Accountancy

PART-A

Q1. ~~The main aim of not-for-profit organisation is to conduct activities for the welfare of the society.~~

'Life-time membership fee' is a capital receipt.
∴ It is capitalised and added to Capital Fund in the liabilities side of the Balance Sheet.

Q2. Share of profit $= (10\% \text{ of } ₹\ 6,00,000) \times \frac{2}{6}$

$= \frac{10}{100} \times \frac{10,000}{6,00,000} \times \frac{2}{6}$

$= ₹\ 20,000/-$

Q3. Sacrificing Ratio of Kiya & Liya $= 18{,}000 : 6{,}000 = 3 : 1$

Share acquired from Kiya $= \frac{3}{4} \times \frac{1}{5} = \frac{3}{20}$

Share from Leela $= \frac{1}{4} \times \frac{1}{5} = \frac{1}{20}$

New Share $\Rightarrow$ Old Share $-$ Sacrificed Share

Kiya $= \frac{3}{5} - \frac{3}{20} = \frac{12-3}{20} = \frac{9}{20}$

Leela $= \frac{2}{5} - \frac{1}{20} = \frac{8-1}{20} = \frac{7}{20}$

Kian $= \frac{1}{5}$ or $\frac{4}{20}$

New Ratio $\Rightarrow$ 9:7:4

04. Reserve Capital

It refers to the amount of share capital which the company reserves the right to be called, until it winds up.

It will only be called upon winding up of the company.

05. 1. Right to share the future profits of the firm.

06. *(It is assumed that the loan has already been transfered to realisation A/c)

Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)
	Realisation A/c Dr.		10,000	
	To C's Capital A/c			10,000
	(Being brother's loan Taken over by C on dissolution)			

Q8.

Balance Sheet

as at ....

Particulars	Note No.	₹
I EQUITY and LIABILITIES		
1. Shareholder's Funds		
(a) Share Capital	1	99,96,000

Notes to Accounts

Note No	Particulars	₹	₹
1.	Share Capital		
	AUTHORISED SHARE CAPITAL (2,00,000 equity shares of ₹ 100 each)		2,00,00,000
	ISSUED SHARE CAPITAL (1,00000 equity shares of ₹ 100 each)		1,00,00,000
	SUBSCRIBED SHARE CAPITAL		
	Subscribed and fully paid 99,800 shares of ₹ 100 each	99,80,000	

200
400
~~400~~

Note

Particulars	₹	₹
Subscribed but not fully paid		
(200 shares of ₹100 each)	20,000	
Less: Calls in arrears (200×20)	(4000)	
	16,000	99,96,000

(i) Ans.

Share acquired from C ⟹ $\frac{1}{2} \times \frac{1}{3} = \frac{1}{6}$

" " " D ⟹ $\frac{1}{2} \times \frac{1}{3} = \frac{1}{6}$

New Shares = Old Share − Sacrificed Share

(A) $= \frac{1}{4} - 0 = \frac{1}{4}$ or $\frac{3}{12}$

(B) $= \frac{1}{4} - 0 = \frac{1}{4}$ or $\frac{3}{12}$

$C = \frac{1}{4} - \frac{1}{6} = \frac{3-2}{12} = \frac{1}{12}$

$D = \frac{1}{4} - \frac{1}{6} = \frac{1}{12}$

$E \Rightarrow \frac{1}{3}$ or $\frac{4}{12}$

New profit sharing Ratio $\Rightarrow$ A : B : C : D : E
3 : 3 : 1 : 1 : 4

~~Journal~~

Goodwill for E $\Rightarrow \frac{1}{3} \times$ ₹3,00,000

= ₹1,00,000

Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)
	E's current A/c Dr.		1,00,000	
	To C's capital A/c			50,000
	To D's capital A/c			50,000

Q9. ~~Working Notes~~

~~No of Debentures ⇒ 6,00,000 / 92 × 100~~

In the books of ZK Ltd.

Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)
	Bank A/c Dr.		3,80,000	
	To Debenture Application & Allotment A/c			3,80,000
	(Being debentures issued)			
	Debenture Application & Allotment A/c Dr.		3,80,000	
	Loss on issue of debentures A/c Dr.		40,000	
	Discount on issue of debentures A/c Dr.		20,000	
	To ~~~~ 9% Debenture A/c			4,00,000
	To Premium on Redemption A/c			40,000
	(Being application money ~~adjusted~~ adjusted and issue of 4000 debentures)			

4,000

Q10. Calculation of the amt of Stationery

	(₹)
Amount paid to creditors	46,000
Add: Closing balance of creditors	19,000
Opening stock of stationery	25,000
Cash purchases	6000
	₹ 96,000
Less: Closing stock of stationery	(40,000)
Opening balance of creditors	(30,000)
	₹ 26,000

Amt to be debited to Income & Expenditure A/c.

₹ 26,000 /-

19
46
65

30
20
75
25

Balance Sheet

as at 31.03.18

(Extract)

Liabilities	₹	Assets	₹
Creditors of stationery	19,000	Stock of stationery	40,000

011.

Journal.

Date	Particulars	LF	Dr (₹)	Cr (₹)
2019 April 1	General Reserve A/c Dr.		40,000	
	To Satish's Capital A/c			24,000
	To Tanya's Capital A/c			16,000
	(Being general reserve distributed)			
	Worksmen Compensation Fund A/c Dr.		35,000	
	Revaluation A/c Dr.		5,000	
	To Worksmen Compensation Claim A/c			40,000
	(Being claim of ₹40,000 on worksmen fund)			
	Satish's Capital A/c Dr.		3000	
	Tanya's Capital A/c Dr.		2000	
	To Revaluation A/c			5000
	(Being loss on revaluation distributed)			

13

6 : 4
5 : 5

Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)
	Taruna's Capital A/c Dr.		5000	
	To Satish's Capital A/c			5000
	(Being goodwill adjusted)			

Working Notes

Calculation of Gain / Sacrifice

	Satish	Taruna
Old Ratio =	$\frac{6}{10}$:	$\frac{4}{10}$
New Ratio	$\frac{5}{10}$:	$\frac{5}{10}$
Sacrifice →	$\frac{1}{10}$	$\left(\frac{1}{10}\right)$ ← gain

Q12.

Dr. Harish's Executors A/c Cr.

Date	Particulars	₹	Date	Particulars	₹
2015 March 31	To Bank A/c	22,500	2015 March 31	By Harish's Capital A/c	90,000
"	To Balance c/d	67,500		~~By~~	
		90,000			90,000
2016 March 31	To Bank A/c	34,650	2016 March 31	~~By Balance b/d~~ ~~By Interest A/c~~	~~[illegible]~~
"	To Balance c/d	45,000	"	By Balance b/d	67,500
			"	By Interest A/c	12,150
		79,650			79,650
2017 March 31	~~By~~ To Bank A/c	30,600	2017 March 31	By Balance b/d	45,000
	To Balance c/d	22,500	"	By Interest A/c	8,100
		53,100			53,100
2018 March 31	To Bank A/c	26,550	2018 March 31	By Balance b/d	22,500
			"	By Interest A/c	4,050
		26,550			26,550

Q13

Q13. Dr. Realisation A/c Cr.

