Dr.		67,500	
	Discount on issue of debentures A/c	Dr.		7500	
	To 8% Debenture A/c (750×100)				75000
	(Being allotment of 750, 8% deb. issued at ₹90 redeemable at par)				
d)	i) Bank A/c (1000×105)	Dr.		1,05,000	
	To Deb. Application & Allotment A/c				1,05,000
	(Being amount received for 1000, 9% deb. issued at ₹105)				

Ans 9

रोज़नामचा Journal

तिथि Date	विवरण Particulars		खाता बही पृष्ठ सं0 Ledger Folio No.	नाम राशि (₹) Debit Amount (₹)	जमा राशि (₹) Credit Amount (₹)
ii)	Deb. Application & Allot A/c	Dr.		1,05,000	
	Loss on debentures A/c (8×1000)	Dr.		8000	
	To 9% Debentures A/c				1,00,000
	To SPR A/c				5,000
	To premium on redemption A/c (8×1000)				8000
	(Being allotment of 1000, 9% deb. issued at ₹105 redeemable at ₹108)				
e)	i) Bank A/c (500×90)	Dr.		45000	
	To Deb. Application & Allot A/c				45,000
	(Being amount received for 500, 9% Deb. issued at ₹90)				
ii)	Deb. App. & Allotment A/c (500×90)	Dr.		45,000	
	Loss on issue of debentures A/c (500×10)	Dr.		5000	
	Discount on issue of debentures A/c (500×10)			5000	
	To 9% Debentures A/c				50,000
	To premium on redemption of debentures A/c				5000
	(Being allotment of 500, 9% deb. issued at ₹90 and redeemable at ₹100)				