# CBSE BOARD EXAMINATION - 2025
# ACCOUNTANCY (Theory)
## Solved Paper
## Class-12$^{th}$

*Time allowed: 3 hours* *Maximum Marks: 80*

**General Instructions:**

**Read the following instructions carefully and follow them:**

*(i)* *This question paper contains **34** questions. **All** questions are compulsory.*

*(i)* *This question paper is divided into two Parts: **Part-A** and **Part-B**.*

*(iii)* ***Part - A** is compulsory for all candidates.*

*(iv)* ***Part - B** has **Option-I: Analysis of Financial Statements***

*(v)* *Questions number 1 to 16 (Part-A) and Questions number 27 to 30 (Part-B) are multiple choice questions. Each question carries 1 mark.*

*(vi)* *Questions number 17 to 20 (Part-A) and Questions number 31 and 32 (Part-B) are Short answer type questions. Each question carries 3 marks.*

*(vii)* *Questions number 21, 22 (Part-A) and Question number 33 (Part-B) are Long answer type-I questions. Each question carries 4 marks.*

*(viii)* *Questions number 23 to 26 (Part-A) and Question number 34 (Part-B) are Long answer type-II questions. Each question carries 6 marks.*

*(ix)* *There is no overall choice. However, an internal choice has been provided in few questions in each of the parts.*

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

**PART-A**

**(Accounting for Partnership Firms and Companies)**

**1.** Sara and Tara were partners in a firm. Their capitals as on 1$^{st}$ April, 2023 were ₹ 6,00,000 and ₹ 4 ,00,000 respectively. On 1$^{st}$ October, 2023, Tara withdrew ₹ 1,00,000 for personal use. According to the partnership deed, interest on capital was allowed @ 8% p.a.

The amount of interest allowed on Tara's capital for the year ended 31$^{st}$ March, 2024 was:

**(A)** ₹ 28,000 **(B)** ₹ 30,000

**(C)** ₹ 48,000 **(D)** ₹ 32,000 **1**

**2.** **Assertion (A):** Each partner carrying on the business of the firm is the principal as well as the agent for all the other partners of the firm.

**Reason (R):** There exists a relationship of mutual agency between all the partners.

Choose the correct option from the following:

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

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

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

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

**3.** **(a)** VL Ltd. offered for public subscription 90,000 equity shares of ₹ 10 each at premium of 10%. The entire amount was payable on application. Applications were received for 1,00,000 shares and allotment was made to all the applicants on pro-rata basis. The amount received on application was ______.

**(A)** ₹ 10,00,000 **(B)** ₹ 9,00,000

**(C)** ₹ 9,90,000 **(D)** ₹ 11,00,000 **1**

**OR**

**(b)** VX Ltd. issued 30,000, 8% debentures of ₹ 100 each at a discount of 10% redeemable at a certain rate of premium. On issue of these debentures, 'Loss on issue of debentures account' was debited with ₹ 4,50,000. The amount of premium on redemption of debentures was ________.

**(A)** ₹ 3,00,000 **(B)** ₹ 1,50,000

**(C)** ₹ 30,000 **(D)** ₹ 4,50,000 **1**

4. **(a)** Kartik, Inder and Lalit were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 2. With effect from 1st April, 2024, they decided to share profits and losses in the ratio of 2 : 3 : 4. For this purpose, the goodwill of the firm was valued at ₹ 1,80,000.

The necessary journal entry to show the effect of the above will be:

| | Particulars | | Dr. Amount (₹) | Cr. Amount (₹) |
|---|---|---|---|---|
| (A) | Lalit's Capital A/c | Dr. | 40,000 | |
| | To Kartik's Capital A/c | | | 40,000 |
| (B) | Kartik's Capital A/c | Dr. | 40,000 | |
| | To Lalit's Capital A/c | | | 40,000 |
| (C) | Lalit's Capital A/c | Dr. | 1,80,000 | |
| | To Kartik's Capital A/c | | | 1,80,000 |
| (D) | Kartik's Capital A/c | Dr. | 1,80,000 | |
| | To Lalit's Capital A/c | | | 1,80,000 |

**OR** **1**

**(b)** Nidhi, Pranav and Ishu were partners in a firm sharing profits and losses in the ratio of 5 : 4 : 1. With effect from 1st April, 2024, they decided to share profits and losses in the ratio of 4 : 1 : 5. On that date, there was a debit balance of ₹ 4,00,000 in the Profit and Loss Account. The necessary journal entry to show the effect of the above will be:

| | Particulars | | Dr. Amount (₹) | Cr. Amount (₹) |
|---|---|---|---|---|
| (A) | Ishu's Capital A/c | Dr. | 1,60,000 | |
| | To Nidhi's Capital A/c | | | 40,000 |
| | To Pranav's Capital A/c | | | 1,20,000 |
| (B) | Profit & Loss A/c | Dr. | 4,00,000 | |
| | To Nidhi's Capital A/c | | | 2,00,000 |
| | To Pranav's Capital A/c | | | 1,60,000 |
| | To Ishu's Capital A/c | | | 40,000 |
| (C) | Nidhi's Capital A/c | Dr. | 2,00,000 | |
| | Pranav's Capital A/c | Dr. | 1,60,000 | |
| | Ishu's Capital A/c | Dr. | 40,000 | |
| | To Profit & Loss A/c | | | 4,00,000 |
| (D) | Nidhi's Capital A/c | Dr. | 40,000 | |
| | Pranav's Capital A/c | Dr. | 1,20,000 | |
| | To Ishu's Capital A/c | | | 1,60,000 |

**1**

5. Moksh and Pran were partners in a firm sharing profits and losses in the ratio of 1 : 2. Their capitals were ₹ 5,00,000 and ₹ 3,00,000 respectively. They admitted Tushar as a new partner on 1st April, 2024 for 1/4th share in future profits. Tushar brought ₹ 4,00,000 as his share of capital. The goodwill of the firm on Tushar's admission will be :

**(A)** ₹ 16,00,000 **(B)** ₹ 4,00,000

**(C)** ₹ 8,00,000 **(D)** ₹ 12,00,000 **1**

6. Money received in advance from the shareholders before it is actually called up by the director is:

**(A)** credited to calls in advance account

**(B)** debited to calls in advance account

**(C)** credited to calls account.

**(D)** debited to calls in arrears account **1**

7. **(a)** Debentures in respect of which all details including names, addresses and particulars of holding of the debenture holders are entered in a register kept by the company are called:

**(A)** Bearer debentures

**(B)** Redeemable debentures

**(C)** Registered debentures

**(D)** Secured debentures **1**

**OR**

**(b)** That portion of the called up capital which has been actually received from the shareholders is known as:

**(A)** Paid up capital **(B)** Called up capital

**(C)** Uncalled capital **(D)** Reserve capital **1**

8. (a) Misha, Sarita and Isha were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. With effect from 1st April 2024, they decided that they will share profits and losses equally. The gain or sacrifice by the partners due to change in profit sharing ratio will be:
   (A) Misha's sacrifice 1/6, Isha's gain 1/6
   (B) Misha's gain 1/6, Isha's sacrifice 1/6
   (C) Misha's sacrifice 1/6, Sarita's gain 1/3, Isha's sacrifice 1/6
   (D) Misha's sacrifice 1/3, Isha's gain 1/3 **1**

**OR**

(b) Sia, Tisha and Aryan were partners sharing profits and losses in the ratio of 4 : 7 : 1. The firm closes its books on 31st March every year. Tisha died on 1st July, 2024. Sia and Aryan will acquire Tisha's share in which of the following ratio?
   (A) 1 : 1 (B) 4 : 1
   (C) 4 : 7 (D) 7 : 1 **1**

9. Anuj and Kartik were partners in a firm sharing profits and losses in the ratio of 5 : 4. Anuj withdrew ₹ 20,000 in the beginning of every alternate month starting from 1st April, 2023 during the year ended 31st March, 2024. Interest on Anuj's drawings @ 6% p.a. for the year ended 31st March, 2024 will be :
   (A) ₹ 8,400 (B) ₹ 1,200
   (C) ₹ 4,200 (D) ₹ 3,600 **1**

10. (a) Vishesh, Manik and Amit were partners in a firm sharing profits and losses in the ratio of 5 : 4 : 1. Amit retired on 31st March, 2024. Vishesh and Manik acquired Amit's share in the ratio of 2 : 3. The new profit sharing ratio between Vishesh and Manik after Amit's retirement will be:
   (A) 5 : 4 (B) 2 : 3
   (C) 1 : 1 (D) 27 : 23 **1**

**OR**

(b) Varsha, Aryan and Nimit were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. Varsha retired and surrendered 1/3rd of her share in favour of Aryan and the remaining share in favour of Nimit. The new profit sharing ratio between Aryan and Nimit will be :
   (A) 2 : 1 (B) 8 : 7
   (C) 1 : 2 (D) 1 : 1 **1**

11. When the partners' capitals are fixed, the drawings made by a partner are recorded on the:
   (A) Debit side of Partner's Capital Account
   (B) Credit side of Partner's Capital Account.
   (C) Debit side of Partner's Current Account.
   (D) Credit side of Partner's Current Account. **1**

12. 4,000 shares of ₹ 10 each were forfeited for non-payment of second and final call money of ₹ 2 per share. The minimum amount that the company must collect at the time of reissue of these shares will be:
   (A) ₹ 8,000 (B) ₹ 32,000
   (C) ₹ 40,000 (D) ₹ 48,000 **1**

13. On 1st April 2023, Veebee Ltd. issued 20,000, 13% debentures of ₹ 100 each at a discount of 10% redeemable at a premium of 5% after 4 years. Total amount of interest on debentures for the year ending 31st March, 2024 will be:
   (A) ₹ 2,00,000 (B) ₹ 2,60,000
   (C) ₹ 1,00,000 (D) ₹ 3,00,000 **1**

14. Arushi, Vivaan and Mitali were partners in a firm. On 31st March 2024, the firm was dissolved. On that date the firm had debtors of ₹ 60,000 and provision for doubtful debts of ₹ 3,000 were existing in the books. Debtors of ₹ 8,000 proved bad and full amount was realised from the remaining debtors. The amount realised from debtors was:
   (A) ₹ 60,000 (B) ₹ 55,000
   (C) ₹ 52,000 (D) ₹ 49,000 **1**

15. Ashmit, Veena and Rohan were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. Veena retired on 31st March, 2024. The capital accounts of Ashmit, Veena and Rohan showed a credit balance of ₹ 2,00,000, ₹ 1,80,000 and ₹ 1,20,000 respectively after making all adjustments relating to revaluation, goodwill, reserves etc. Veena was paid in cash brought in by Ashmit and Rohan in such a way that their capitals were in proportion to their new profit sharing ratio. The new capitals of Ashmit and Rohan will be:
   (A) Ashmit ₹ 3, 75,000 and Rohan ₹ 1,25,000
   (B) Ashmit ₹ 2,00,000 and Rohan ₹ 1,20,000
   (C) Ashmit ₹ 2,50,000 and Rohan ₹ 2,50,000
   (D) Ashmit ₹ 3,00,000 and Rohan ₹ 2,00,000 **1**

16. Nita, Vidur and Mita were partners in a firm sharing profits and losses in the ratio of 3 : 4 : 1. On 1st April 2024, they decided to admit Samir as a new partner. The new profit sharing ratio between Nita, Vidur, Mita and Samir will now be 1 : 1 : 1 : 1. The balance sheet of Nita, Vidur and Mita before Samir's admission showed machinery at ₹ 6,00,000. On the date of admission, it was found that the machinery is overvalued by 20%.
   The value of machinery shown in the new Balance Sheet after Samir's admission will be :
   (A) ₹ 7,50,000 (B) ₹ 4,80,000
   (C) ₹ 7,20,000 (D) ₹ 5,00,000 **1**

17. Zaina, Yash and Kiran were partners in a firm sharing profits and losses in the ratio 2 : 2 : 1. Zaina died on 1st July, 2024. As per the partnership deed, Zaina's share of profit or loss till the date of her death was to be calculated on the basis of sales.
   Sales for the year ended 31st March, 2024 amounted to ₹ 4,00,000 and that from 1st April to 30th June, 2024 was ₹ 1,50,000. The profit for the year ending 31st

March, 2024 was calculated as ₹ 1,00,000. The books of accounts are closed on 31st March every year.

Calculate Zaina's share of profit in the firm till the date of her death and pass necessary journal entry for the same. 3

**18. (a)** The firm of Amish, Nitish and Misha, who have been sharing profits in the ratio of 2 : 2 : 1, have existed for some years. Misha wanted that she should get equal share in the profits with Amish and Nitish and she further wished that the change in the profit sharing ratio should come into effect retrospectively for the last three years. Amish and Nitish had agreement for this.

The profits for the last three years were:

2021 - 22 ₹ 1,15,000
2022 - 23 ₹ 1,24,000 .
2023 - 24 ₹ 2,11,000

Show adjustment of profits by means of a single adjustment journal entry. Show your working clearly. 3

**OR**

**(b)** Vidhi, Manas and Ansh were partners sharing profits and losses in the ratio of 2 : 3 : 5. Ansh was given a guarantee that his share of profits in any given year would not be less than ₹ 1,20,000. Deficiency, if any, would be borne by Vidhi and Manas equally. Profits for the year ended 31st March, 2024 amounted to ₹ 2,00,000.

Pass necessary journal entries in the books of the firm for division of profits. 3

**19. (a)** Delight Ltd. purchased assets worth ₹ 4,00,000 and took over liabilities of ₹ 70,000 of Marvel Ltd. for a purchase consideration of ₹ 3,60,000. Delight Ltd. paid the purchase consideration by issuing 11% debentures of ₹ 100 each at a premium of 20%.

Pass necessary journal entries in the books of Delight Ltd. 3

**OR**

**(b)** Prime Ltd. took over assets of ₹ 6,00,000 and liabilities of ₹ 1,00,000 of Rabi Ltd. for a purchase consideration of ₹ 3,60,000. Prime Ltd. issued 10% debentures of ₹ 100 each at a discount of 10% in full satisfaction of purchase consideration.

Pass necessary journal entries in the books of Prime Ltd. 3

**20.** The capital of the firm of Rajat and Karan is ₹ 15,00,000 and the market rate of interest is 12%. Annual salary of Rajat and Karan is ₹ 20,000 and ₹ 30,000 respectively. The profits for the last three years were ₹ 2,40,000, ₹ 2,80,000 and ₹ 3,20,000.

Goodwill of the firm is to be valued on the basis of two years purchase of last three years's average super profits. Calculate the goodwill of the firm. 3

**21.** Pass necessary journal entries for issue of debentures for the following transactions :

**(i)** Kiero Ltd. issued 80,000, 9% debentures of ₹ 100 each at par, redeemable at a premium of 10%.

**(ii)** Naro Ltd. issued 50,000, 10% debentures of ₹ 100 each at a premium of 5%, redeemable at a premium of 10%.

**22.** Raja, Bharat and Vedika were partners in a firm sharing profits and losses in the ratio of 2 : 2 :1. Their Balance Sheet as on 31st March, 2024 was as follows:

**Balance Sheet of Raja, Bharat and Vedika**
**as on 31st March, 2024**

| Liabilities | | Amount (₹) | Assets | Amount (₹) |
|---|---|---|---|---|
| Creditors | | 80,000 | Bank | 15,000 |
| General Reserve | | 50,000 | Stock | 70,000 |
| Capitals: | | | Debtors | 85,000 |
| Raja | 1,10,000 | | Furniture | 1,20,000 |
| Bharat | 1,00,000 | | Machinery | 1,40,000 |
| Vedika | 90,000 | 3,00,000 | | |
| | | **4,30,000** | | **4,30,000** |

Vedika died on 31st July, 2024. According to the partnership deed, her legal representatives are entitled to the following:

**(i)** Balance in her capital account.

**(ii)** Interest on capital @ 8% p.a.

**(iii)** Her share in the profit upto the date of death to be calculated on the basis of last year's profit. Vedika's share of profit was ₹ 3,000.

**(iv)** Her share of goodwill calculated on the basis of two years purchase of average profits of last three years. The average profit of last three years was ₹ 40,000. Vedika's drawings upto the date of death were ₹ 12,000.

Prepare Vedika's Capital Account to be rendered to her executors. 4

**23.** PL Ltd. was registered with an authorised capital of ₹ 10,00,000 divided into 1,00,000 equity shares of ₹ 10 each. The company offered to the public for subscription 90,000 equity shares.

Applications were received for 82,000 equity shares and shares were allotted to all the applicants. All money due was received with the exception of first and final call money of ₹ 2 per share on 2,000 shares allotted to Atishay. His shares were forfeited.

Answer the following questions:

**(i)** The amount of 'Calls in Arrears' disclosed in 'Notes to Accounts' will be :

**(A)** ₹ 4,000 **(B)** ₹ 16,000
**(C)** Nil **(D)** ₹ 20,000

**(ii)** The number of shares of PL Ltd. after forfeiture will be :

**(A)** 98,000 **(B)** 88,000
**(C)** 82,000 **(D)** 80,000

**(iii)** In the 'Notes to Accounts', the amount disclosed under 'Share Forfeiture Account' will be :

**(A)** ₹ 16,000 **(B)** ₹ 4,000
**(C)** ₹ 20,000 **(D)** Nil

**(iv)** In the 'Notes to Accounts', the amount disclosed under 'Issued Capital' will be:

**(A)** ₹ 10,00,000 **(B)** ₹ 9,00,000
**(C)** ₹ 8,20,000 **(D)** ₹ 8,00,000

**(v)** Balance in 'Share Forfeiture Account' will be shown in 'Notes to Accounts' in the balance sheet of PL Ltd. under :

**(A)** Authorised capital
**(B)** Issued capital
**(C)** Subscribed capital
**(D)** Will not be shown in 'Notes to Accounts'

**(vi)** The amount of 'Share Capital' disclosed in the balance sheet of PL Ltd. will be :

**(A)** ₹ 8,00,000 **(B)** ₹ 8,16,000
**(C)** ₹ 9,16,000 **(D)** ₹ 7,90,000 6

**24.** Pass the necessary journal entries for the following transactions on the dissolution of a partnership firm of Vibha and Ajit after various assets (other than cash) and external liabilities have been transferred to Realisation Account:

**(i)** Creditors worth ₹ 46,000 accepted ₹ 9,000 cash and furniture of ₹ 32,000 in full settlement of their claim.

**(ii)** The firm had stock of ₹ 20,000. Ajit took over 40% of the stock at a discount of 10% while the remaining stock was sold for ₹ 18,000.