Particulars	₹	Particulars	₹
To Stock	24,000	By Trade creditors	42,000
To Debtors	19,000	By Employees' Provident Fund A/c	60,000
To Furniture	40,000	By Mrs. Ashish's Loan	9,000
To Plant	2,10,000	By Investment Fluctuation Reserve Fund A/c	4,000
To Investments	32,000	By Ashish's Capital A/c (Furniture)	38,000
To Ashish's Capital A/c (Mrs Ashish's Loan)	9,000	By Bank A/c · Debtors 18,500 · Plant 2,31,000 · Stock 15,840	2,65,340
To Karan's Capital A/c (Remuneration)	12,000	By Karan's Capital A/c (Stock)	7,680
To Bank A/c (Employee Provident Fund)	60,000		
To Gain on realisation transferred to: Ashish's Capital A/c : 12,012 Karan's Capital A/c : 8,008	20,020		
	4,26,020		4,26,020

Q4. Working Notes

1. Calculation on opening capital

	Abhi	Bobby	Vineet
Closing capitals	8,00,000	6,00,000	4,00,000
Less: Profit Share	(60,000)	(60,000)	(30,000)
	7,40,000	5,40,000	3,70,000
Add: Drawings +	2,40,000	1,00,000	1,00,000
	9,80,000	6,40,000	4,70,000

2. Intt on capital @ 10% pa ⇒ ₹ ~~98,000~~ 98,000 | ₹ 64,000 | ₹ 47,000.

3. Intt on Drawings

Abhi ⇒ $\frac{\cancel{6}\,3}{100} \times 20,000 \times \cancel{12} \times \frac{\cancel{5.5}\,11}{\cancel{2}} \times \frac{1}{\cancel{12}}$

⇒ ₹ 600 × 11

⇒ ₹ 6600 /—

4.

Bobby ⇒ $50,000 \times 2 \times \frac{18}{2} \times \frac{1}{12} \times \frac{6}{100}$

⇒ ₹ 4500 /-

Vineet → ₹ $1,00,000 \times \frac{5}{12} \times \frac{6}{100}$

⇒ ₹ 2500 /-

4- Statement of adjustment

Particulars	Amount Due			Amt Entered		
	Abhi	Bobby	Vineet	Abhi	Bobby	Vineet
1. Intt on capital	98,000	64,000	47,000			
2. Intt on Drawing	(6600)	(4500)	(2500)			
3. Profit share.				60,000	60,000	30,000
TOTAL						

₹ 70,000
$1,20,000 \times \frac{11}{2} \times \frac{1}{12} \times \frac{6}{100}$
6600

209,000.

1,50,000
13,600
1,63,600

98
64
47
209000

163.6
209

18

Q4.

Statement of Adjustment

Particulars	Amount Due			Amount Entered		
	Naveen	Badri	Rajesh	Navin	Badri	Rajesh
1. Interest on Capital	–	–	–	48000	43,200	28,800
2. Salary	~~28,000~~	~~32,000~~	–			
	28,000	32,000	–	–	–	–
3. Profits from (2016-17)	15,000	10,000	5000	–	–	–
(2017-18)	15,000	9000	6000	–	–	–
TOTAL	58,000	51,000	11,000	48,000	43,200	28,800
Less: Amt Entered	(48,000)	(43,200)	(28,800)			
	10,000	7,800	17,800			
	Cr.	Cr.	Dr.			

48
44
28
120,000

For 2016-17

	(₹)
Intt on capitals ⇒	+ 60,000
(Salary) ⇒	(30,000)
Profits to be distributed →	30,000

For 2017-18

(₹)
60,000
(30,000)
30,000

Q5

Income and Expenditure A/c
for the year ended 31-03-18

Dr. Cr.

Particulars Expenditure	₹	Income	₹
To Salaries 64,500 Add: o/s salary 8,000	72,500	By Interest on (WN 1) Investments 2400 Add: Accd Inter 1600	4000
To Miscellaneous Expenses	52,000	To Donations	17,000
To Telephone Charges	12,000	To Subscriptions (WN 2)	3,05,000
To Printing and Stationery 19,000 Add: Opening stock 12,000 31,000 Less: Closing stock (15,000)	16,000	To Rent Received 70,000 Add: Accd Rent 2,000	72,000
To Surplus	2,46,100	To Sale of Old Newspapers	600
	398,600		3,98,600

Journal

Date	Particulars	LF	Dr(₹)	Cr(₹)
2018 April 1	Rajesh's current A/c Dr.		17,800	
	To Naveen's ~~Capital~~ current A/c			10,000
	To Rajesh's Current A/c			7000
	(Being adjustment entry passed)			

Working Notes

1. Interest on Investments

$$\frac{6}{100} \times \frac{8}{12} \times 1,00,000$$

₹ 4,000/-

2. Subscriptions

	₹
	3,00,000
Add: Outstanding on 31.03.16	20,000
	3,20,000
Less: Subscription in Advance	(15,000)
₹	3,05,000/-

Q16.