**(iii)** Vibha was appointed to look after dissolution work for which she was allowed a remuneration of ₹ 16,000. Vibha agreed to bear the dissolution expenses. Actual dissolution expenses ₹ 15,000 were paid by Vibha.

**(iv)** Ajit's loan of ₹ 45,000 was settled at ₹ 42,000.

**(v)** A machine which was not recorded in the books was taken over by Vibha at ₹ 23,000, whereas its expected value was ₹ 28,000.

**(vi)** The firm had a debit balance of ₹ 20,000 in the Profit and Loss Account on the date of dissolution. 6

**25.** **(a)** Altima Ltd. invited applications for issuing 2,00,000 equity shares of ₹ 10 each at a premium of ₹ 4 per share. The amount was payable as follows:

On application and allotment – ₹ 7 per share (including premium ₹ 1)

On first and final call – Balance

Applications were received for 2,40,000 shares. Applications for 30,000 shares were rejected and pro-rata allotment was made to the remaining applicants. Excess money received on application and allotment was returned. Manvi, who was allotted 4,000 shares failed to pay the first and final call money. Her shares were forfeited. All the forfeited shares were reissued at ₹ 4 per share fully paid up.

Pass necessary journal entries in the books of Altima Ltd. 6

**OR**

**(b)** Pass necessary journal entries for forfeiture and reissue of forfeited shares in the following cases:

**(i)** Macil Ltd. forfeited 3,000 shares of ₹ 100 each issued at 20% premium for the non-payment of allotment money of ₹ 30 per share and first call of ₹ 40 per share (including premium ₹ 10).

The second and final call of ₹ 30 per share (including premium ₹ 10) was not yet called. Out of these, 2,000 shares were reissued at ₹ 80 per share paid up for ₹ 90 per share.

**(ii)** Avian Ltd. forfeited 10,000 shares of ₹ 10 each on which the first call of ₹ 4 per share was not received and the second and final call of ₹ 1 per share was not yet called. Out of these, 4,000 shares were reissued to Ajay as fully paid up for ₹ 9 per share. 6

**26.** **(a)** Aryan and Adya were partners in a firm sharing profits and losses in the ratio of 3 : 1. Their Balance Sheet on 31$^{st}$ March, 2024 was as follows:

**Balance Sheet of Aryan and Adya as at 31$^{st}$ March, 2024**

| Liabilities | | Amount (₹) | Assets | | Amount (₹) |
|---|---|---|---|---|---|
| Capitals: | | | Machinery | | 3,90,000 |
| Aryan | 3,20,000 | | Furniture | | 80,000 |
| Adya | 2,40,000 | 5,60,000 | Debtors | 90,000 | |
| Workmen's | | | Less: provision for | | |
| Compensation Reserve | | 20,000 | doubtful debts | 1,000 | 89,000 |
| Bank loan | | 60,000 | Stocks | | 77,000 |
| Creditors | | 48,000 | Cash | | 32,000 |
| | | | Profit & Loss Account | | 20,000 |
| | | **6,88,000** | | | **6,88,000** |

Dev was admitted into the firm on 1st April, 2024 for 1/5th share in the profits of the firm on the following terms :

**(i)** Dev will bring capital proportionate to his share in the profits of the firm.

**(ii)** Goodwill of the firm was valued at ₹ 2,00,000 and Dev will bring his share of goodwill premium in cash.

**(iii)** Machinery was revalued at ₹ 4,50,000.

**(iv)** A provision for doubtful debts was to be created at 5% on debtors.

**(v)** A liability of ₹ 3,500 included in creditors was not likely to arise.

Prepare Revaluation Account and Partners' Capital Accounts on Dev's admission. **6**

**OR**

**(b)** Ashish, Vinit and Reema were partners sharing profits and losses in the ratio of 2 : 2: 1. Their Balance Sheet on 31st March, 2024 was as follows:

**Balance Sheet of Ashish, Vinit and Reema as at 31st March, 2024**

| Liabilities | | Amount (₹) | Assets | | Amount (₹) |
|---|---|---|---|---|---|
| Capitals: | | | Patents | | 80,000 |
| Ashish | 2,00,000 | | Furniture | | 3,00,000 |
| Vinit | 2,00,000 | | Stock | | 1,70,000 |
| Reema | 1,00,000 | 5,00,000 | Debtors | 80,000 | |
| General Reserve | | 50,000 | Less: Provision for | | |
| Bills Payable | | 80,000 | doubtful debts | 8,000 | 72,000 |
| Creditors | | 40,000 | Cash | | 48,000 |
| | | **6,70,000** | | | **6,70,000** |

On the above date, Vinit retired on the following terms:

**(i)** Goodwill of the firm was valued at ₹ 60,000 and the same was adjusted into the capital accounts of Ashish and Reema who will share profits in future in the ratio of 3 : 2.

**(ii)** Value of stock was to be reduced by ₹ 10,000.

**(iii)** Patents are found undervalued by 20%

**(iv)** Vinit was paid ₹ 20,000 immediately on retirement and the balance was transferred to his loan account carrying interest @ 8% p.a.

Pass necessary journal entries on Vinit's retirement.

## PART B

### (Analysis of Financial Statements)

**27. (a)** The tool of analysis of financial statements which indicates the trend and direction of financial position and operating results is ______.

**(A)** Comparative Statements

**(B)** Common Size Statements

**(C)** Cash Flow Analysis

**(D)** Ratio Analysis **1**

**OR**

**(b)** Ratios that are calculated for measuring the efficiency of operations of the business based on effective utilization of resources are known as ______.

**(A)** Profitability ratios **(B)** Solvency ratios

**(C)** Turnover ratios **(D)** Liquidity ratios **1**

**28.** The Debt Equity Ratio of Manak Enterprises is 2.5 : 1. Which of the following transaction will result in increase in this ratio?

**(A)** Purchase of goods on credit ₹ 2,00,000

**(B)** Payment to creditors ₹ 3,00,000.

**(C)** Issue of debentures ₹ 6,00,000.

**(D)** Sale of furniture of the book value of ₹ 4,00,000 at a profit of 10%. **1**

**29. (a)** Which of the following are operating activities for the purpose of preparing cash flow statement?

**(i)** Cash payments to suppliers for goods and services.

**(ii)** Dividend received from investments in other enterprises.

**(iii)** Cash receipts from royalties, fees, commissions and other revenues.

**(iv)** Cash repayments of amounts borrowed

**(A)** (i), (ii) and (iii) **(B)** (i) and (iii)

**(C)** (i), (iii) and (iv) **(D)** (iii) and (iv) **1**

**OR**

**(b)** Which of the following statements is incorrect?

**(A)** Payment of dividend and interest will result in cash outflow from financing activities.

**(B)** Payment of employee benefit expenses will result in cash outflows from operating activities.

**(C)** Receipt of interest and dividend will result in cash inflow from financing activities.

**(D)** Operating activities are the principal revenue generating activities of the enterprise. **1**

**30. Statement-I:** Investing activities are the acquisition and disposal of long term assets and other investments not included in cash equivalents.

**Statement-II:** Cash payments to acquire fixed assets including intangibles and capitalised research and development results in cash outflow from investing activities.

Choose the correct option from the following:

**(A)** Both the Statements are true.

**(B)** Both the Statements are false.

(C) Only Statement I is true.

(D) Only Statement II is true. 1

31. Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule-III, Part-I of the Companies Act, 2013:

(i) Computer software

(ii) Outstanding salary

(iii) Work in progress 3

32. From the following information of CN Ltd., prepare a common size Statement of Profit and Loss for the years ended 31st March, 2023 and 31st March, 2024 3

| Particulars | 2023-24 (₹) | 2022-23 (₹) |
|---|---|---|
| Revenue from operations | 40,00,000 | 20,00,000 |
| Purchase of stock-in-trade | 8,00,000 | 4,00,000 |
| Other expenses | 4,00,000 | 2,00,000 |
| Tax @50% | | |

33. (a) Calculate opening and closing Trade Payables from the following information:

Total purchases ₹ 15,00,000;

Cash purchases are 25% of credit purchases;

Trade payables turnover ratio is 4 times;

Closing trade payables are two times of opening trade payables. 4

**OR**

(b) From the following information, calculate 'Return on Investment':

| | |
|---|---|
| Shareholders Funds | ₹ 16,00,000 |
| 10% Debentures | ₹ 8,00,000 |
| Current Liabilities | ₹ 2,00,000 |
| Current Assets | ₹ 5,00,000 |
| Non-Current Assets | ₹ 21,00,000 |

Net profit after tax was ₹ 3,00,000 and the tax amounted to ₹ 1,00,000. 4

34. (a) From the following information, calculate Cash Flows from Investing Activities:

| Particulars | 31-3-2024 (₹) | 31-3-2023 (₹) |
|---|---|---|
| Machinery (at cost) | 3,80,000 | 3,00,000 |
| Accumulated Depreciation | 62,000 | 45,000 |

**Additional Information :**

A machine costing ₹ 50,000 on which accumulated depreciation was ₹ 20,000 was sold at a profit of 10%.

(b) From following information, calculate Cash flows from Financing Activities: 6

| Particulars | 31-3-2024 (₹) | 31-3-2023 (₹) |
|---|---|---|
| Equity Share Capital | 12,00,000 | 8,00,000 |
| 11% Debentures | 3,00,000 | 4,00,000 |
| Securities Premium | 1,40,000 | 1,00,000 |

**Additional Information :**

Interest paid on debentures amounted to ₹ 40,000

## Delhi Set-2 67/1/2

***Note:*** *Except these, all other questions have been given in Delhi Set-1*

### PART-A

### (Accounting for Partnership Firms and Companies)

17. Saurabh, Reena and Deepak were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Saurabh died on 31st December, 2024. As per the partnership deed, Saurabh's share of profit or loss till the date of death was to be calculated on the basis of sales. Sales for the year ended 31st March, 2024 amounted to ₹ 10,00,000 and that from 1st April, 2024 to 31st April, 2024 amounted to ₹ 7,50,000.

The profit for the year ending 31st March, 2024 was calculated as ₹ 5,00,000. The books of accounts are closed on 31st March every year. Calculate Saurabh's share in the profit of the firm till the date of his death. Pass necessary journal entry for the same. Show your working clearly. 3

20. The capital of the firm of Sumit and Asha is ₹ 20,00,000 and the market rate of interest is 12%. Salary of each partner is ₹ 20,000 per annum.

The profits of the last three years were ₹ 3,00,000, ₹ 2,60,000 and ₹ 4,00,000 respectively. Goodwill of the firm is to be valued on the basis of four years purchase of last three years average super profits.

Calculate the goodwill of the firm. 3

23. LK Ltd. was registered with an authorised capital of ₹ 15,00,000 divided into 1,50,000 equity shares of ₹ 10 each. The company offered to the public for subscription 1,45,000 equity shares. Applications were received for 1,40,000 equity shares and shares were allotted to all the applicants. All money due was received with the exception of first and final call money of ₹ 1 per share on 4,000 shares allotted to Nupur. Her shares were forfeited.

Answer the following questions:

(i) The amount of 'Calls in Arrears' disclosed in 'Notes to Accounts' will be:

(A) ₹ 1,40,000 (B) ₹ 36,000

(C) ₹ 4,000 (D) Nil

(ii) The number of shares of LK Ltd. after forfeiture will be:

(A) 1,46,000 (B) 1,36,000

(C) 1,41,000 (D) 1,40,000

(iii) In the 'Notes to Accounts', the amount disclosed under 'Share Forfeiture Account' will be:

(A) ₹ 4,000 (B) ₹ 36,000

(C) ₹ 40,000 (D) Nil

**(iv)** In the 'Notes to Accounts', the amount disclosed under 'Issued Capital' will be:

**(A)** ₹ 14,00,000 **(B)** ₹ 14,50,000

**(C)** ₹ 15,00,000 **(D)** ₹ 13,60,000

**(v)** Balance in 'Share Forfeiture Account' will be shown in 'Notes to Accounts' in the Balance Sheet ot LK Ltd. under:

**(A)** Subscribed capital

**(B)** Will not be shown in 'Notes to Accounts'

**(C)** Issued capital

**(D)** Authorised capital

**(vi)** The amount of 'Share Capital' disclosed in the Balance Sheet of MK Ltd will be:

**(A)** ₹ 13,56,000 **(B)** ₹ 13,64,000

**(C)** ₹ 13,96,000 **(D)** ₹ 14,00,000 6

**24.** Pass necessary journal entries for the following transactions on the dissolution of the partnership firm of Mansha and Rajiv after various assets (other than cash) and external liabilities have been transferred to Realisation Account :

**(i)** Mansha's loan of ₹18,000 was settled by giving her an unrecorded furniture of ₹ 20,000.

**(ii)** Machinery of the book value of ₹ 80,000 was sold at a loss of 10%.

**(iii)** A creditor of ₹ 40,000 accepected cash ₹ 21,000 and stock of the book value of 25,000 in full settlement of his claim.

**(iv)** Bank loan of ₹ 1,00,000 was paid along with interest of ₹ 10,000.

**(v)** Investments of the face value of ₹ 52,000 were sold in the open market for ₹ 63,000 for which a commission of ₹ 2,000 was paid to the broker.

**(vi)** Profit and Loss Account balance of ₹ 30,000 appeared on the asset side of the balance sheet. 6

## PART-B

### (Analysis of Financial Statements)

**31.** Classify the following items under major heads and sub-heads (if any) in the balance sheet of the company as per Schedule-III, Part-I of the Companies Act, 2013:

**(i)** Trademarks

**(ii)** Raw materials

**(iii)** Mortgage loan 3

**32.** From the following information of PK Ltd., prepare a common size Statement of Profit and Loss for the years ended 31st March, 2023 and 31st March, 2024:

| Particulars | 2023-24 (₹) | 2022-23 (₹) |
|---|---|---|
| Revenue from operations | 10,00,000 | 5,00,000 |
| Other income | 1,00,000 | 50,000 |
| Expenses | 2,00,000 | 1,00,000 |
| Income Tax @ 50% | | |

3

## Delhi Set-3 67/1/3

*Note: Except these, all other questions have been given in Delhi Set-1 & 2.*

## PART-A

### (Accounting for Partnership Firms and Companies)

**17.** Piyush, Aadi and Sudha were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 3, Aadi died on 1st October, 2024. As per the partnership deep, Aadi's share of profit or loss till the date of death was to be calculated on the basis of sales. Sales for the year ended 31st March, 2024 amounted to ₹ 6,00,000 and that from 1st April to 30th September, 2024 amounted to ₹ 2,00,000. The profit for the year ending 31st March, 2024 was calculated as ₹ 1,50,000. The books of accounts are closed on 31st March every year. Calculate Aadi's share of profits in the firm and pass necessary journal entries for the same. Show your working clearly. 3

**20.** The capital of the firm of Seema and Avi is ₹ 12,00,000 and the market rate of interest is 10%. Salary of each partner is ₹ 10,000 per annum. The profits for the last four years were ₹ 3,00,000, ₹ 4,00,000, ₹ 5,00,000 and ₹ 4,00,000 respectively. Goodwill of the firm is to be valued on the basis of three years purchase of last four years average super profits. Calculate the goodwill of the firm. 3

**23.** MK Ltd. was registered with an authorised capital of ₹ 9,00,000 divided into 90,000 equity shares of ₹ 10 each. The company offered to the public for subscription 80,000 equity shares. Application were received for 78,000 equity shares and shares were allotted to all the applicants. All money due was received with the exception of first and final call money of ₹ 3 per shares on 1,000 shares allotted to Manisha. Her shares were forfeited.

Answer the following questions:

**(i)** The amount of 'Calls in Arrears' disclosed in 'Notes to Accounts' will be:

**(A)** Nil **(B)** ₹ 2,34,000

**(C)** ₹ 7,000 **(D)** ₹ 3,000

**(ii)** The number of shares of MK Ltd. after forfeiture will be:

**(A)** 78,000 **(B)** 89,000

**(C)** 79,000 **(D)** 77,000

**(iii)** In the 'Notes to Accounts', the amount disclosed under 'Share Forfeiture Account' will be:

**(A)** Nil **(B)** ₹ 7,000

**(C)** ₹ 3,000 **(D)** ₹ 10,000

**(iv)** In the 'Notes to Accounts', the amount disclosed under 'Issued Capital' will be:

**(A)** ₹ 9,00,000 **(B)** ₹ 7,80,000

**(C)** ₹ 8,00,000 **(D)** ₹ 7,70,000

**(v)** Balance in 'Share Forfeiture Account' will be shown in 'Notes to Accounts' in the Balance Sheet ot MK Ltd. under:

**(A)** Will not be shown in 'Notes to Accounts'

**(B)** Issued capital

**(C)** Authorised capital

**(D)** Subscribed capital

**(vi)** The amount of 'Share Capital' disclosed in the Balance Sheet of MK Ltd. will be:

**(A)** ₹ 7,80,000 **(B)** ₹ 7,73,000

**(C)** ₹ 7,77,000 **(D)** ₹ 7,87,000 6

**24.** Pass the necessary journal entries for the following transactions on the dissolution of the partnership firm of Sami and Usha after various assets (other than cash) and external liabilities have been transferred to Realisation Account :

**(i)** Creditors of ₹ 18,000 took over all the investments at ₹ 11,000. Remaining amount was paid to them through a cheque.

**(ii)** A debtor whose debt of ₹ 23,000 was written off as bad paid ₹ 15,000 in full settlement.

**(iii)** Usha had given a loan of ₹ 16,000 to the firm. She accepted ₹ 14,000 in full settlement of her loan.

**(iv)** Stock of the book value of ₹ 20,000 was taken over by Sami and Usha in their profit sharing ratio.

**(v)** The firm paid realisation expenses amounting to ₹ 9,000 on behalf of Sami.

**(vi)** The firm had furniture of ₹ 40,000. Usha took over 50% of the furniture at a discount of 10% and the remaining furniture was sold at a profit of 20% on book value. 6

## PART B

### (Analysis of Financial Statements)

**31.** Classify the following items under major heads and sub-heads (if any) in the balance sheet of the company as per Schedule-III, Part-I of the Companies Act, 2013:

**(i)** Calls in advance **(ii)** Licences and Franchise

**(iii)** Prepaid Insurance 3

**32.** From the following information of NK Ltd., prepare a common size Statement of Profit and Loss for the years ended 31st March, 2023 and 31st March, 2024:

| Particulars | 2023-24 (₹) | 2022-23 (₹) |
|---|---|---|
| Revenue from operations | 20,00,000 | 10,00,000 |
| Cost of materials consumed | 5,00,000 | 3,00,000 |
| Employee benefit expenses | 2,00,000 | 1,00,000 |
| Income Tax @ 40% | | |

3

**Outside Delhi Set-1** **67/2/1**

## PART-A

### (Accounting for Partnership Firms and Companies)

**1.** Arun, Bashir and Joseph were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. They admitted Daksh as a new partner who acquired his share entirely from Arun. If Arun sacrificed $\frac{1}{5}^{th}$ from his share to Daksh, Daksh's share in the profits of the firm will be:

**(A)** $\frac{1}{10}$ **(B)** $\frac{1}{5}$

**(C)** $\frac{3}{10}$ **(D)** $\frac{2}{5}$ 1

**2.** Eliza, Fenn and Garry were partners in a firm sharing profits and losses in the ratio of 4:3:1. Fenn was guaranteed ₹ 25,000 as his share in the profits. Any deficiency arising on that account was to be met by Eliza. The firm earned a profit of ₹ 80,000 for the year ended 31st March, 2024. The amount of profit credited to Fenn's capital account will be:

**(A)** ₹ 30,000 **(B)** ₹ 40,000

**(C)** ₹ 25,000 **(D)** ₹ 10,000 1

**3.** Wayne, Shaan and Bryan were partners in a firm. Shaan had advanced a loan of ₹ 1,00,000 to the firm. On 31st March, 2024 the firm was dissolved. After transferring various assets (other than cash & bank) and outside liabilities to Realisation Account, Shaan took over furniture of book value of ₹ 90,000 in part settlement of his loan amount. For the payment of balance amount of Shaan's loan Bank Account will be credited with:

**(A)** ₹ 1,00,000 **(B)** ₹ 90,000

**(C)** ₹ 1,90,000 **(D)** ₹ 10,000 1

**4.** Pulkit and Ravinder were partners in a firm sharing profits and losses in the ratio of 3 : 2 Sikander was admitted as a new partner for $\frac{1}{5}^{th}$ share in the profits of the firm. Pulkit, Ravinder and Sikander decided to share future profits in the ratio of 2 : 2 : 1. Sikander brought ₹ 5,00,000 as his capital and ₹ 10,00,000 as his share of premium for goodwill. The amount of premium for goodwill that will be credited to the old partners's capital accounts will be:

**(A)** Pulkit's Capital Account ₹ 10,00,000

**(B)** Pulkit's Capital Account ₹ 6,00,000 and Ravinder's Capital Account ₹ 40,00,000

**(C)** Pulkit's Capital Account ₹ 5,00,000 and Ravinder's Capital Account ₹ 5,00,000

**(D)** Pulkit's Capital Account ₹ 2,00,000 1

**5.** Kajal and Laura were partners in a firm sharing profits and losses in the ratio of 5 : 3. They admitted Maddy for $\frac{1}{4}^{th}$ share in future profits. Maddy brought ₹ 8,00,000 as his capital and ₹ 4,00,000 as his share of premium for goodwill. Kajal, Laura and Maddy decided to share profits in future in the ratio of 2:1: 1. After all adjustments in respect of goodwill, revaluation of assets and liabilities etc. Kajal's capital was ₹ 15,00,000 and Laura's capital was ₹ 8,00,000. It was agreed that partners' capitals should be in proportion to their new profit sharing ratio taking Maddy's capital as base. The adjustment was made by bringing in or withdrawing the necessary cash as the case may be. The cash brought in by Kajal was:

**(A)** ₹ 1,00,000 **(B)** ₹ 8,00,000
**(C)** ₹ 16,00,000 **(D)** ₹ 12,00,000 **1**

**6.** **Assertion (A):** The maximum number of partners in a partnership firm is 50.

**Reason (R):** By virtue of the Companies Act 2013, the Central Government is empowered to prescribe maximum number of partners in a firm. The Central Government has prescribed the maximum number of partners in a firm to be 50.

Choose the correct option from the following :

**(A)** Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
**(B)** Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
**(C)** Assertion (A) is true, but Reason (R) is false.
**(D)** Both Assertion (A) and Reason (R) are false. **1**

**7.** Nandita and Prabha were partners in a firm. Nandita withdrew ₹ 3,00,000 during the year for personal use. The partnership deed provides for charging interest on drawings @ 10% p.a. Interest on Nandita's drawings for the year ended 31$^{st}$ March, 2024 will be:

**(A)** ₹ 9,000 **(B)** ₹ 30,000
**(C)** ₹ 18,000 **(D)** ₹ 15,000 **1**

**8.** Radhika, Mehar and Shubha were partners in a firm sharing profits and losses in the ratio of 9 : 8 : 7. If Radhika's share of profit at the end of the year amounted to ₹ 5,40,000, Shubha's share of profit will be:

**(A)** ₹ 5,40,000 **(B)** ₹ 4,80,000
**(C)** ₹ 60,000 **(D)** ₹ 4,20,000 **1**

**9.** Suhas and Vilas were partners in a firm with capitals of ₹ 4,00,000 and ₹ 3,00,000 respectively. They admitted Prabhas as new partner for $\frac{1}{5}^{th}$ share in future profits. Prabhas brought ₹ 2,00,000 as his capital. Prabhas' share of goodwill will be:

**(A)** ₹ 1,00,000 **(B)** ₹ 10,00,000
**(C)** ₹ 9,00,000 **(D)** ₹ 20,000 **1**

**10.** Offer of securities or invitation to subscribe securities to a select group of persons by a company (other than by way of public offer) is known as :

**(A)** Sweat equity
**(B)** Incorporation cost
**(C)** Private placement of shares
**(D)** Employee stock option plan **1**

**11.** Ajay Ltd. forfeited 100 shares of ₹ 10 each for non-payment of first call of ₹ 1 per share and second and final call of ₹ 3 per share. The minimum price per share at which these shares can be reissued will be:

**(A)** ₹ 6 **(B)** ₹ 4
**(C)** ₹ 10 **(D)** ₹ 16 **1**

**12.** **(a)** The amount of share capital which a company is authorised to issue by its Memorandum of Association is known as ________.

**(A)** Nominal capital **(B)** Issued capital
**(C)** Reserve capital **(D)** Subscribed capital **1**

**OR**

**(b)** According to Securities and Exchange Board of India (SEBI), guidelines, minimum subscription of capital cannot be less than 90% of ______.

**(A)** Authorised capital **(B)** Issued capital
**(C)** Reserve capital **(D)** Subscribed capital **1**

**13.** **(a)** Debentures on which a company does not give any undertaking for the repayment of money borrowed are called:

**(A)** Bearer Debentures
**(B)** Secured Debentures
**(C)** Perpetual Debentures
**(D)** Registered Debentures **1**

**OR**

**(b)** If the amount of debentures issued is more than the amount of the net assets taken over by a company, the difference will be treated as :

**(A)** Capital Reserve
**(B)** Goodwill
**(C)** Purchase Consideration
**(D)** General Reserve **1**

**14.** **(a)** The following journal entry appears in the books of Latvion Ltd.:

| Date | Particular | Dr. Amount (₹) | Cr. Amount (₹) |
|---|---|---|---|
| | Bank A/c... Dr. | 4,75,000 | |
| | Loss on issue of debentures A/c ... Dr. | 75,000 | |
| | To 12% Debentures A/c | | 5,00,000 |
| | To Premium on Redemption of Debenture A/c | | 50,000 |

The discount on issue of debentures is :

**(A)** 15% **(B)** 5%
**(C)** 10% **(D)** 95% **1**

**OR**

**(b)** Zeba Limited issued 15,000, 9% debentures of ₹ 100 each at 10% discount on 1$^{st}$ April, 2023. It has a balance of ₹ 1,00,000 in Securities Premium Account. The 'Discount on issue of Debentures' of ₹ 1,50,000 will be written off:

**(A)** ₹ 1,00,000 out of Securities Premium Account and ₹ 50,000 out of Statement of Profit and Loss

**(B)** ₹ 50,000 out of Securities Premium Account and ₹ 1,00,000 out of Statement of Profit and Loss

**(C)** ₹ 1,50,000 out of Securities Premium Account

**(D)** ₹ 1,50,000 out of Statement of Profit and Loss **1**

**15. (a)** Anisha, Deepa and Charu were partners sharing profits and losses in the ratio of 5:3:2. On 31st March, 2024, they decided to change their profit-sharing ratio to 2: 3 : 5. Each partner's gain or sacrifice due to change in profit-sharing ratio will be:

**(A)** Anisha's sacrifice $\frac{3}{10}$; Charu's gain $\frac{3}{10}$

**(B)** Anisha's gain $\frac{3}{10}$; Charu's sacrifice $\frac{3}{10}$

**(C)** Anisha's sacrifice $\frac{3}{10}$; Deepa's gain $\frac{3}{10}$

**(D)** Deepa's gain $\frac{3}{10}$; Charu's sacrifice $\frac{3}{10}$ **1**

**OR**

**(b)** Preet and Saral were partners sharing profits and losses in the ratio of 3 : 2. On 31st March, 2024 they decided to change their profit sharing ratio to 1:1. On the date of reconstitution goodwill of the firm was valued at ₹ 1,00,000. The journal entry for treatment of goodwill on account of change in profit-sharing ratio will be:

| | Particular | Dr. Amount (₹) | Cr. Amount (₹) |
|---|---|---|---|
| (A) | Preet's Capital A/c... Dr. | 1,00,000 | |
| | To Saral's Capital A/c | | 1,00,000 |
| (B) | Saral's Capital A/c... Dr. | 1,00,000 | |
| | To Preet's Capital A/c | | 1,00,000 |
| (C) | Preet's Capital A/c... Dr. | 10,000 | |
| | To Saral's Capital A/c | | 10,000 |
| (D) | Saral's Capital A/c... Dr. | 10,000 | |
| | To Preet's Capital A/c | | 10,000 |

**1**

**16. (a)** Ishan, Jatin and Kapil were partners in a firm sharing profits and losses in the ratio of 5:4:1. Jatin retired and his share was taken up by Ishan and Kapil in the ratio 1:1. The new profit-sharing ratio between Ishan and Kapil after Jatin's retirement will be:

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

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

**OR**

**(b)** Sakshi, Kiara and Gunjan were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1 Kiara retired on 1-4-2023. After all adjustments the amount due to Kiara was ₹ 5,00,000. The payment was to be made in two yearly instalments of ₹ 2,50,000 each plus interest @ 10% per annum on the unpaid balance. The amount of first instalment paid on 31-03-2024 will be:

**(A)** ₹ 3,00,000 **(B)** ₹ 2,75,000

**(C)** ₹ 5,50,000 **(D)** ₹ 2,50,000 **1**

**17.** Anubha and Yuvika were partners in a firm sharing profits and losses in the ratio of 3 : 2. From 1st April, 2024. They decided to share future profits and losses in the ratio of 2 : 3. On this date, their balance sheet showed a balance of ₹ 50,000 in General Reserve and a debit balance of ₹ 2,50,000 in Profit and Loss Account. Partners decided to write off Profit and Loss Account but decided not to distribute the General Reserve. Pass the necessary journal entries for the above transactions on the reconstitution of the firm. Show your workings clearly. **3**

**18.** Sunny and Ujjwal were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 1st April, 2024 Timmy was admitted as a new partner for $\frac{1}{5}^{th}$ share in profits which he acquired equally from Sunny and Ujjwal. On the date of Timmy's admission the Balance Sheet of Sunny and Ujjwal showed investments at ₹ 5,00,000 and a balance of ₹ 2,00,000 in Investment Fluctuation Reserve.

Pass necessary journal entries for treatment of Investment fluctuation reserve on the date of Timmy's admission in each of the following cases:

**(i)** Market value of Investments was ₹ 5,00,000

**(ii)** Market value of Investments was ₹ 3,00,000.

**(iii)** Market value of Investments was ₹ 2,00,000. **3**

**19. (a)** Apoorv Ltd. acquired building worth ₹ 15,50,000. Machinery worth ₹ 11,40,000 and Furniture worth ₹ 1,10,000 from Dhruv Ltd. and took over its liabilities of ₹ 2,00,000 for a purchase consideration of ₹ 25,00,000. Apoorv Ltd. paid the purchase consideration by issuing 12% debenture of ₹ 100 each at a premium of 25%.

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

**OR**

**(b)** Ajanta Ltd. purchased machinery worth ₹ 36,00,000 from Sujata Ltd. Ajanta Ltd. paid half the amount to Sujata Ltd. through a bank draft and the balance by issuing 8% debentures of ₹ 100 each at a discount of 10%.

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

**20. (a)** Aakash and Baadal entered into partnership on 1st October, 2023 with the capitals of ₹ 80,00,000 and ₹ 60,00,000 respectively. They decided to share profits and losses equally. Partners were entitled to interest on capital @ 10% per annum as per the provisions of the partnership deed.

Baadal is given a guarantee that his share of profit, after charging interest on capital will not be less than ₹ 7,00,000 per annum.

Any deficiency arising on that account shall be met by Aakash. The profit of the firm for the year ended 31st March, 2024 amounted to ₹ 13,00,000.

Prepare Profit and Loss Appropriation Account for the year ended 31st March, 2024.

**OR**

**(b)** Parul and Rajul were partners in a firm, sharing profits and losses in the ratio of 5 : 3. The balance in their fixed capital accounts on 1st April, 2023 were: Parul ₹ 6,00,000 and Rajul ₹ 8,00,000. The partnership deed provided for allowing interest on capital at 12% per aanum. The net profit of the firm for the year ended 31st March, 2024 was ₹ 1,26,000.

Prepare Profit and Loss Appropriation Account for the year ended 31st March, 2024. Show your working clearly. **3**

**21.** Ridyum Limited issued 5,000, 9% debentures of ₹ 500 each at a premium of 10%. The amount was payable as follows:

On Application– ₹ 200 per debenture

On Allotment– Balance (including premium)

The debentures were fully subscribed and all amounts were duly received. Pass the necessary journal entries for issue of debentures in the books of Ridyum Limited. **4**

**22.** Simar, Tanvi and Umara were partners in a firm sharing profits and losses in the ratio of 5:6:9. On 31st March, 2024 their Balance Sheet was as follows:

**Balance Sheet of Simar, Tanvi and Umara as on 31st March, 2024**

| Liabilities | | Amount (₹) | Assets | Amount (₹) |
|---|---|---|---|---|
| Capitals : | | | Fixed Assets | 25,00,000 |
| Simar | 13,00,000 | | Stock | 10,00,000 |
| Tanvi | 12,00,000 | | Debtors | 8,00,000 |
| Umara | 14,00,000 | 39,00,000 | Cash | 7,00,000 |
| General Reserve | | 7,00,000 | Profit and Loss Account | |
| Trade Payables | | 6,00,000 | (2023-24) | 2,00,000 |
| | | **52,00,000** | | **52,00,000** |

Umara died on 30th June, 2024. The partnership deed provided for the following on the death of a partner :

**(i)** Goodwill of the firm be valued at 3 years purchase of average profits for the last 5 years. The profit/loss for the previous four years were:

2022-23 : ₹ 3,10,000 (loss) 2021-22 : ₹ 3,00,000 (profit)

2020-21 : ₹ 4,00,000 (profit) 2019-20 : ₹ 2,50,000 (profit)

**(ii)** Umara's share of profit or loss till the date of her death was to be calculated on the basis of profit or loss for the year ended 31st March 2024.

**(A)** Calculate Goodwill of the firm.

**(B)** Pass the necessary journal entry for the treatment of goodwill on Umara's death.

**(C)** Calculate Umara's share in the profit or loss of the firm till the date of her death.

**(D)** Pass the necessary journal entry to record Umara's share of profit or loss till the date of her death. **4**

**23.** Pass necessary journal entries for the following transactions on dissolution of the firm of Rajesh, Somesh and Yogesh after various assets (other than cash) and third party liabilities have been transferred to Realisation Account:

**(i)** Rajesh took over stock of ₹ 4,00,000 at a discount of 20%.

**(ii)** Somesh agreed to take over the firm's furniture, not recorded in the books of the firm at ₹ 80,000.

**(iii)** Land and Building of the book value of ₹ 60,00,000 was sold for ₹ 90,00,000 through a broker who charged 10% commission.

**(iv)** Ashish, an old customer, whose account for ₹ 70,000 was written off as bad in the previous year, paid 60% of the amount.

**(v)** Sundry Creditors of ₹ 3,00,000 were settled at a discount of 10%.

**(vi)** Realisation expenses amounting to ₹ 21,000 were paid by Yogesh. **6**

**24.** Following is the extract of the Balance Sheet of Vikalp Ltd. as per Schedule-III, Part-I of Companies Act as at 31st March, 2024 along with Note to accounts:

**Vikalp Ltd.**

**Balance Sheet as at 31st March, 2024**

| Particular | Note No. | 31-03-2024 (₹) | 31-03-2023 (₹) |
|---|---|---|---|
| I. Equity and Liabilities | | | |
| (1) Shareholders Funds | | | |
| (a) Share capital | 1 | 59,60,000 | 50,00,000 |

'Notes to accounts' as at 31st March, 2023 :

| Note No. | Particulars | 31-03-2023 (₹) |
|---|---|---|
| 1. | Share Capital:<br>Authorised capital<br>9,00,000 equity share of ₹ 10 each | 90,00,000 |
| | Issued capital:<br>5,00,000 equity share of ₹ 10 each | 50,00,000 |
| | Subscribed capital:<br>Subscribed and fully paid up<br>5,00,000 equity shares of ₹ 10 each<br>Subscribed but not fully paid up | 50,00,000<br>Nil |
| | | 50,00,000 |

'Notes to accounts' as at 31st March, 2024:

| Note No. | Particulars | 31.3.2024 (₹) |
|---|---|---|
| 1. | Share Capital :<br>Authorised capital<br>9,00,000 equity shares of ₹ 10 each | 90,00,000 |
| | Issued capital:<br>6,00,000 equity shares of ₹ 10 each | 60,00,000 |
| | Subscribe capital<br>Subscribed and fully paid up<br>5,80,000 equity shares of ₹ 10 each,<br>Subscribed but not fully paid up<br>20,000 equity shares of ₹ 10 each,<br>fully called up 2,00,000<br>**Less:** calls in arrears<br>20,000 equity shares @<br>₹ 2 per share 40,000 | 58,00,000<br><br><br><br><br><br>1,60,000 |
| | | **59,60,000** |

Answer the following questions:

**(i)** The total face value of equity shares issued during the year 2023-2024 was:

**(A)** ₹ 10,00,000 **(B)** ₹ 9,80,000

**(C)** ₹ 4,20,000 **(D)** ₹ 11,00,000

**(ii)** The number of shares on which the called up amount was not received were:

**(A)** 1,00,000 **(B)** 80,000

**(C)** 3,00,000 **(D)** 20,000

**(iii)** On 1st April, 2024 Vikalp Limited forfeited all the shares on which the called up amount was not received. On forfeiture, 'Share Capital Account' will be debited by:

**(A)** ₹ 1,60,000 **(B)** ₹ 40,000

**(C)** ₹ 2,00,000 **(D)** ₹ 2,40,000

**(iv)** On forfeiture, 'Share Forfeiture Account' will be credited with:

**(A)** ₹ 1,60,000 **(B)** ₹ 40,000

**(C)** ₹ 2,00,000 **(D)** ₹ 2,40,000

**(v)** If all the forfeited shares are reissued at ₹ 8 per share fully paid up, the amount credited to 'Capital Reserve A/c' will be:

**(A)** ₹ 40,000 **(B)** ₹ 1,60,000

**(C)** ₹ 2,00,000 **(D)** ₹ 1,20,000

**(vi)** If the forfeited shares are reissued at the minimum permissible price, the amount credited to 'Capital Reserve Account' will be:

**(A)** ₹ 2,00,000 **(B)** ₹ 1,60,000

**(C)** ₹ 40,000 **(D)** NIL 6

**25. (a)** Alexia Limited invited applications for issuing 1,00,000 equity shares of ₹ 10 each at premium of ₹ 10 per share.