I

Revaluation A/c

Dr. | | | Cr.

Particulars	₹	Particulars	₹
To Plant & Machinery	6000	By Bank A/c	4000
To Bad Debts	1000	By Loss on Revaluation transferred to:	
To Provision for Bad Debts	3000	Mohan's Capital A/c : 3000	
		Vinay's Capital A/c : 2000	
		Nitya's Capital A/c : 1000	6,000
	10,000		10,000

(2)

Partner's Capital A/c

Dr. | | | Cr.

Particulars	Mohan	Vinay	Nitya	Particulars	Mohan	Vinay	Nitya
To Revaluation	3000	2000	1000	By Balance b/d	1,20,000	1,00,000	90,000
To Mohan's Capital A/c	—	48,000	42,000	By Contingency Reserve	15,000	10,000	5000
To Mohan's Loan A/c	2,22,000	—	—	By Vinay's Capital A/c	48,000	—	—
To Bank A/c	—	6,000	16,000	By Nitya's Capital A/c	42,000	—	—
~~To Balance c/d~~	—	—	—				
To Balance c/d	—	54,000	36,000				
	2,25,000	1,10,000	95,000		2,25,000	1,10,000	95,000

Balance Sheet
as at 31.03.18

Liabilities	₹	Assets	₹
Creditors	48,000	Cash at Bank	13,000
Mohan's Loan A/c	2,22,000	Bills Receivable	54,000
Employees Provident Fund	1,70,000	Book Debts 60,000	
Capital A/cs		Less: Provision for Doubtful Debts (3000)	57,000
Vinay 54,000		Plant and Machinery	1,14,000
Nitya 36,000	90,000	Land and Building	2,92,000
	5,30,000		5,30,000

Working Notes

1. ~~Profit~~ old Sharing Ratio ⇒ 3:2:1

2. ~~Sacrif~~ Gaining Ratio

Vinay ⇒ $\frac{3}{5} - \frac{2}{6} = \frac{18-10}{30} = \frac{8}{30}$

Nitya ⇒ $\frac{2}{5} - \frac{1}{6} = \frac{12-5}{30} = \frac{7}{30}$

Gaining Ratio ⇒ 8:7

3. Mohan's Goodwill ⇒ $1,80,000 \times \frac{3}{6}$ ⇒ ₹ 90,000

4. Capital adjustment

Total capital → ₹ 90,000

	Vinay	Nitya
New capital	₹ 54,000	₹ 36,000
Less: Adjusted capital	₹ (60,000)	₹ (52,000)
	₹ (6000)	₹ (16000)
	withdraw	withdraw.

35 - 22 = 13

35 - 22 = 13

95 - 43 = 52

Q7 I

In the books of Denspal Ltd.

Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)
	Bank A/c Dr.		3,60,000	
	To Share Application A/c			3,60,000
	(Being application money received)			
	Share Application A/c Dr.		3,60,000	
	To Share Capital A/c			3,60,000
	(Being application money capitalised)			
	~~Bank A/c Dr.~~			
	Share Allotment A/c Dr.		23,40,000	
	To Share Capital A/c			5,40,000
	To Securities Premium Reserve A/c			18,00,000
	(Being allotment money due)			

Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)
	Bank A/c Dr.		23,24,000	
	To Share Allotment A/c			22,49,000
	To Share First Call A/c			35,000
	To Share Final Call A/c			40,000
	(Being share allotment money rec. & advance rec. on 5000 shares)			
	Share First Call A/c Dr.		12,60,000	
	To Share Capital A/c			3,60,000
	To Securities Premium Reserve A/c			9,00,000
	(Being first call due)			
	Bank A/c Dr.		~~13,16,000~~	
	To Share Allotment A/c			~~91,000~~
	To Share first call A/c			~~12,25,000~~
	(Being first call money rec. and due on allotment also received)			

18 x 7

126

2249000
91000
2340000

Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)
	Share final call A/c Dr.		14,40,000	
	To Share Capital A/c			5,40,000
	To Securities Premium Reserve A/c			9,00,000
	(Being first call due on 1,00,000 shares)			
	Bank A/c Dr.		13,84,000	
	To Share final call A/c			13,84,000
	(Being final call received except on 2000 shares)			
	* (continued after working notes....)			

Working Notes

2,00,000 × 10 + 20

(2) 1,80,000 :

App	2	
All	13	3 + 10
1st call	7	2 + 5
2nd call	8	3 + 5

(3) ~~Amt received on allotment~~

	₹
Due	23,40,000
Add: Advance Received	75,000
	24,15,000
Less: Amt not paid by Vinesh	(91,000)
	₹ 23,24,000 /—

13×7

12,600
+ 91
13,51,00

30

Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)
	Share Capital A/c Dr.		20,000	
	Securities Premium Reserve A/c Dr.		10,000	
	To Share Forfeited A/c			14,000
	To Share final Call A/c			16,000
	(Being 2000 share forfeited for non-payment of final call)			
	Share forfeited A/c Dr.		3000	
	Bank A/c Dr.		12,000	
	To Share Capital A/c			15,000
	(Being re-issue of 1500 share @ ₹8/share fully paid up)			
	Share Forfeited A/c Dr.		7,500	
	To Capital Reserve A/c			7,500
	(Being gain on re-issue transferred to Capital A/c)			

Calculation of gain on Reissue

$\Rightarrow$ ₹ $\left(14000 \times \frac{3}{4}\right)$ — ₹ 3000

$\Rightarrow$ ₹ 10,500 − 3000

$\Rightarrow$ ₹ 7500/-

Rough

7680
+1920
9600

24000

$\frac{18}{100} \times 67,500$

675
× 18
5400
675×
12,150

$\frac{18}{100} \times 22,500$

2250
1800

10,800

15,840

ISE 2019

$\frac{18}{100} \times 45,000$

4500
3600
2100

360
45×
81000

3,60,000 × $\frac{12}{100}$

36000
7200
43200

240,000 × $\frac{12}{100}$

2400 × 6
14,400
1440
15840

24,000
4800
28,800

0908

(To be entered by Board)

अपना अनुक्रमांक इस उत्तर–पुस्तिका पर न लिखें
Please do not write your Roll Number on this Answer-Book

अतिरिक्त उत्तर–पुस्तिका (ओं) की संख्या
Supplementary Answer-Book(s) No. ..1......

PART-B

OPTION -1

Q18. When cash comes in, into the business, it is called Inflow of cash.

For example: Money received by sale of goods ₹10,000/-
∴ ₹10000 is the inflow.

Q19. No.
They are not disclosed in cashflow statement as they do not involve outflow or inflow of cash.
It is a non-cash transaction.

I

Q10.

	Major Headings	Sub Headings
(i)	Current Liabilities	Other Current Liabilities
(ii)	Current Assets	Inventories
(iii)	Current Liabilities	Other Current Liabilities
(iv)	Current Assets	Other Current Assets
(v)	Non-Current Assets	Fixed Assets - Intangibles
(vi)	Non-Current ~~Assets~~ Liability	Other non-current liability
(vii)	Non-current Asset	Fixed ~~Assets~~ - Tangible
(viii)	Non-current Asset	Fixed Assets - Intangible

Q21.