The amount was payable as follows:

On application ₹ 9 per share (Including premium ₹ 6 per share)

On allotment ₹ 8 per share (Including premium ₹ 4 per shares)

On first and final call ₹ 3 per share.

Applications were received for 1,50,000 equity shares and allotment was made to the applicants as follows:

**Category A:** Applicants for 90,000 shares were allotted 70,000 shares.

**Category B:** Applicants for 60,000 shares were allotted 30,000 shares.

Excess money received on application was adjusted towards allotment and first and final call.

Shekhar, who had applied for 1,200 shares failed to pay the first and final call. Shekhar belonged to category B.

Pass necessary journal entries for the above transactions in the books of Alexia Limited. Open calls in arrears and calls in advance account, wherever necessary. 6

**OR**

**(b)** Pass the necessary journal entries for forfeiture and reissue of shares in the following cases:

**(i)** Premier Ltd. forfeited 600 shares of ₹ 10 each issued at a premium of ₹ 3 per share (payable with allotment) for non-payment of allotment money of ₹ 7 per share including premium. The first and final call of ₹ 3 per share was not yet made. The forfeited shares were reissued at ₹ 13 per share fully paid up.

**(ii)** Risha Ltd. forfeited 1000 shares of ₹ 10 each, ₹ 8 per share called up issued at a premium of ₹ 2 per share to Atul, for non-payment of allotment money of ₹ 6 per share (including premium). Out of these, 800 shares were reissued at ₹ 7 per share, ₹ 8 paid up. 6

**26. (a)** Bittu and Chintu were partners in a firm sharing profit and losses in the ratio of 4 :3. Their Balance Sheet as at 31st March, 2024 was as follows:

**Balance Sheet of Bittu and Chintu as at 31st March, 2024**

| Liabilities | | Amount (₹) | Assets | Amount (₹) |
|---|---|---|---|---|
| Capitals: | | | Fixed Assets | 15,40,000 |
| Bittu | 8,00,000 | | Stock | 3,50,000 |
| Chintu | 6,00,000 | 14,00,000 | Debtors | 1,40,000 |
| General Reserve | | 2,10,000 | Bank | 70,000 |
| Creditors | | 4,90,000 | | |
| | | **21,00,000** | | **21,00,000** |

On 1st April, 2024, Diya was admitted in the firm for $\frac{1}{7}^{th}$ share in the profits on the following terms:

**(i)** New profit sharing ratio between Bittu, Chintu and Diya will be 3 : 3 : 1.

**(ii)** Fixed Assets were found to be overvalued by ₹ 1,40,000.

**(iii)** Creditors were paid ₹ 4,20,000 in full settlement.

**(iv)** Diya brought proportionate capital and ₹ 5,60,000 as her share of goodwill premium by cheque. **6**

Prepare Revaluation Account and Partners' Capital Accounts.

**OR**

**(b)** Rupal, Shanu and Trisha were partners in a firm sharing profits and losses in the ratio of 4: 3:1. Their Balance Sheet as at 31st March, 2024 was as follows:

**Balance Sheet of Rupal, Shanu and Trisha as at 31st March, 2024**

| Liabilities | | Amount (₹) | Assets | Amount (₹) |
|---|---|---|---|---|
| Capitals: | | | Fixed Assets | 82,00,000 |
| Rupal | 8,00,000 | | Stock | 2,80,000 |
| Shanu | 6,00,000 | | Debtors | 5,00,000 |
| Trisha | 2,00,000 | 16,00,000 | Cash | 7,20,000 |
| General Reserve | | 3,20,000 | | |
| Creditors | | 4,00,000 | | |
| | | **23,20,000** | | **23,20,000** |

Trisha retired from the firm on 1st April, 2024 on the following terms:

**(i)** Trisha's share of profit was entirely taken by Shanu.

**(ii)** Fixed assets were found to be undervalued by ₹ 2,40,000.

**(iii)** Stock was revalued at ₹ 2,00,000.

**(iv)** Goodwill of the firm was valued at ₹ 8,00,000 on Trisha's retirement.

**(v)** The total capital of the new firm was fixed at ₹ 16,00,000 which was adjusted according to the new profit sharing ratio of the partners. For this necessary cash was paid off or brought in by the partners as the case may be.

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

**PART-B**

**OPTION-I**

**(Analysis of Financial Statements)**

**27.** The Quick Ratio of a company is 1 : 1. Which of the following transactions will result in increases in Quick Ratio?

**(A)** Cash received from debtors
**(B)** Sold goods on credit
**(C)** Purchased goods on credit
**(D)** Purchased goods on cash **1**

**28. Statement-I:** Snow Limited earned a profit of ₹ 2,00,000 after charging depreciation of ₹ 50,000 on machinery. So, operating profit before working capital Changes would be ₹ 2,50,000

**Statement-II:** Depreciation is added back to net profit as it does not result in any cash flow.

Choose the correct option from the following:

**(A)** Only Statement-I is true.
**(B)** Only Statement-II is true.
**(C)** Both the Statements are false.
**(D)** Both the Statements are true. **1**

**29. (a)** _________ is not a tool of 'Analysis of Financial Statements'.

**(A)** Income Statement
**(B)** Ratio Analysis
**(C)** Comparative Statements
**(D)** Cash Flow Statement **1**

**OR**

**(b)** In 'Common size income statement' each item is expressed as a percentage of _________.

**(A)** Total Income
**(B)** Total Expenses
**(C)** Profit After Tax
**(D)** Revenue from Operations **1**

**30. (a)** Short-term highly liquid investments qualify as cash equivalents if they are realisable into known amounts of cash from the date of acquisition within a period of:

**(A)** 6 months or less **(B)** 9 months or less

**(C)** 12 months or less **(D)** 3 months or less **1**

**OR**

**(b)** Which of the following item is not included in cash and cash equivalents?

**(A)** Trade Receivables

**(B)** Demand deposits with bank

**(C)** Short-term marketable securities

**(D)** Cheques in hand **1**

**31.** Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of a company as per Schedule-III, Part-I of the Companies Act, 2013:

**(i)** Work in progress

**(ii)** Securities premium

**(iii)** Creditors **3**

**32.** From the following information prepare a Comparative Statement of Profit and Loss of Smart Ltd.

| Particulars | 2023-24 (₹) | 2022-23 (₹) |
|---|---|---|
| Revenue from operations | 24,00,000 | 20,00,000 |
| Cost of materials consumed | 6,00,000 | 4,00,000 |
| Employee benefit expenses | 4,00,000 | 2,00,000 |
| Tax Rate 50% | | |

**3**

**33. (a)** From the following information, calculate Opening Trade Receivables and Closing Trade Receivables :

Trade Receivables Turnover Ratio –4 times

**Closing** Trade Receivables were ₹ 20,000 more than that in the beginning.

Cost of Revenue from operations– ₹ 6,40,000

Cash Revenue from operations– $\frac{1}{3}^{rd}$ of Credit Revenue from Operations

Gross Profit Ratio: 20% **4**

**OR**

**(b)** From the following information, calculate opening and closing inventory:

Gross Profit Ratio – 25%

Revenue from operations – ₹ 8,00,000

Inventory turnover ratio – 4 times **4**

Opening inventory was 2 times of the closing inventory.

**34.** On 31st March, 2024 following is the Balance Sheet of Bhavik Limited:

Bhavi K Ltd. Balance sheet as at 31st March, 2024:

| Particulars | Note No. | 31-03-2024 (₹) | 31-03-2023 (₹) |
|---|---|---|---|
| **I. Equity and Liabilities:** | | | |
| 1 Shareholders funds | | | |
| (a) Share Capital | | | |
| (b) Reserves and Surplus | 1 | 12,00,000 | 10,00,000 |
| 2 Non-current liabilites | | 4,00,000 | 3,00,000 |
| Long-term borrowings | 2 | 6,00,000 | 10,00,000 |
| 3 Current Liabilities | | | |
| (a) Trade Payables | | | |
| (b) Short-term provisions | | | |
| | 3 | 5,00,000 | 1,00,000 |
| | | 3,00,000 | 4,00,000 |
| **Total** | | **30,00,000** | **28,00,000** |
| **II. Assets:** | | | |
| 1. Non-current Assets | | | |
| (a) Property, Plant and Equipment and Intangible Assets | | | |
| Property plant and equipment | 4 | 19,00,000 | 15,00,000 |
| (b) Non-current Investments | | 3,00,000 | 4,00,000 |
| 2. Current Assets | | | |
| (a) Inventories | | 4,50,000 | 3,50,000 |
| (b) Trade Receivables | | 2,50,000 | 4,50,000 |
| (c) Cash and Cash Equivalents | | 1,00,000 | 1,00,000 |
| **Total** | | **30,00,000** | **28,00,000** |

**Note to Accounts:**

| Note No. | Particulars | 31-03-2024 (₹) | 31-03-2023 (₹) |
|---|---|---|---|
| 1. | Reserve and Surplus i.e. Balance in Statement of Profit and Loss | 4,00,000 | 3,00,000 |
| 2. | Long-term borrowings<br>10% Debentures | 6,00,000 | 10,00,000 |
| 3. | Short-term provisions<br>Provision for tax | 3,00,000 | 4,00,000 |
| 4. | Property plant and equipment<br>Plant and Machinery<br>**Less:** Accumulated Depreciation | 21,50,000<br><br>2,50,000 | 16,00,000<br><br>1,00,000 |
| | | 19,00,000 | 15,00,000 |

**Additional Information:**

**(i)** During the year a piece of machinery costing ₹ 8,00,000 accumulated depreciation thereon ₹ 50,000 was sold for ₹ 6,50,000

**(ii)** Debentures were redeemed on 31-03-2024.

**Calcutate:**

**(a)** Cash flows from Investing Activities

**(b)** Cash flows from Financing Activities **6**

## Outside Delhi Set-2 67/2/2

***Note:*** *Except these, all other questions have been given in Outside Delhi Set-1*

### PART-A

### (Accounting for Partnership Firms and Companies)

**1.** Aman, Boman and Chetan were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Dinesh was admitted as a new partner who acquired his share entirely from Aman. Aman surrendered $\frac{1}{5}^{th}$ of his share in the profits to Dinesh. Dinesh was admitted for which of the following share in the profits of the firm?

**(A)** $\frac{1}{10}$ **(B)** $\frac{2}{10}$

**(C)** $\frac{3}{10}$ **(D)** $\frac{4}{10}$ **1**

**2.** Emily, Farida and Gauri were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 1. Farida was guaranteed ₹ 35,000 as her share in the profits in the firm. Any deficiency arising on that account was to be met by Emily. The firm earned a profit of ₹ 80,000 for the year ended 31$^{st}$ March 2024. The profit credited to Farida's capital account was:

**(A)** ₹ 30,000 **(B)** ₹ 35,000

**(C)** ₹ 25,000 **(D)** ₹ 5,000 **1**

**17.** Bhawana and Vedika were partners in a firm sharing profits and losses in the ratio of 5 : 4. From 1$^{st}$ April, 2024 they decided to share future profits and losses in the ratio of 4 : 5. On this date, their balance sheet showed a debit balance of ₹ 1,80,000 in Profit and Loss Account and a balance of ₹ 6,30,000 in General Reserve. Partners decided to write off debit balance in Profit and Loss Account but decided not to distribute the General Reserve.

Pass necessary journal entries for the above transactions on the reconstitution of the firm. Show your workings clearly. **3**

**18.** Rocky and Vicky were partners in a firm sharing profits and losses in the ratio of 4 : 3 . On 1$^{st}$ April, 2024 Shivay was admitted as a new partner for $\frac{2}{7}^{th}$ share in profits which he acquired equally from Rocky and Vicky. On the date of Shivay's admission, the Balance Sheet of Rocky and Vicky showed Workmen Compensation Reserve of ₹ 7,00,000.

Pass necessary journal entries for treatment of workmen compensation reserve on the date of Shivay's admission in each of the following cases:

**(i)** Claim on account of workmen compensation amounted to ₹ 5,60,000.

**(ii)** Claim on account of workmen compensation amounted to ₹ 7,00,000.

**(iii)** Claim on account of workmen compensation amounted to ₹ 7,20,000.

**21.** Sargam Limited issued 2,000, 9% debentures of ₹ 500 each at a premium of 10%. The amount was payable as follows:

On Application– ₹ 200 per debenture

On Allotment– Balance (including premium)

The debentures were fully subscribed and all amounts were duly received.

Pass the necessary journal entries for issue of debentures in the books of Sargam Limited. **4**

**23.** Pass necessary journal entries for the following transactions on dissolution of the firm of Sachin, Virat and Rohit after various assets (other then cash) and third party liabilities have been transferred to Realisation Account:

(i) Sachin took over stock of book value of ₹ 80,000 at a discount of 10%.

(ii) Virat agreed to take over the firm's creditors of the book value of ₹ 70,000 at a valuation of ₹ 65,000.

(iii) Rohit took over his wife's loan of ₹ 3,00,000.

(iv) There was an old typewriter which had been written off completely from the books. It realised ₹ 10,000.

(v) Land and Building of the book value of ₹ 50,00,000 was sold for ₹ 70,00,000 through a broker who charged 5% commission on the deal.

(vi) Loss on realisation ₹ 30,000 was to be distributed between Sachin, Viral and Rohit equally. **6**

**PART-B**

**(Analysis of Financial Statements)**

**31.** Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule-III, Part-I of the Companies Act, 2013:

(i) Bills payable

(ii) Loose Tools

(iii) Copyrights **3**

32. From the following information, prepare a Comparative Statement of Profit and Loss for the year ended 31st March, 2024:

| Particulars | 2023-24 (₹) | 2022-23 (₹) |
|---|---|---|
| Revenue from operations | 8,00,000 | 4,00,000 |
| Cost of revenue from operations | 4,00,000 | 2,00,000 |
| Employee benefit expenses | 1,60,000 | 80,000 |
| Tax Rate 50% | | |

**3**

## Outside Delhi Set-3 67/2/3

***Note:*** *Except these, all other questions have been given in Outside Delhi Set-1 & Set-2.*

**PART-A**

**(Accounting for Partnership Firms and Companies)**

**1.** Akhil, Bajrang and chinmay were partners in a firm sharing profit and losses in the ratio of 5 : 3 : 2. Dilawar was admitted as a new partner in the firm. Dilawar acquired his $\frac{1^{th}}{10}$ share from Akhil and $\frac{2^{th}}{10}$ from Bajrang.

Dilwar was admitted for which of the following share in the profits of the firm?

(A) $\frac{1}{10}$ (B) $\frac{2}{10}$

(C) $\frac{3}{10}$ (D) $\frac{4}{10}$ **1**

**2.** Ekta, Faguni and Garima were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 1. Faguni was guaranteed ₹ 25,000 as her share of profit in the firm. Any deficiency arsing on that account was to be met by Ekta. The firm earned a profit of ₹ 90,000 for the year ended 31st March, 2024.

The profit credited to Faguni's capital account was:

(A) ₹ 30,000 (B) ₹ 40,000

(C) ₹ 25,000 (D) ₹ 10,000 **1**

**17.** Rambha and Urvashi were partners in a firm sharing profit and losses in the ratio of 13 : 12. From 1st April, 2024, they decided to share future profits and losses in the ratio of 12 : 13. On this date, their balance sheet showed a debit balance of ₹ 2,50,000 in Advertising Suspense Account and a balance of ₹ 5,00,000 in Contingency Reserve. Partners decide to write off the balance of the Advertising Suspense Account but decided not to distribute Contingency Reserve.

Pass necessary journal entries for the above transactions on the reconstitution of the firm. Show your working clearly. **3**

**18.** Luv and Kush were partners in a firm sharing profits and losses in the ratio of 5 : 4 On 1st April, 2024 Rishi was admitted as a new partners for $\frac{2^{th}}{9}$ share in profits which he acquired equally from Luv and Kush. On the date of Rishi's admission, the Balance Sheet of Luv and Kush showed debtors of ₹ 9,00,000 and provision for bad and doubtful debts of ₹ 90,000. Pass necessary journal entries for treatment of provision for bad and doubtful debts on the date of Rishi's admission in each of the following cases:

(i) Bad debts amounted to ₹ 60,000

(ii) Bad debts amounted to ₹ 90,000

(iii) Bad debts amounted to ₹ 1,00,000 **3**

**21.** Swar Sangam Limited issued 3,000, 9% debentures of ₹ 500 each at a premium of 10%. The amount was payable as follows:

On Application-₹ 200 per debenture

On Allotment-Balance (including premium)

The debentures were fully subscribed and all amounts were duly received. Pass the necessary journal entries for issue of debentures in the books of Swar Sangam Limited. **4**

**23.** Pass necessary journal entries for the following transactions on dissolution of the partnership firm of Preeti, Varsha and Kamala after various assets (other than each) and third party liabilities have been transferred to Realisation Account:

(i) Preeti took over debtors of book value of ₹ 90,000 at a discount of 20%

**(ii)** Kamala took over her husband's loan of ₹ 4,00,000

**(iii)** There were 100 shares of ₹ 10 each in Star Ltd. acquired at a cost of ₹ 2,00,000 which had been written had been off completely from the books. These shares were valued at ₹ 2,400 each and divided among the partners in their profit sharing ratio.

**(iv)** Sundry creditors amounting to ₹ 5,00,000 were settled at a discount of 10%

**(v)** Land and Building of the book value of ₹ 40,00,000 was sold for ₹ 60,00,000 through a broker who charged 5% commission.

**(vi)** Varsha paid the dissolution expenses of ₹ 45,000 on behalf of the firm. **6**

## PART-B

## (Analysis of Financial Statements)

**31.** Classify the following items under major heads and sub-heads (if any) in the balance Sheet of the company as per Schedules-III, Part-I of the Companies Act, 2013:

**(i)** Outstanding Salaries

**(ii)** Trademarks

**(iii)** Loose tools **3**

**32.** From the following information prepare a Comparative Statement of Profit and Loss for the year ended 31st March, 2024:

| Particulars | 2023-24 (₹) | 2022-23 (₹) |
|---|---|---|
| Revenue from operations | 20,00,000 | 10,00,000 |
| Cost of revenue from operations | 2,00,000 | 1,00,000 |
| Other Expenses | 4,00,000 | 2,00,000 |
| Tax Rate 50% | | |

**3**

■■

# ANSWERS

## Delhi Set-1

**1. Option (A) is correct.**

*Explanation:* Calculation of Interest on Tara's Capital for the Year Ended 31$^{st}$ March, 2024

**Given Data:**

- Tara's Initial Capital = ₹ 4,00,000
- Withdrawal on 1st October 2023 = ₹ 1,00,000
- Interest Rate = 8% per annum
- Financial Year = 1$^{st}$ April 2023 to 31$^{st}$ March] 2024

**Step 1:** Interest for the First 6 Months (April 1 – September 30, 2023)

Before withdrawal, Tara's capital = ₹ 4,00,000

Interest = $4,00,000 \times 8100 \times \frac{6}{12} = 16,000$

**Step 2:** Interest for the Next 6 Months (October 1, 2023 – March 31, 2024)

After withdrawal, new capital = ₹ 3,00,000

Interest = $3,00,000 \times 8100 \times \frac{6}{12} = 12,000$

**Step 3:** Total Interest on Tara's Capital

Total Interest = 16,000 + 12,000 = ₹ 28,000

**2. Option (A) is correct.**

*Explanation:*

- In a **partnership**, every partner is both a **principal** and an **agent** for the firm. This means a partner can **bind the firm** by their actions and is also **bound by the actions** of other partners. This concept is called **mutual agency**.
- **Assertion (A)** is correct because it correctly states this principle.
- **Reason (R) is also correct** because it explains the concept of mutual agency.
- Since the **Reason (R) correctly explains the Assertion (A).**

**3. Option (D) is correct.**

*Explanation:*

**Given Data:**

- Shares offered for subscription = 90,000
- Face value per share = ₹ 10
- Premium = 10% of ₹ 10 = ₹ 1
- Total issue price per share = ₹ 10 + ₹ 1 = ₹ 11
- Total applications received = 1,00,000 shares
- Entire amount payable on application

**Calculation of Amount Received on Application:**

Since the entire amount (₹ 11 per share) was payable on application, the total amount received is:

Total shares applied × Issue price per share

= 1,00,000×11 = ₹ 11,00,000

**OR**

**Option (B) is correct.**

*Explanations:*

- Debentures issued = 30,000
- Face value per debenture = ₹ 100
- Discount on issue (10%) = ₹ 10 per debenture
- Loss on issue of debentures = ₹ 4,50,000

**Step 1:** Calculate the Total Discount on the Issue 30,000 × 10

= ₹ 3,00,000

**Step 2:** Calculate Premium on Redemption

Loss on Issue – Discount on Issue

= 4,50,000 – 3,00,000

= ₹ 1,50,000

**4. Option (A) is correct.**

| Particulars | Debit (₹) | Credit (₹) |
|---|---|---|
| Lalit's Capital A/c | 40,000 | |
| To Kartik's Capital A/c | | 40,000 |

*Explanations:*

- Old Ratio = 4 : 3 : 2, New Ratio = 2 : 3 : 4
- Kartik sacrifices $\frac{4}{9} - \frac{2}{9} = \frac{2}{9}$
- Lalit gains $\frac{2}{9} - \frac{4}{9} = -\frac{2}{9}$
- Compensation for Goodwill = ₹ 1,80,000 × $\frac{2}{9}$

  = ₹ 40,000
- Lalit (gainer) compensates Kartik (sacrificer) ₹ 40,000.

**OR**

**Option (C) is correct.**

| Particulars | | Debit (₹) | Credit (₹) |
|---|---|---|---|
| Nidhi's Capital A/c | Dr. | 2,00,000 | |
| Pranav's Capital A/c | Dr. | 1,60,000 | |
| Ishu's Capital A/c | Dr. | 40,000 | |
| To Profit and loss A/c | | | 4,00,000 |

*Explanations:*

- The debit balance in the Profit & Loss Account represents accumulated losses, which should be distributed among partners in their old profit-sharing ratio (5 : 4 : 1).
- Loss distribution:
- Nidhi's share = ₹ 4,00,000 × $\frac{5}{10}$ = ₹ 2,00,000
- Pranav's share = ₹ 4,00,000 × $\frac{4}{10}$ = ₹ 1,60,000

- Ishu's share = ₹ 4,00,000 × $\frac{1}{10}$ = ₹ 40,000
- The partners' capital accounts are debited, and Profit & Loss A/c is credited to transfer the loss.

**5. Option (B) is correct.**

*Explanation:* The total Capital of the firm is

$$= 4,00,000 \times \frac{4}{1} = 16,00,000$$

The capital of Moksh, Pran and Tushar is 5,00,000 + 3,00,000+ 4,00,000 = 12,00,000

The amount of goodwill of the firm is 16,00,000 – 12,00,000 = ₹ 4,00,000

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

*Explanations:* • When shareholders pay in advance before the amount is called up by the company, it is not yet due but is still received.

- This advance amount is recorded under "Calls in Advance Account" as a liability because the company owes this money to shareholders until it is officially called.

Hence, the correct accounting treatment is to credit the Calls in Advance Account when the money is received.

**7. Option (C) is correct.**

*Explanations:* • Registered Debentures are those where the company maintains a register containing the names, addresses, and details of debenture holders.

- These debentures cannot be transferred without proper documentation and approval.
- Unlike Bearer Debentures, which can be transferred by mere delivery, Registered Debentures require a formal transfer process.

**OR**

**Option (A) is correct.**

*Explanations:* • Called-up Capital is the amount that the company has asked (called) from shareholders.

- Paid-up Capital is the portion of called-up capital that has been received from shareholders.
- Uncalled Capital is the part of subscribed capital that has not yet been called by the company.
- Reserve Capital is the portion of unissued capital reserved for future use in special cases like liquidation.

**8. Option (A) is correct.**

*Explanations:*

- Old Ratio (Misha : Sarita : Isha) = 3 : 2 : 1
- New Ratio (Equal) = 1 : 1 : 1 (or $\frac{2}{6}$ each)
- Sacrifice/Gain = Old Share – New Share
- Misha's sacrifice = $\frac{3}{6} - \frac{2}{6} = \frac{1}{6}$
- Isha's gain = $\frac{2}{6} - \frac{1}{6} = \frac{1}{6}$
- Sarita has no change.

**OR**

**Option (B) is correct.**

*Explanations:*

- Old Ratio (Sia: Tisha: Aryan) = 4:7:1
- On Tisha's death, her $\frac{7}{12}$ share is distributed between Sia and Aryan in their existing ratio (4 : 1).
- New Gaining Ratio = Old Ratio of Remaining Partners (Sia : Aryan) = 4 : 1.

**9. Option (C) is correct.**

*Explanations:* • Anuj withdrew ₹ 20,000 at the beginning of every alternate month (April, June, August, October, December, and February).

- Total Drawings = ₹ 20,000 × 6 = ₹ 1,20,000
- Average Period (for beginning of every alternate month) = 6.5 months
- Interest on Drawings Formula:

Total Drawings × Rate × $\frac{\text{Average}}{12}$

$$= 1,20,000 \times 6\% \times \frac{6.5}{12}$$

= ₹ 4,200

**10. Option (D) is correct.**

*Explanation:*

- Old Ratio (Vishesh: Manik: Amit) = 5:4:1
- Amit's share = 1/10 (since total ratio sum = 5 + 4 + 1 = 10
- Vishesh and Manik acquire Amit's share in 2:3 ratio:
- Vishesh's new share = $\frac{5}{10} + \left(\frac{1}{10} \times \frac{2}{5}\right)$

$$= \frac{5}{10} + \frac{2}{10} = \frac{7}{10}$$

- Manik's new share = $\frac{4}{10} + \left(\frac{1}{10} \times \frac{3}{5}\right)$

$$= \frac{4}{10} + \frac{3}{10} = \frac{7}{10}$$

- New Ratio (Vishesh: Manik) = 27:23 (by converting fractions to the simplest whole-number ratio).

**OR**

**Option (B) is correct.**

*Explanation:*

1. Old Ratio (Varsha: Aryan: Nimit) = 2:2:1
2. Varsha's Share = $\frac{2}{5}$
3. Varsha surrendered $\frac{1}{3}$ rd of her share to Aryan:

$$\frac{2}{5} \times \frac{1}{3} = \frac{\frac{2}{15}\left(\frac{2}{5}\right)}{\frac{1}{3}}$$

$$= \frac{2}{15}\left(\frac{2}{5}\right) \times \frac{1}{3} = \frac{2}{15}$$

4. Remaining $\frac{2}{3}$ rd of her share given to Nimit:

$$\frac{2}{5}\times\frac{2}{3} = \frac{\frac{4}{15}\left(\frac{2}{5}\right)}{\frac{2}{3}}$$

$$= \frac{4}{15}\left(\frac{2}{5}\right)\times\frac{2}{3} = \frac{4}{15}$$

**5. New Shares:**

- Aryan's new share $= \frac{2}{5}+\frac{2}{15} = \frac{6}{15}+\frac{2}{15} = \frac{8}{15}$
- Nimit's new share $= \frac{1}{5}+\frac{4}{15} = \frac{3}{15}+\frac{4}{15} = \frac{7}{15}$

Thus, the new profit-sharing ratio between Aryan and Nimit = 8 : 7.

**11. Option (C) is correct.**

*Explanation:*

- When partners' capitals are fixed, all adjustments (like drawings, interest on drawings, salary, and share of profit/loss) are recorded in the Partner's Current Account instead of the Capital Account.
- Drawings reduce the partner's balance, so they are recorded on the debit side of the Partner's Current Account.

**12. Option (A) is correct.**

*Explanation:*

- Forfeited Shares: 4,000 shares of ₹ 10 each.
- Amount Unpaid (Second & Final Call): ₹ 2 per share.
- Amount Already Received (Application + Allotment + First Call):

  10 − 2 = ₹ 8 per share
- Forfeited Amount (Total):

  4,000 × 8 = ₹ 32,000
- Minimum Reissue Price: As per company law, shares can be reissued at a discount up to the forfeited amount (i.e., ₹ 8 per share).
- Thus, Minimum Reissue Price per Share:

  10 − 8 = ₹ 210 – 8 = ₹ 210 − 8 = ₹ 2
- Total Minimum Reissue Amount:

  4,000 × 2 = ₹ 8,000

**13. Option (B) is correct.**

*Explanation:* Interest on debentures is always calculated on the face value, not the issue price.

- Face Value of Debentures = 20,000 × ₹ 100

  = ₹ 20,00,000
- Interest Rate = 13% per annum
- Interest for the Year = 13% of ₹ 20,00,000

$$= \frac{13}{100} \times 20,00,000$$

= ₹ 2,60,000

Thus, the total interest for the year ending 31st March 2024 is ₹ 2,60,000.

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

*Explanation:*

- Total debtors in the books = ₹ 60,000
- Out of this, ₹ 8,000 became bad and could not be recovered.
- The remaining debtors fully paid their dues.

  Amount Realized = 60,000 − 8,000

  = 52,000

Thus, the total amount realized from debtors is ₹ 52,000.

**15. Option (A) is correct.**

*Explanation:*

**1. Given capital balances after adjustments:**

- Ashmit = ₹ 2,00,000
- Veena = ₹ 1,80,000 (to be paid)
- Rohan = ₹ 1,20,000
- Total capital before retirement = ₹ 5,00,000

**2. New Profit-Sharing Ratio (After Veena's Retirement):**

- Old ratio = 3:2:1
- After Veena retires, Ashmit and Rohan's new ratio = 3 : 1

**3. Determine the Total Capital of the New Firm**

- After paying Veena ₹ 1,80,000, the remaining capital = ₹ 3,20,000
- But since Ashmit and Rohan are required to maintain their capitals in the ratio 3:1, let the total new capital be ₹ 5,00,000 (same as before).

**4. New Capital of Ashmit and Rohan (In 3:1 Ratio):**

- Ashmit's New Capital = $\frac{3}{4}$ × 5,00,000 = 3,75,000
- Rohan's New Capital = $\frac{1}{4}$ × 5,00,000 = 1,25,000

Thus, the new capital balances will be:

Ashmit = ₹ 3,75,000, Rohan = ₹ 1,25,000

**16. Option (D) is correct.**

*Explanation:* Machinery which is ₹ 6,00,000 that is overvalued by 20% which means how it is recorded as 120% value but we recorded it in B/s as 100%. So, machinery is recorded in B/s is = $100\times\frac{6,00,000}{120}$

= ₹ 5,00,000

17. Calculation of Zains's Share of Profit

Profit/Sales × Current year sales × Zaina's Share of Profit

= 1,00,000/4,00,000 × 1,50,000 × 2/5 = 15,000

### Journal Entries

| Date | Particulars | Debit (₹) | Credit (₹) |
|---|---|---|---|
| | Profit and loss Suspense A/c Dr. | 15,000 | |
| | To Zaina's Capital A/c | | 15,000 |
| | (Being profit transferred to Zaina's capital A/c) | | |

**18. (a)** **Journal entries**

| Date | Particulars | Debit (₹) | Credit (₹) |
|---|---|---|---|
| | Amish's Capital A/c Dr. | 30,000 | |
| | Nitish's Capital A/c Dr. | 30,000 | |
| | To Mishra's Capital A/c | | 60,000 |
| | (Being error rectified) | | |

### Adjustment Table

| Particulars | Amish | Nitish | Mishra | Total |
|---|---|---|---|---|
| Profit Correctly distributed Equally (Cr.) (1,15 ,00 + 1,24,000 + 2,11,000) | 1,50,000 | 1,50,000 | 1,50,000 | 4,50,000 |
| Profit Wrongly distributed (Dr.) | 1,80,000 | 1,80,000 | 90,000 | 4,50,000 |
| Difference | 30,000 (Dr.) | 30,000 (Dr.) | 60,000 (Cr.) | 0 |

**18.** (b) Ansh's share of profit = 2,00,000 × 5/10

= 1,00,000

Deficiency = 1,20,000 – 1,00,000 = 20,000

This deficiency will be borne by Vidhi and manas equally

### Journal entries

| Date | Particulars | Debit (₹) | Credit (₹) |
|---|---|---|---|
| | P & L App A/c Dr. | 2,00,000 | |
| | To Vidh's Capital A/c | | 40,000 |
| | To Manas's Capital A/c | | 60,000 |
| | To Ansh's Capital A/c | | 1,00,000 |
| | (Being Profit distributed in old ratio) | | |
| | Vidhi's Capital A/c Dr. | 10,000 | |
| | Manas's Capital A/c Dr. | 10,000 | |
| | To Ansh's Capital A/c | | 20,000 |
| | (Being deficiency borne by vidhi and manas equally) | | |

**19. (a)** **Journal Entries**

| Date | Particulars | L.F. | Dr. Amount (₹) | Cr. Amount (₹) |
|---|---|---|---|---|
| | Assets A/c Dr. | | 4,00,000 | |
| | Goodwill A/c (B/F) Dr. | | 30,000 | |
| | To Liabilities | | | 70,000 |
| | To Marvel Ltd | | | 3,60,000 |
| | (Being Assets and liabilities acquired) | | | |
| | Marvel Ltd. Dr. | | 3,60,000 | |
| | To 11% Debentures A/c (3000 × 100) | | | 3,00,000 |
| | To Securities premium A/c (3000 × 20) | | | 60,000 |
| | (Being payment made by issuing 3000, 11% Debenture @ 20% premium) | | | |

**OR**

**(b)** **Journal Entries**

| Date | Particulars | L.F. | Dr. Amount (₹) | Cr. Amount (₹) |
|---|---|---|---|---|
| | Assets A/c Dr. | | 6,00,000 | |
| | To Liabilities | | | 1,00,000 |
| | To Rabi Ltd. | | | 3,60,000 |
| | To Capital reserve | | | 1,40,000 |
| | (Being assets Purchased) | | | |
| | Rabi Ltd. Dr. | | 3,60,000 | |
| | Discount on issue of debentures (4000 × 10) Dr. | | 40,000 | |
| | To 10% Debentures A/c (4000 × 100) | | | 4,00,000 |
| | (Being payment made by issuing 4000, 10% Debenture @ 10% premium) | | | |

**20.** Super profit = average profit − normal profit

Normal profit = capital employed × NRR

= (15,00,000) × 12%

= 1,80,000

$$\text{Average profit} = \frac{2,40,000 + 2,80,000 + 3,20,000}{3}$$

Average profit (After providing salary) = 2,80,000 − 50,000 = 2,30,000

Super profit = 2,30,000 − 1,80,000 = ₹ 50,000

Goodwill = super profit × no. of years of purchase

= 50,000 × 2 = ₹ 1,00,000

**21.** **Journal Entries**

| Date | Particulars | L.F. | Dr. Amount (₹) | Cr. Amount (₹) |
|---|---|---|---|---|
| (i) | Bank A/c Dr. | | 80,00,000 | |
| | To Debentures Application & Allotment A/c | | | 80,00,000 |
| | (Being Receipt of application money) | | | |
| | Debenture Application & Allotment A/c Dr. | | 80,00,000 | |
| | Loss on Issue of Debentures A/c Dr. | | 8,00,000 | |
| | To 9% Debentures A/c | | | 80,00,000 |
| | To premium payable on redemption A/c | | | 8,00,000 |
| | (Being debentures issued at par, redeemable at premium) | | | |
| (ii) | Bank A/c Dr. | | 52,50,000 | |
| | To Debenture Application & Allotment A/c | | | 52,50,000 |
| | (Being Receipt of application money) | | | |
| | Debenture Application & Allotment A/c Dr. | | 52,50,000 | |
| | Loss on Issue of Debentures A/c Dr. | | 5,00,000 | |
| | To 10% Debentures A/c | | | 50,00,000 |
| | To Securities premium | | | 2,50,000 |
| | To Premium on Redemption of Debentures A/c | | | 5,00,000 |
| | (Being debentures issued at premium, redeemable at premium) | | | |

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

| Particulars | Amount (₹) | Particulars | Amount (₹) |
|---|---|---|---|
| To Drawings | 12,000 | By Balance b/d | 90,000 |
| To Vedika's Executor's A/c | 1,07,400 | By General reserve | 10,000 |
| | | By Interest on capital | 2400 |
| | | By Raja's Capital A/c | 8,000 |
| | | By Bharat's Capital A/c | 8,000 |
| | | By Profit and Loss Suspense A/c | 1,000 |
| | **1,19,400** | | **1,19,400** |

Working note:

Goodwill = Avg profit × no. of years = 40,000 × 2 = ₹ 80,000

$$\text{Rohan share of goodwill} = 80,000 \times \frac{1}{5} = 16,000$$

Gaining ratio = 1 : 1

$$\text{Calculation of P \& L Suspense } \frac{\text{Neat line shift}}{\text{P \& L Suspense}} = 3000 \times \frac{4}{12} = ₹\ 1000$$

**23. (i) Option (C) is correct.**

**(ii) Option (D) is correct.**

*Explanation:* Number of Shares after Forfeiture

- Total shares allotted = 82,000
- Forfeited shares = 2,000 (Atishay's shares)
- Remaining Shares = 82,000 - 2,000 = 80,000

**(iii) Option (A) is correct.**

*Explanation:* Share Forfeiture Account

- Atishay must have paid application + allotment money before forfeiture.
- Assuming Application ₹ 3 + Allotment ₹ 5 (Total ₹ 8 received per share).