(I) Net profit after interest and tax ⟹ ₹ ~~1,20,000~~

~~Add: Tax (Tax = $\frac{1,20,000}{60} \times 100 \times \frac{40}{100}$)~~ ~~80,000~~

~~Profit before Tax~~ ~~2,00,000~~

~~Add: Interest (15,000 + 12,000)~~ ~~27,000~~

~~2,27,000~~

II Quick Ratio ⟹ $\frac{1}{1}$.

(i) Decrease

As quick assets decrease, but current liabilities remain unchanged.

Q22

(1)

(ii) $\boxed{\text{Decrease}}$

It increases current liabilities, even though quick assets remain un-changed.

(iii) $\boxed{\text{Increase}}$

Quick assets (cash) increases, while current liabilities remain unchanged.

(iv) $\boxed{\text{No change}}$

Neither quick assets, nor current liabilities change.

Q22.

Comparative Statement

of PROFIT and LOSS
for year ending 31.03.17 and 31.03.18

Particulars	2016-17 (₹) (A)	2017-18 (₹) (B)	Absolute (₹) Change (B − A) = C	Percentage (%) Change D = $\frac{C}{A} \times 100$
I Revenue from Operation	4,00,000	6,00,000	2,00,000	50%
II TOTAL INCOME	4,00,000	6,00,000	2,00,000	50%
II EXPENSES				
• Cost of materials consumed	2,00,000	3,00,000	1,00,000	50%
• Other Expenses	50,000	45,000	(5,000)	(10%)
III TOTAL EXPENSES	2,50,000	3,45,000	95,000	38%
IV Profit before Tax (I-III)	1,50,000	2,55,000	1,05,000	70%
Less: Tax @ 40%	(60,000)	(1,02,000)	42,000	70%
V Profit after Tax	90,000	1,53,000	63,000	70%

6

023

Cashflow Statement

for the year ended 31.03.13

Particulars	₹	₹
(A) Cashflow from Operating Activities		
Difference b/w Surplus	(1,00,000)	
Add: Provision for Tax made	76,000	
Net Loss before tax and extraordinary Activities	(24,000)	
Adjustments for non cash & non-operating		
Add: Depreciation	4,20,000	
Interest on Debentures	64,000	
Less: Gain on sale of machinery	(1,60,000)	
Operating profit before working capital changes	3,00,000	
Add: Increase in Trade Payable	50,000	
Less: Increase in Inventory	(4,00,000)	
	(50,000)	
Less: Tax Paid	(56,000)	
Cash used in Operating Activities		(1,06,000)

Particulars	₹	₹
(B) Cashflow from Investing		
Payment for mashinery	(16,00,000)	
Payment for purchase of intangible Assets	(1,00,000)	
Proceeds from sale of machinery	6,40,000	
Cash used in Investing Activities		(10,60,000)
(C) Cashflow from Financing Activities		
Proceeds from issue of share	9,00,000	
Proceeds from issue of debentures	3,00,000	
Interest paid on debentures	(64,000)	
Cashflow from financing Activities		11,36,000
(D) Net decrease in cash & cash equivalents (cash + current investments)	(30,000)	
Add: Opening cash & cash equivalents (78,000 + 78,000)	1,56,000	
Closing cash & cash equivalents (89,000 + 37,000)		1,26,000

8

Working Notes

1. Dr. Machinery A/c Cr.

Particulars	₹	Particulars	₹
To Balance b/d	25,00,000		
To P & L A/c	1,60,000	By Bank A/c	6,40,000
To Bank A/c (B/F)	16,00,000	By Accumulated Depreciation	3,20,000
		By Balance c/d	33,00,000
	42,60,000		42,60,000

018

2. Accumulated Depreciation A/c

Dr. Cr.

Particulars	₹	Particulars	₹
To Machinery A/c	3,20,000	By Balance b/d	5,00,000
To Balance c/d	6,00,000	By Depreciation	4,20,000
	9,20,000		9,20,000

19.