Forfeiture Amount = 2,000 × ₹ 8 = ₹ 16,000

**(iv) Option (B) is correct**

*Explanation:* **Issued Capital**

- Total shares offered for subscription = 90,000

• Since 82,000 shares were subscribed and allotted, the issued capital is based on 90,000 shares.

Issued Capital = 90,000 × ₹ 10 = ₹ 9,00,000

**(v) Option (C) is correct.**

***Explanation:*** Share Forfeiture Account Placement in Notes to Accounts

Share Forfeiture Account is shown under Subscribed Capital (under Share Capital) in the Balance Sheet.

**(vi) Option (B) is correct.**

**24.** **Journal Entries**

| Date | Particulars | | L.F. | Dr. Amount (₹) | Dr. Amount (₹) |
|---|---|---|---|---|---|
| (i) | Realisation A/c | Dr. | | 9,000 | |
| | To Cash A/c | | | | 9,000 |
| | (Being claim of creditors satisfied) | | | | |
| (ii) | Ajit's Capital A/c | Dr. | | 7,200 | |
| | Bank | Dr. | | 18,000 | |
| | To Realisation A/c | | | | 25,200 |
| | (Being 40% stock taken by Ajit at 10% discount and balance sold at 18,000) | | | | |
| (iii) | Realisation A/c | Dr. | | 16,000 | |
| | To Vibha's Capital A/c | | | | 16,000 |
| | (Remuneration paid to Vibha) | | | | |
| (iv) | Ajit's loan A/c | Dr. | | 45,000 | |
| | To Bank A/c | | | | 42,000 |
| | To Realisation A/c | | | | 3,000 |
| | (Being Ajit's loan settled at ₹ 42,000) | | | | |
| (v) | Vibha's Capital A/c | Dr. | | 23,000 | |
| | To Realisation A/c | | | | 23,000 |
| | (Being asset taken by Vibha) | | | | |
| (vi) | Vibha's Capital A/c | Dr. | | 10,000 | |
| | Ajit's Capital A/c | Dr. | | 10,000 | |
| | To Profit and loss A/c | | | | 20,000 |
| | (Being profit and loss A/c written off) | | | | |

**25.** **Journal Entries**

| Date | Particulars | | L.F. | Amount (₹) | Amount (₹) |
|---|---|---|---|---|---|
| (i) | Bank A/c | Dr. | | 16,80,000 | |
| | To Share Application A/c | | | | 16,80,000 |
| | (Being Share application money received) | | | | |
| (ii) | Share Application A/c | Dr. | | 16,80,000 | |
| | To Share Capital A/c | | | | 12,00,000 |
| | To Security Premium A/c | | | | 2,00,000 |
| | To Share Allotment A/c | | | | 70,000 |
| | To Bank A/c | | | | 2,10,000 |
| | (Being share application due) | | | | |
| (iii) | Share Allotment A/c | Dr. | | 14,00,000 | |
| | To Share capital A/c | | | | 8,00,000 |
| | To Security Premium | | | | 6,00,000 |
| | (Being share allotment money due) | | | | |
| (iv) | Bank A/c | Dr. | | 13,03,400 | |
| | Calls in arrears | Dr. | | 26,600 | |
| | To Share allotment A/c | | | | 13,30,000 |
| | (Being share allotment money received except on 4000 shares) | | | | |

| | | | | | |
|---|---|---|---|---|---|
| (v) | Share Capital A/c | Dr. | | 40,000 | |
| | Security premium A/c | Dr. | | 12,000 | |
| | To calls in arrears A/c | | | | 26,600 |
| | To Share Forfeiture A/c | | | | 25,400 |
| | (Being 4000 shares forfeited) | | | | |
| (vi) | Bank | Dr. | | 16,000 | |
| | Share forfeiture | Dr. | | 24,000 | |
| | To Share Capital A/c | | | | 40,000 |
| | (Being shares reissued) | | | | |
| (vii) | Share forfeiture A/c | Dr. | | 1,400 | |
| | To Capital Reserve | | | | 1,400 |
| | (Being balance forfeiture transferred to capital reserve) | | | | |

**OR**

| | | | | | |
|---|---|---|---|---|---|
| (i) | Share Capital A/c (3,000 × 80) | Dr. | | 2,40,000 | |
| | Security premium A/c (3,000 × 10) | Dr. | | 30,000 | |
| | To Share Allotment A/c (3,000 × 30) | | | | 90,000 |
| | To Share first call A/c (3,000 × 40) | | | | 1,20,000 |
| | To share forfeiture (3,000 × 20) | | | | 60,000 |
| | (Being Shares forfeited) | | | | |
| | Bank A/c (2,000 × 80) | Dr. | | 1,60,000 | |
| | Share Forfeiture A/c (2,000 × 10) | Dr. | | 20,000 | |
| | To Share Capital A/c (2,000 × 90) | | | | 1,80,000 |
| | (Being 2,000 shares reissued) | | | | |
| | Share forfeiture A/c (2,000 × 10) | Dr. | | 20,000 | |
| | To Capital Reserve A/c | | | | 20,000 |
| | (Being balance share forfeiture transferred to capital reserve A/c) | | | | |
| (ii) | Share Capital A/c (10,000 × 9) | Dr. | | 90,000 | |
| | To Share first call A/c (10,000 × 4) | | | | 40,000 |
| | To Share Forfeiture (10,000 × 5) | | | | 50,000 |
| | (Being Shares forfeited) | | | | |
| | Bank A/c (4000 × 9) | Dr. | | 36,000 | |
| | Share Forfeiture A/c (4,000 × 1) | Dr. | | 4,000 | |
| | To Share Capital A/c (4,000 × 100) | | | | 40,000 |
| | (Being 4000 shares reissued) | | | | |
| | Share forfeiture A/c (4,000 × 4) | Dr. | | 16,000 | |
| | To Capital Reserve A/c | | | | 16,000 |
| | (Being balance share forfeiture transferred to capital reserve A/c) | | | | |

**26. Dr.** **Revaluation Account** **Cr.**

| Particulars | Amount (₹) | Particulars | Amount (₹) |
|---|---|---|---|
| To Provision for Doubtful Debts | 3,500 | By Machinery | 60,000 |
| To Revaluation profit transfer to | | By Creditors | 3,500 |
| Aryan's capital A/c 45,000 | | | |
| Adya's capital A/c 15,000 | 60,000 | | |
| | **63,500** | | **63,500** |

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

| Particulars | Aryan | Adya | Dev | Particulars | Aryan | Adya | Dev |
|---|---|---|---|---|---|---|---|
| To Profit and Loss A/c | 15,000 | 5,000 | | By Balance b/d | 3,20,000 | 2,40,000 | |
| To Balance c/d | 3,95,000 | 2,65,000 | 1,65,000 | By Revaluation A/c | 45,000 | 15,000 | |
| | | | | By Bank (proportionate capital) | | | 1,65,000 |
| | | | | By Workmen Compensation Reserve | 15,000 | 5,000 | |
| | | | | By Premium for Goodwill A/c | 30,000 | 10,000 | |
| | **4,10,000** | **2,70,000** | **1,65,000** | | **4,10,000** | **2,70,000** | **1,65,000** |

**OR**

**Journal Entries**

| Date | Particulars | | L.F. | Amount (₹) | Amount (₹) |
|---|---|---|---|---|---|
| | Patent A/c | Dr. | | 20,000 | |
| | To Revaluation A/c | | | | 20,000 |
| | (Being patent undervalued) | | | | |
| | Revaluation A/c | Dr. | | 10,000 | |
| | To Stock | | | | 10,000 |
| | (Being stock value reduced) | | | | |
| | Revaluation A/c | Dr. | | 10,000 | |
| | To Ashish Capital A/c | | | | 4,000 |
| | To Vinit Capital A/c | | | | 4,000 |
| | To Reema Capital A/c | | | | 2,000 |
| | (Being revaluation profit transferred to old partners capital a/c in old ratio) | | | | |
| | General Reserve A/c | Dr. | | 50,000 | |
| | To Ashish Capital A/c | | | | 20,000 |
| | To Vinit Capital A/c | | | | 20,000 |
| | To Reema Capital A/c | | | | 10,000 |
| | (Being general reserve transferred to capital a/c in old ratio) | | | | |
| | Ashish's capital A/c | Dr. | | 12,000 | |
| | Reema's capital A/c | Dr. | | 12,000 | |
| | To Vineet's capital A/c | | | | 24,000 |
| | (Being goodwill adjusted) | | | | |
| | Vinit's Capital A/c | Dr. | | 2,48,000 | |
| | To Bank A/c | | | | 20,000 |
| | To Vinit's loan A/c | | | | 2,28,000 |
| | (Being amount paid to vineet and balance transfer to his loan A/c) | | | | |

**Dr.** **Revaluation Account** **Cr.**

| Particulars | Amount (₹) | Particulars | Amount (₹) |
|---|---|---|---|
| To Stock | 10,000 | By Patents | 20,000 |
| To Revaluation profit transfer to | | | |
| Ashish's capital A/c 4,000 | | | |
| Vinit's capital A/c 4,000 | | | |
| Reema's capital A/c 2,000 | 10,000 | | |
| | **20,000** | | **20,000** |

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

| Particulars | Ashish | Vinit | Reema | Particulars | Ashish | Vinit | Reema |
|---|---|---|---|---|---|---|---|
| To Vinit's Capital | 12,000 | | 12,000 | By Balance b/d | 2,00,000 | 2,00,000 | 1,00,000 |
| To Bank | | 20,000 | | By Revaluation A/c | 4,000 | 4,000 | 2,000 |
| To Vinit's Loan A/c | | 2,28,000 | | By General reserve A/c | 20,000 | 20,000 | 10,000 |
| | | | | By Ashish's Capital | | 12,000 | |
| To Balance c/d | 2,12,000 | | 1,00,000 | By Reema's Capital | | 12,000 | |
| | **2,24,000** | **2,48,000** | **1,12,000** | | **2,24,000** | **2,48,000** | **1,12,000** |

**27. Option (A) is correct.**

*Explanation:* Comparative Statements help in analyzing the trend and direction of financial position and operating results by comparing financial data of two or more periods. This allows stakeholders to observe changes over time and make informed decisions. •Comparative Statements show the increase or decrease in financial figures, helping in trend analysis.

- Common Size Statements express each item as a percentage of a common base but do not indicate trends.
- Cash Flow Analysis focuses on liquidity rather than financial position trends.
- Ratio Analysis provides relationships between financial figures but does not directly indicate trends over multiple periods.

Thus, Comparative Statements are the most suitable tool for identifying trends and direction in financial statements.

**OR**

**Option (C) is correct.**

*Explanation:* Turnover ratios, also known as activity or efficiency ratios, measure how effectively a business utilizes its resources to generate revenue. These ratios indicate the efficiency of operations by analyzing the turnover of assets, inventory, and receivables.

- Profitability Ratios measure the ability to generate profit relative to revenue, assets, or equity.
- Solvency Ratios assess a company's ability to meet long-term financial obligations.
- Liquidity Ratios evaluate the ability to meet short-term liabilities using current assets.

**Examples of Turnover Ratios include:**

- Inventory Turnover Ratio
- Debtors Turnover Ratio
- Asset Turnover Ratio

Since these ratios directly measure the efficiency of operations in terms of resource utilization, the correct answer is Turnover Ratios (C).

**28. Option (C) is correct.**

**29. Option (B) is correct.**

*Explanation:* **Reason:**

- Operating Activities include cash payments to suppliers (i) and cash receipts from royalties, fees, and commissions (iii).
- Dividend received (ii) → Investing Activity
- Loan repayment (iv) → Financing Activity

**OR**

**Option (C) is correct.**

*Explanation:* **Reason:**

- Interest and dividend received are classified as investing activities, not financing activities.
- Financing activities relate to raising or repaying capital (e.g., issuing shares, borrowing, repaying loans).
- **The other statements are correct:**

(A) Dividend/interest payment → Financing Outflow

(B) Employee expenses → Operating Outflow

(D) Operating activities → Main revenue source

**30. Option (A) is correct.**

**Explanation:** • Statement I - True: Investing activities involve the acquisition and disposal of long-term assets and investments not classified as cash equivalents.

- Statement II -True: Cash payments for fixed assets, intangibles, and capitalized R&D costs are considered cash outflows from investing activities.

Since both statements correctly define investing activities, Option (A) is correct.

**31.**

| Item | Major Head | Sub Head |
|---|---|---|
| Computer Software | Non-Current assets | PPE & IA-Intangible assets |
| Outstanding salary | Current liabilities | Other current labilities |
| Work in progress | Current assets | Inventory |

**32.** **Common size Statement of Profit & Loss A/c as at 31$^{st}$ March 2023 and 31$^{st}$ March, 2024**

| Particulars | Note. No. | Absolute Amounts | | Percentage of Balance Sheet Total | |
|---|---|---|---|---|---|
| | | 2022-23 | 2023-24 | 2022-23 | 2023-24 |
| **I .** Revenue from operations | | 20,00,000 | 40,00,000 | 100 | 100 |

| | | | | | |
|---|---|---|---|---|---|
| **II.** Total Income | | 20,00,000 | 40,00,000 | 100 | 100 |
| **III.** Less: Expenses | | | | | |
| (a) Purchase of stock in trade | | 4,00,000 | 8,00,000 | 20 | 20 |
| (b) Other expenses | | 2,00,000 | 4,00,000 | 10 | 10 |
| **IV.** Total Expenses | | 6,00,000 | 12,00,000 | 30 | 30 |
| **V.** Profit before tax | | 14,00,000 | 28,00,000 | 70 | 70 |
| **VI.** Less: Tax 50% | | 7,00,000 | 14,00,000 | 35 | 35 |
| **VII.** Profit after tax | | 7,00,000 | 14,00,000 | 35 | 35 |

**33. (a)** Total Purchase = Cash purchase + Credit purchase is X, then cash purchase is 0.25x

15,00,000 = 0.25$x$ + $x$

15,00,000 = 1.25$x$

Therefore credit purchases is ₹ 12,00,000

Trade payable turnover ratio = Credit purchases/ Average trade payable

4 = 12,00,000/Average trade Payable

Average trade payable = 3,00,000

Average trade payable

= Opening trade payable + Closing trade payable/2

3,00,000 × 2 = $x$ + 2$x$

$x$ = 2,00,000

Therefore opening trade payable is ₹ 2,00,000

And closing trade payable is ₹ 4,00,000

**(b)** Return on Investment = Earnings before Interest, tax and dividend/capital employed

= 3,00,000 + 1,00,000 + 80,000/16,00,000 + 8,00,000 × 100 = 20%

**34. (a)** **Cash Flow from Investing Activity**

| Particular | Amount (₹) | Amount (₹) |
|---|---|---|
| **Cash Flow from Investing Activities** | | |
| Amount received from sale of machinery | 33,000 | |
| Amount Paid on purchase of machinery | (1,30,000) | |
| **Net Cash used in investing activity** | | (97,000) |

**WN:** **Machinery A/c**

| Particulars | Amount (₹) | Particulars | Amount (₹) |
|---|---|---|---|
| To balance b/d | 3,00,000 | By Accumulated depreciation | 20,000 |
| To gain on sale | 3,000 | By Bank (30000 + 10%) | 33,000 |
| To bank (B/F) | 1,30,000 | By Balance c/d | 3,80,000 |
| | **4,33,000** | | **4,33,000** |

**Accumulated Depreciation**

| Particulars | Amount (₹) | Particulars | Amount (₹) |
|---|---|---|---|
| To Machinery A/c | 20,000 | By Balance b/d | 45,000 |
| To Balance c/d | 62,000 | By Depreciation | 37,000 |
| | **82,000** | | **82,000** |

**Cash flow from Financing Activity**

| **Particular** | **Amount (₹)** | **Amount (₹)** |
|---|---|---|
| Cash Flow from Financing Activities | | |
| Proceeds from issues of shares | 4,00,000 | |
| Amount paid on redemption of debenture | (1,00,000) | |
| Premium received on issue of shares | 40,000 | |
| Interest paid | (40,000) | |
| **Net Cash flow from Financing activity** | | **3,00,000** |

## Delhi Set-2

**17.** Calculation of Saurabh's Share of Profit

Profit/Sales × Current year sales × Saurabh's Share of Profit

$$= \frac{5,00,000}{10,00,000} \times 7,50,000 \times \frac{5}{10}$$

$= 1,87,500$

**Journal Entries**

| Date | Particulars | | Lf. | Dr. (₹) | Cr. (₹) |
|---|---|---|---|---|---|
| | Profit & loss Suspense A/c | Dr. | | 1,87,500 | |
| | To Saurabh's Capital A/c | | | | 1,87,500 |
| | (Being profit transferred to Saurabh's capital a/c) | | | | |

**20.** Super Profit = Average Profit – Normal Profit

Normal Profit = Capital employed × NRR

= 20,00,000 × 12%

= ₹ 2,40,000

$$\text{Average Profit} = \frac{3,00,000 + 2,60,000 + 4,00,000}{3}$$

= 3,20,000

Average Profit(After providing salary)

= 3,20,000 – 40,000 = 2,80,000

Super Profit = 2,80,000 – 2,40,000

= ₹ 40,000

Goodwill = Super Profit × No. of years of purchase

= 40,000 × 4

= ₹ 1,60,000

**23. (i) Option (D) is correct.**

**(ii) Option (B) is correct.**

***Explanation:*** Total number shares after forfeited of 4000 shares will be (B) = 1,40,000 – 4000

= 1,36,000 shares

**(iii) Option (B) is correct.**

***Explanation:*** The amount disclosed under 'Share Fortified Amount' will be: (B) = 4000 shares × 9

= ₹ 36,000

**(iv) Option (B) is correct.**

***Explanation:*** The amount disclosed under 'Issued Capital' will be: Issued Capital (B) = ₹ 14,50,000

**(v) Option (A) is correct.**

***Explanation:*** Subscbed and fully Paid up Capital

| | |
|---|---|
| 1,36,000 & show of ₹ 10 each | 13,60,000 |
| Add: Share forfeited A/c (4,000 × 9) | 36,000 |
| | ₹ 13,96,000 |

**(vi) Option (C) is correct.**

***Explanation:*** The amount of 'Share Capital' disclosed in the balance sheet is :

(C) = ₹ 13,96,000 (Same Solution as V)

**24.**

**Journal Entries**

| Date | Particulars | | Dr. Amount (₹) | Cr. Amount (₹) |
|---|---|---|---|---|
| (i) | Mansha's Loan A/c | Dr. | 18,000 | |
| | To Realisation A/c | | | 18,000 |
| | (Being Mansha's loan settled by providing furniture) | | | |
| (ii) | Bank A/c | Dr. | 72,000 | |
| | To Realisation A/c | | | 72,000 |
| | (Being Machinery sold at 10% loss) | | | |
| (iii) | Realisation A/c | Dr. | 21,000 | |
| | To Cash A/c | | | 21,000 |
| | (Being Paid to creditors ) | | | |
| (iv) | Realisation A/c | Dr. | 1,10,000 | |
| | To Bank A/c | | | 1,10,000 |
| | (Being amount paid to creditors along with interest) | | | |
| (v) | Bank A/c | Dr. | 61,000 | |
| | To Realisation A/c | | | 61,000 |
| | (Being investment sold) | | | |

| | | | | |
|---|---|---|---|---|
| (vi) | Mansha's Capital A/c | Dr. | 15,000 | |
| | Rajiv's Capital A/c | Dr. | 15,000 | |
| | To Profit and loss A/c | | | 30,000 |
| | (Being profit and loss a/c written off) | | | |

**31.**

| Items | Major Head | Sub-Head |
|---|---|---|
| Trademark | Non-Current assets | Property, Plant & Equipment & Intangible assets |
| Raw material | Current assets | Inventory |
| Mortgage Loan | Non-current liabilities | Long term borrowings |

**32.** **Common size Statement of Profit & Loss A/c**
**for the year ended 31$^{st}$ March, 2024**

| Particular's | Note No. | Absolute Amounts | | Percentage of Balance Sheet Total | |
|---|---|---|---|---|---|
| | | 2022-23 | 2023-24 | 2022-24 | 2023-24 |
| (i) Revenue from operations | | 5,00,000 | 10,00,000 | 100 | 100 |
| (ii) Other Income | | 50,000 | 1,00,000 | 10 | 10 |
| (iii) **Total Revenue (i + ii)** | | 5,50,000 | 11,00,000 | 110 | 110 |
| (iv) Less: Expenses | | | | | |
| Expenses | | 1,00,000 | 2,00,000 | 20 | 20 |
| Total Expenses | | 1,00,000 | 2,00,000 | 20 | 20 |
| (v) Profit before tax (iii – iv) | | 4,50,000 | 9,00,000 | 90 | 90 |
| (vi) Less: Income Tax | | 2,25,000 | 4,50,000 | 45 | 45 |
| (vii) Profit after tax | | 2,25,00 | 4,50,00 | 45 | 45 |

## Delhi Set-3

**17.** **Journal Entries**

| Date | Particulars | | LF. | Dr. (₹) | Cr. (₹) |
|---|---|---|---|---|---|
| 30/09/24 | Profit & Loss Suspense A/c | Dr. | | 15,000 | |
| | To Aadi's Capital A/c | | | | 15,000 |
| | (Being Aadi's share of profit upto the data of death credited to his capital A/c) | | | | |

**Working Note:**

Profit% to sale Turnover for the year ended 31/3/24

$$= \frac{1,50,000}{6,00,000} \times 100 = 25\%$$

Profit upto the date of Aadis death

$$= 25\% \text{ of } 2,00,000 = ₹50,000$$

Aadi's share of profit will be

$$= ₹\ 50,000 \times \frac{3}{10} = 15,000$$

**20.** Average Profit of last 4 year were:

$$\frac{3,00,000 + 4,00,000 + 5,00,000 + 4,00,000}{4}$$

$$= ₹\ 4,00,000$$

Partner's Salary = 10,000 × 2 = ₹ 20,000

Average Profit after Partner's Salary is

$$= 4,00,000 - 20,000 = ₹\ 3,80,000$$

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

$$= 12,00,000 \times \frac{10}{100} = ₹\ 1,20,000$$

Super Profit = Average Profit – Normal Profit

= 3,80,000 – 1,20,000

= ₹ 2,60,000

Goodwill = Super Profit × No of purchases years

= 2,60,000 × 3

= ₹ 7,80,000

**23. (i) Option (A) is correct.**

**(ii) Option (D) is correct.**

*Explanation:* Total Number of Share = 78,000

(–) Number of shares forfeited = 1,000

77,000

**(iii) Option (B) is correct.**

***Explanation:*** 1,000 share of Manisha forferited for non-payment of first and final call money of ₹ 3. Therefore Amount transfer to share forfeiture Amount will be (1,000 × 7) = 7,000.

**(iv) Option (C) is correct.**

***Explanation:*** Amount disclosed under Issued capital will be ₹ 8,00,000.

**(v) Option (D) is correct.**

***Explanation:*** The balance in the share forfeiture A/c, is shown in the notes to accounts under the head' Share Capital'.

**(vi) Option (C) is correct.**

***Explanation:*** Subscribed Capital

| | |
|---|---|
| Subscribed and fully paid up Capital | |
| 77,000 shares of ₹ 10 each | 7,70,000 |
| *Add:* Share forfeited Amount (1,000 shares × 7) | 7,000 |
| | 7,77,000 |

**24.** **Journal Entries**

| | Particular | | L.F. | Dr. (₹) | Cr. (₹) |
|---|---|---|---|---|---|
| (i) | Realisations A/c<br>To Bank<br>(Being Remaining amount paid after adjusting Investment with Creditors) | Dr. | | 7,000 | 7,000 |
| (ii) | Bank A/c<br>To Realisation A/c<br>(Being Amount received from Debtor) | Dr. | | 15,000 | 15,000 |
| (iii) | Usha's loan A/c<br>To Bank<br>To Realisations A/c (B/F)<br>(Being Loan of Partner is paid and balance amount transfer to Realisations A/c) | Dr. | | 16,000 | 14,000<br>2,000 |
| (iv) | Samis capital A/c<br>Usha's capital A/c<br>To, Realisation<br>(Being Stock taken by Sami's & Usha is their profit sharing Ratio) | Dr.<br>Dr. | | 10,000<br>10,000 | 20,000 |
| (v) | Samis capital A/c<br>To Bank A/c<br>(Being Dissolution Expense paid by the firm on behalf of the Partner debited to his capital A/c) | Dr. | | 9,000 | 9,000 |
| (vi) | **(a)** Usha's capital A/c<br>To Realisation A/c<br>(Being Half of the furniture taken by Usha)<br>**(b)** Bank A/c<br>To Realisation A/c (20000 + 4000)<br>(Being Balance furniture sold at 20% profit) | Dr.<br><br><br>Dr. | | 18,000<br><br><br>24,000 | 18,000<br><br><br>24,000 |

**31.**

| Item | Major Head | Sub-Head |
|---|---|---|
| (i) Calls in Advance | Current liabilities | Other current liabilities |
| (ii) Licences and franchise | Non-Current Asset | Property, Plant and equipment and Intangible Assets |
| (iii) Prepaid Insurance | Current Assets | Other Current Assets |

**NK Ltd.**

**32.** Common size Statement of Profit & Loss A/c for the year ended 31st March 2023 and 31st March 2024

| Particular | Note No. | Absolute Amounts | | % of Revenue from operation | |
|---|---|---|---|---|---|
| | | 31/3/2023 | 31/3/2024 | 31/3/23 (%) | 31/3/24 (%) |
| **I.** Revenue from operation | | 10,00,000 | 20,00,000 | 100 | 100 |
| **II.** Expenses | | | | | |
| **(a)** Cast of Material Consumed | | 3,00,000 | 5,00,000 | 30 | 25 |
| **(b)** Employee Benefit Expenses | | 1,00,000 | 2,00,000 | 10 | 10 |
| **Total Expenses** | | **4,00,000** | **7,00,000** | **40** | **35** |
| **III.** Profit before Tax (I. II) | | 6,00,000 | 13,00,000 | 60 | 65 |
| **IV.** Income Tax | | 2,40,000 | 5,20,000 | 24 | 26 |
| **V.** Profit after Tax (III-IV) | | 3,60,000 | 7,80,000 | 36 | 39 |

## Outside Delhi Set-1

**1. Option (B) is correct.**

*Explanation*: Arun $= \frac{5}{10} - \frac{1}{5} = \frac{3}{10}$

Bashiv $= \frac{3}{10} = \frac{3}{10}$

Joseph $= \frac{2}{10} = \frac{2}{10}$

Duksh $= \frac{1}{5} \times \frac{2}{2} = \frac{2}{10}$ *or* $\frac{1}{5}$

New ratio = 3 : 3 : 2 : 2

**2. Option (A) is correct.**

*Explanation*:

| | Eliza | Fenn | Gassy |
|---|---|---|---|
| Profit sharing (4 : 3 : 1) | 40,000 | 30,000 | 10,000 |
| Deficiency Adjustment | - | - | - |
| Final Profit | 40,000 | 30,000 | 10,000 |

**3. Option (D) is correct.**

**4. Option (A) is correct.**

*Explanation*: Sacrificing ratio = Old ratio – New ratio as we can see that old & new ratio of Ravinder is same i.e. $\frac{1}{5}$. So, whole sacrifice is done by Pulkit.

**5. Option (A) is correct.**

*Explanation*: Firms capital on the basis of Maddy capital $= 8{,}00{,}000 \times \frac{4}{1}$

= ₹ 32,00,000

So, Kajal Capital should be = ₹ 32,00,000 × $\frac{2}{4}$

= ₹ 16,00,000

Cash bought by Kajal = 16,00,000 – 15,00,000

= ₹ 1,00,000

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

**7. Option (D) is correct.**

*Explanation*:

Interest on drawing = Drawing × Rate × $\frac{6}{12}$

$= 3{,}00{,}000 \times \frac{10}{100} \times \frac{6}{12}$

= ₹ 15,000

**8. Option (D) is correct.**

*Explanation*: Shubha share $= 5{,}40{,}000 \times \frac{24}{9} \times \frac{7}{24}$

= ₹ 4,20,000

**9. Option (D) is correct.**

*Explanation*: Firms capital or basis of Prabhas capital $= 2{,}00{,}000 \times \frac{5}{1}$ = ₹ 10,00,000

Total capital of firm = 4,00,000 + 3,00,000 + 2,00,000

= ₹ 9,00,000

Midden Goodwill = 10,00,000 – 9,00,000

= ₹ 1,00,000

Prabhas share of goodwill $= 1{,}00{,}000 \times \frac{1}{5}$

= ₹ 20,000

**10. Option (C) is correct.**

**11. Option (B) is correct.**

*Explanation*: Minimum reissue price

= face value – amount received on each share

= 10 – 6

= ₹ 4

**12. Option (A) is correct.**

**OR**

**Option (B) is correct.**

**13. Option (C) is correct.**

**OR**

**Option (B) is correct.**

**14. Option (B) is correct.**

*Explanation*: Discount on issue of debenture = 75,000 – 50,000

= ₹ 25,000

In percent it will be $= \frac{25{,}000}{5{,}00{,}000} \times 100$

= 5%

**OR**

**Option (A) is correct.**

**15. Option (A) is correct.**

*Explanation*: Old – New ratio = Sacrifice

Anisha $= \frac{5}{10} - \frac{2}{10} = \frac{3}{10}$ (Sacrifice)

Deepa $= \frac{3}{10} - \frac{3}{10}$ = NIL

Churu $= \frac{2}{10} - \frac{5}{10} = \frac{3}{10}$ (Gain)

**OR**

**Option (D) is correct.**

*Explanation*: Calculation of gaining & sacrificing ratio

Sacrificing ratio = Old – New ratio

$$\text{Preet} = \frac{3}{5} - \frac{1}{2} = \frac{1}{10} \text{ (sacrifice)}$$

$$\text{Sural} = \frac{2}{5} - \frac{1}{2} = \frac{1}{10} \text{ (Gain)}$$

Amount to be adjusted for goodwill

$$= 1{,}00{,}000 \times \frac{1}{10}$$

$$= ₹\ 10{,}000$$

As Sural is gaining so, his capital account will be debited.

**16. Option (D) is correct.**

*Explanation*: $\text{Ishan} = \frac{5}{10} + \left(\frac{4}{10} \times \frac{1}{2}\right) = \frac{7}{10}$

$$\text{Kapil} = \frac{1}{10} + \left(\frac{4}{10} \times \frac{1}{2}\right) = \frac{3}{10}$$

New ratio = 7 : 3

**OR**

**Option (A) is correct.**

*Explanation*: Interest paid $= 5{,}00{,}000 \times \frac{10}{100}$

$$= ₹\ 50{,}000$$

First installment = 2,50,000 + 50,000

= ₹ 3,00,000

**17.** Partners decided not to distribute general reserve so it will adjusted from partner's capitals

Calculation of sacrificing/gaining ratio

$$\text{Anubha} = \frac{3}{5} - \frac{2}{5} = \frac{1}{5} \text{ (sacrifice)}$$

$$\text{Yuvika} = \frac{2}{5} - \frac{3}{5} = -\frac{1}{5} \text{ (Gain)}$$

Therefore, $\frac{1}{5}$ of 50,000 will be adjusted by debiting Yuvika's capital and crediting Aubha's capital

**Journal Entries**

| Date | Particulars | Debit (₹) | Credit (₹) |
|---|---|---|---|
| | Yuvika's Capital A/c Dr.<br>To Anubha's Capital A/c<br>(Being adjustment for general reserve) | 10,000 | <br>10,000 |
| | Anubha's capital A/c Dr.<br>Yuvika's capital A/c Dr.<br>To Profit and loss A/c<br>(Being profit and loss balance written off) | 1,50,000<br>1,00,000 | <br><br>2,50,000 |

**18. (a)** **Journal entries**

| Date | Particulars | | Debit (₹) | Credit (₹) |
|---|---|---|---|---|
| (i) | Investment Fluctuation Reserve A/c<br>To Sunny's Capital A/c<br>To Ujjwal's Capital A/c<br>(Being IFR distributed) | Dr. | 2,00,000 | <br>1,20,000<br>80,000 |
| (ii) | Investment Fluctuation Reserve A/c<br>To Investment A/c<br>(Being IFR utilize to record fall in value) | Dr. | 2,00,000 | <br>2,00,000 |
| (iii) | Investment Fluctuation Reserve A/c<br>Revaluation A/c<br>To Investment A/c<br>(Being adjustment for IFR) | Dr.<br>Dr. | 2,00,000<br>1,00,000 | <br><br>3,00,000 |

**19.** (a) **Journal entries**

| Date | Particulars | | Debit (₹) | Credit (₹) |
|---|---|---|---|---|
| | Building A/c<br>Machinery A/c<br>Furniture A/c<br>To Liabilities<br>To Dhruv Ltd.<br>To Capital Reserve<br>(Being Assets and liabilities acquired) | Dr.<br>Dr.<br>Dr. | 15,50,000<br>11,40,000<br>1,10,000 | <br><br><br>2,00,000<br>25,00,000<br>1,00,000 |
| | Dhruv Ltd.<br>To 12% Debentures A/c (20,000 × 100)<br>To Securities Premium A/c (20,000 × 25)<br>(Being payment made by issuing 20,000, 12% Debentures @ 25% premium) | Dr. | 25,00,000 | <br>20,00,000<br>5,00,000 |

**OR**

(b) **Journal entries**

| Date | Particulars | | Debit (₹) | Credit (₹) |
|---|---|---|---|---|
| | Machinery A/c<br>To Sujata Ltd.<br>(Being Machinery Purchased) | Dr. | 36,00,000 | <br>36,00,000 |
| | Sujata Ltd.<br>Discount on issue of debentures (20,000 × 10)<br>To 8% Debentures A/c (20,000 × 100)<br>To Bank A/c<br>(Being half payment made by using bank draft and other half by issuing 20,000, 8% Debentures @ 10% Discount) | Dr.<br>Dr. | 36,00,000<br>2,00,000 | <br><br>20,00,000<br>18,00,000 |

**20 (a) Dr. Profit and Loss Appropriation A/c Cr.**

| Particulars | | Amount (₹) | Particulars | | Amount (₹) |
|---|---|---|---|---|---|
| To Interest on capital<br>Aakash's capital 4,00,000<br>Baadal's capital 3,00,000 | | 7,00,000 | By Profit and loss A/c | | 13,00,000 |
| To Profit transfer to<br>Baadal's Capital<br>Add: Transfer from Aakash | <br>3,00,000<br>4,00,000 | 7,00,000 | By Loss transfer to<br>Aakash's capital<br>Profit r/d<br>Less: Transfer to Baadal | <br><br>3,00,000<br>(4,00,000) | 1,00,000 |
| | | **14,00,000** | | | **14,00,000** |

**OR**

**Dr. Profit and Loss Appropriation A/c Cr.**

| Particulars | Amount (₹) | Particulars | Amount (₹) |
|---|---|---|---|
| To Interest on capital<br>Parul's capital 54,000<br>Rajul's capital 72,000 | 1,26,000 | By Profit and Loss A/c | 1,26,000 |
| | **1,26,000** | | **1,26,000** |

**Working Note:**

In case of insufficient profit, profits will be distributed in ratio of appropriation i.e. Interest on capital 7,20,000 : 9,60,000 or 3 : 4

21. **Journal entries**

| Date | Particulars | | Debit (₹) | Credit (₹) |
|---|---|---|---|---|
| | Bank A/c<br>To Debenture Application A/c<br>(Being Receipt of application money) | Dr. | 10,00,000 | <br>10,00,000 |
| | Debenture Application A/c<br>To 9% Debentures A/c<br>(Being Application amount due) | Dr. | 10,00,000 | <br>10,00,000 |
| | Debenture Allotment A/c (5,000 × 350)<br>To 9% Debentures A/c (5,000 × 300)<br>To Securities Premium A/c (5,000 × 50)<br>(Being debenture allotment due) | Dr. | 17,50,000 | <br>15,00,000<br>2,50,000 |
| | Bank A/c<br>To Debentures allotment A/c<br>(Being debenture allotment money received) | Dr. | 17,50,000 | <br>17,50,000 |

**22. (a)** Average profits = 2,50,000 + 4,00,000 + 3,00,000 − 3,10,000 − $\frac{2,00,000}{5} = \frac{4,40,000}{5}$ = 88,000

Goodwill = Avg. profit × no. of years = 88,000 × 3
= ₹ 2,64,000

**(b)** Umara's Share of goodwill = $2,64,000 \times \frac{9}{20}$
= ₹ 1,18,800

Simar's Capital A/c $\left(1,18,800 \times \frac{5}{11}\right)$ Dr. 54,000

Tanvi's Capital A/c $\left(1,18,800 \times \frac{6}{11}\right)$ Dr. 64,800

To Umara's Capital A/c 1,18,800

(Being adjustment for goodwill)

**(c)** Umara's share of loss $= 2,00,000 \times \frac{9}{20} \times \frac{3}{12}$

= ₹ 22,500

(d) Profit and loss suspense A/c Dr. 22,500

To Umara's Capital A/c 22,500

**23.** **Journal Entries**

| Date | Particulars | L.F. | Dr. Amount (₹) | Cr. Amount (₹) |
|---|---|---|---|---|
| (i) | Rajesh's Capital A/c Dr.<br>To Realisation A/c<br>(Being stock taken by Rajesh at 20% less than book value) | | 3,20,000 | <br>3,20,000 |
| (ii) | Somesh's Capital A/c Dr.<br>To Realisation A/c<br>(Being furniture taken by Somesh) | | 80,000 | <br>80,000 |
| (iii) | Bank A/c Dr.<br>To Realisation A/c<br>(Being land sold through broker) | | 81,00,000 | <br>81,00,000 |
| (iv) | Bank A/c Dr.<br>To Realisation A/c<br>(Being bad debt recovered) | | 42,000 | <br>42,000 |
| (v) | Realisation A/c Dr.<br>To Bank A/c<br>(Being sundry creditors realised) | | 2,70,000 | <br>2,70,000 |
| (vi) | Realisation A/c Dr.<br>To Yogesh's capital A/c<br>(Being Realisation expenses paid by Yogesh) | | 21,000 | <br>21,000 |

**24.** (i) Option (A) is correct.

***Explanation:*** Total amount of shares issued during the year = 60,00,000 – 50,00,000

= ₹ 10,00,000

(ii) Option (B) is correct.

(iii) Option (C) is correct.

***Explanation:***

Share Capital A/c = 20,000 × ₹ 10

= ₹ 2,00,000

(iv) Option (A) is correct.

***Explanation:***

Share forfeiture A/c = 20,000 × ₹ 8

= ₹ 1,60,000

(v) Option (D) is correct.

***Explanation:*** Discount on re-issue = 20,000 × ₹ 2

= 40,000

Capital Reserve = ₹ 1,60,000 – ₹ 40,000

= ₹ 1,20,000

(vi) Option (D) is correct.

**25.** **Journal Entries**

| Date | Particulars | L.F. | Dr. Amount (₹) | Cr. Amount (₹) |
|---|---|---|---|---|
| (i) | Bank A/c Dr.<br>To Share Application A/c<br>(Being Share application money received) | | 13,50,000 | <br>13,50,000 |
| (ii) | Share Application A/c Dr.<br>To Share capital A/c<br>To Security Premium A/c<br>To Share Allotment A/c<br>To Share first and final call A/c<br>(Being share application money transferred) | | 13,50,000 | <br>3,00,000<br>6,00,000<br>4,20,000<br>30,000 |
| (iii) | Share Allotment A/c Dr.<br>To Share capital A/c<br>To Security Premium A/c<br>(Being share allotment money due) | | 8,00,000 | <br>4,00,000<br>4,00,000 |
| (iv) | Bank A/c Dr.<br>Calls in advance A/c Dr.<br>To Share allotment A/c<br>(Being share allotment money received) | | 3,80,000<br>4,20,000 | <br><br>8,00,000 |

| | | | | | |
|---|---|---|---|---|---|
| (v) | Share first and final call A/c<br>To Share capital A/c<br>(Being share first and final call due) | Dr. | | 3,00,000 | 3,00,000 |
| (vi) | Bank A/c<br>Calls in Advance<br>To Share capital A/c<br>(Being first and final call received) | Dr.<br>Dr. | | 2,70,000<br>30,000 | 3,00,000 |

**OR**

| | | | | | |
|---|---|---|---|---|---|
| **(i)** | Share capital A/c (600 × 7)<br>Security premium A/c (600 × 3)<br>To Share Allotment A/c (600 × 7)<br>To Share Forfeiture (600 × 3)<br>(Being shares forfeited) | Dr.<br>Dr. | | 4200<br>1800 | 4200<br>1800 |
| | Bank A/c (600 × 13)<br>To Share Capital A/c (600 × 10)<br>To Securities premium (600 × 3)<br>(Being 600 shares reissued) | Dr. | | 7800 | 6000<br>1800 |
| | Share forfeiture A/c<br>To Capital reserve A/c<br>(Being balance share forfeiture transferred to capital reserve A/c) | Dr. | | 1800 | 1800 |
| **(ii)** | Share Capital A/c (1,000 × 8)<br>Securities premium A/c (1,000 × 2)<br>To Share allotment A/c (1,000 × 6)<br>To Share Forfeiture A/c (1,000 × 4)<br>(Being shares forfeited) | Dr.<br>Dr. | | 8,000<br>2,000 | 6,000<br>4,000 |
| | Bank A/c (800 × 7)<br>Share Forfeiture A/c (800 × 1)<br>To Share Capital A/c (800 × 8)<br>(Being 800 shares reissued) | Dr.<br>Dr. | | 5,600<br>800 | 6,400 |
| | Share forfeiture A/c<br>To Capital reserve A/c<br>(Being balance share forfeiture transferred to Capital Reserve A/c) | Dr. | | 2,400 | 2,400 |

**26. Dr.** **Revaluation Account** **Cr.**

| Particulars | Amount (₹) | Particulars | Amount (₹) |
|---|---|---|---|
| To Fixed Assets | 1,40,000 | By Creditors<br>By Loss transferred to:<br>Bittu's capital A/c 40,000<br>Chintu's capital A/c 30,000 | 70,000<br><br><br>70,000 |
| | **1,40,000** | | **1,40,000** |

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

| Particulars | Bittu | Chintu | Diya | Particulars | Bittu | Chintu | Diya |
|---|---|---|---|---|---|---|---|
| To Revaluation A/c | 40,000 | 30,000 | | By Balance b/d | 8,00,000 | 6,00,000 | |
| To Balance c/d | 14,40,000 | 6,60,000 | 3,50,000 | By Premium for Goodwill A/c | 5,60,000 | | |
| | | | | By Bank (proportionate capital) | | | |
| | | | | By General reserve | 1,20,000 | 90,000 | 3,50,000 |
| | **14,80,000** | **6,90,000** | **3,50,000** | | **14,80,000** | **6,90,000** | **3,50,000** |

OR

Dr. **Revaluation Account** Cr.

| Particulars | Amount (₹) | Particulars | Amount (₹) |
|---|---|---|---|
| To Stock<br>To Revaluation profit transfer to<br>Rupal's capital A/c 80,000<br>Shanu's capital A/c 60,000<br>Trisha's capital A/c 20,000 | 80,000<br><br><br><br>1,60,000 | By Fixed assets | 2,40,000 |
| | **2,40,000** | | **2,40,000** |

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

| Particulars | Rupal | Shanu | Trisha | Particulars | Rupal | Shanu | Trisha |
|---|---|---|---|---|---|---|---|
| To Trisha's capital A/c | | 1,00,000 | | By Balance b/d | 8,00,000 | 6,00,000 | 2,00,000 |
| To Trisha's loan A/c | | | 3,60,000 | By Revaluation A/c | 80,000 | 60,000 | 20,000 |
| To Bank A/c | 2,40,000 | | | By General reserve A/c | 1,60,000 | 1,20,000 | 40,000 |
| To Balance c/d | 8,00,000 | 8,00,000 | | By Shanu's capital | | | 1,00,000 |
| | | | | By Bank A/c | | 1,20,000 | |
| | **10,40,000** | **9,00,000** | **3,60,000** | | **10,40,000** | **9,00,000** | **3,60,000** |

**27. Option (B) is correct.**

*Explanation:* Current Assets will increase as by selling goods on credit debtors of the company will increase.

**28. Option (D) is correct.**

**29. Option (A) is correct.**

**OR**

**Option (D) is correct.**

**30. Option (D) is correct.**

*Explanation:* An investment normally counts as a cash equivalent when it has a short maturity period of 90 days or less, and can be included in the cash and cash equivalents balance from the date of acquisition when it carries an insignificant risk of changes in a asset value.

**OR**

**Option (A) is correct.**

**31.**

| Item | Major Head | Sub Head |
|---|---|---|
| Work in progress | Current assets | Inventory |
| Securities premium | Shareholders funds | Reserves and surplus |
| Creditors | Current liabilities | Trade payables |

**32.** Comparative Statement of Profit & Loss A/c as at 31st March 2023 and 31st March 2024

| Particulars | J.F. | 2022-23 | 2023-24 | Absolute Increase/decrease | Percentage increase or ecrease |
|---|---|---|---|---|---|
| **I. Revenue from operations** | | 20,00,000 | 24,00,000 | 4,00,000 | 20 |
| **II. Total Income** | | 20,00,000 | 24,00,000 | 4,00,000 | 20 |
| **III. Less: Expenses** | | | | | |
| (a) Cost of material consumed | | 4,00,000 | 6,00,000 | 2,00,000 | 50 |
| (b) Employee benefit expenses | | 2,00,000 | 4,00,000 | 2,00,000 | 50 |
| **IV. Total Expenses** | | 6,00,000 | 10,00,000 | 4,00,000 | 66.67 |
| **V. Profit before tax** | | 14,00,000 | 14,00,000 | 0 | 0 |
| **VI. Less: Tax 50%** | | 7,00,000 | 7,00,000 | 0 | 0 |
| **VII. Profit after tax** | | 7,00,000 | 7,00,000 | 0 | 0 |

**33. (a)** RFO = Cost of RFO + Gross profit

$$= 6,40,000 + \left(\frac{6,40,000}{80} \times 20\right)$$

= 6,40,000 + 1,60,000

= 8,00,000

RFO = credit RFO + cash RFO

$$8,00,000 = x \times \frac{x}{3}$$

$$8,00,000 = \frac{4x}{3}$$

$x = 6{,}00{,}000$

Therefore, credit RFO is 6,00,000 and cash RFO is 2,00,000

Trade receivable turnover ratio

$$= \frac{\text{Credit RFO}}{\text{Average trade receivables}}$$

$$4 \text{ times} = \frac{6{,}00{,}000}{\text{Average trade receivables}}$$

Average trade receivables = 1,50,000

$$\text{Average TR} = \frac{\text{Oping TR} + \text{Closing TR}}{2}$$

$$1{,}50{,}000 = \frac{x + x + 20{,}000}{2}$$

$$3{,}00{,}000 = 2x + 20{,}000$$

$$x = \frac{2{,}80{,}000}{2}$$

$$x = 1{,}40{,}000$$

Opening TR = 1,40,000

Closing TR = 1,40,000 + 20,000

= 1,60,000

**OR**

**(b)** $$\text{GP} = 8{,}00{,}000 \times \frac{25}{100} = 2{,}00{,}000$$

Cost of RFO = RFO – GP

= 8,00,000 – 2,00,000 = 6,00,000

$$\text{ITR} = \frac{\text{Cost of RFO}}{\text{Average inventory}}$$

$$4 = \frac{6{,}00{,}000}{\text{Average inventory}}$$

Average inventory = 1,50,000

Average inventory

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

$$1{,}50{,}000 = \frac{2x + x}{2}$$

$$\frac{3{,}00{,}000}{3} = x$$

$$x = 1{,}00{,}000$$

Closing inventory = 1,00,000

Opening inventory = 2,00,000

**34. (a)** **Cash Flow from Investing Activity**

| **Particulars** | **Amount (₹)** | **Amount (₹)** |
|---|---|---|
| **Cash Flow from Investing Activities** | | |
| Amount received from sale of machinery | 6,50,000 | |
| Amount paid on purchase of machinery | (13,50,000) | |
| Sale of Non-current investment | 1,00,000 | |
| **Net Cash used in investing activity** | | (6,00,000) |

**WN 1**

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

| **Particulars** | **Amount (₹)** | **Particulars** | **Amount (₹)** |
|---|---|---|---|
| To balance b/d | 16,00,000 | By Accumulated depreciation | 50,000 |
| To Bank | 13,50,000 | By Bank (Sale Proceeds) | 6,50,000 |
| (Bal. figure, being purchase of Plant and Machinery) | | By Loss on sale | 1,00,000 |
| | | By Balance c/d | 21,50,000 |
| | **29,50,000** | | **29,50,000** |

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

| **Particulars** | **Amount (₹)** | **Particulars** | **Amount (₹)** |
|---|---|---|---|
| To Machinery A/c | 50,000 | By Balance b/d | 1,00,000 |
| To Balance b/d | 2,50,000 | By Depreciation | 2,00,000 |
| | **3,00,000** | | **3,00,000** |

**Cash Flow from Financing Activity**

| **Particulars** | **Amount (₹)** | **Amount (₹)** |
|---|---|---|
| **Cash Flow from Financing Activities** | | |
| Proceeds from issues of shares | 2,00,000 | |
| Amount paid on redemption of debentures | (4,00,000) | |
| Interest paid | 1,00,000 | |
| **Net Cash used in Financing activity** | | 3,00,000 |

## Outside Delhi Set-2 67/2/2

**1. Option (A) is correct.**

*Explanation:* Aman surrendered = $\frac{1}{5} \times \frac{5}{10} = \frac{1}{10}$

**2. Option (B) is correct.**

*Explanation:* Net profit = ₹ 80,000

Distribution amongst the partners in the ratio of 4 : 3 : 1

Farida's share = $\frac{3}{8} \times 80,000 = 30,000$

But, Farida was guaranteed ₹ 35,000 as her share in the profits in the firm. So Profit credited to Farida's Capital A/c is ₹ 35,000.

**17.** **Journal Entries**

| S.No. | Particulars | L.F. | Dr. (₹) | Cr. (₹) |
|---|---|---|---|---|
| 1. | Bhawana's Capital A/c (1,80,000 × 5/9) Dr. | | 1,00,000 | |
| | Vedika's Capital A/c (1,80,000 × 4/9) Dr. | | 80,000 | |
| | To Profit & Loss A/c | | | 1,80,000 |
| | (Dr. Balance of P&L is written off by partner's in their old profit sharing ratio) | | | |
| 2. | Vedika's Capital A/c (6,30,000 × 1/9) Dr. | | 7,00,000 | |
| | To Bhawana's Capital A/c (6,30,000 × 1/9) | | | 7,00,000 |
| | (Adjustment entry made for General Reserve) | | | |

**Working Note:** Calculations of Sacrifice or gain = Old Ratio – New Ratio

$$\text{Bhawana} = \frac{5}{9} - \frac{4}{9} = \frac{1}{9}\text{(sacrifice)}$$

$$\text{Vedika} = \frac{4}{9} - \frac{5}{9} = -\frac{1}{9}\text{(Gain)}$$

**18.** **Journal Entries**

| Date | Particulars | L.F. | Dr. (₹) | Cr. (₹) |
|---|---|---|---|---|
| (i) | Workmen Compensation Reserve A/c Dr. | | 7,00,000 | |
| | To Workmen Compensation Claim A/c | | | 5,60,000 |
| | To Roky's Capital A/c (1,40,000 × 4/7) | | | 80,000 |
| | To Vicky's Capital A/c (1,40,000 × 3/7) | | | 60,000 |
| | (Transfer of excess W.C.R to Partners' Capital accounts in their old Profit Sharing ratio) | | | |
| (ii) | Workmen Compensation Reserve A/c Dr. | | 7,00,000 | |
| | To Workmen Compensation Claim A/c | | | 7,00,000 |
| | (Provision made for W.C.C) | | | |
| (iii) | Workmen Compensation Reserve A/c Dr. | | 7,00,000 | |
| | Revaluation A/c Dr. | | 20,000 | |
| | To Workmen Compensation Claim A/c | | | 7,20,000 |
| | (Provision created and shortfall debited to Revaluation A/c) | | | |

**21.** **Journal of Sargam Ltd.**

| Date | Particulars | L.F. | Debit ₹ | Credit ₹ |
|---|---|---|---|---|
| (i) | Bank A/c Dr. | | 4,00,000 | |
| | To 9% Debenture Application A/c | | | 4,00,000 |
| | (Being Application money received for 2,000 9% Debentures @ ₹ 200 each) | | | |
| (ii) | 9% Debenture Application A/c Dr. | | 4,00,000 | |
| | To 9% Debenture A/c | | | 4,00,000 |
| | (Being Application money transferred to 9% Debenture A/c) | | | |

| | | | | |
|---|---|---|---|---|
| (iii) | 9% Debenture Allotment A/c Dr.<br>To 9% Debenture A/c<br>To Securities Premium A/c<br>(Being Allotment money due ) | | 7,00,000 | <br>6,00,000<br>1,00,000 |
| (iv) | Bank A/c Dr.<br>To 9% Debenture Allotment A/c<br>(Being Allotment money received) | | 7,00,000 | <br>7,00,000 |

**23.** **Journal Entries**

| Date | Particular | L.F. | Debit ₹ | Credit ₹ |
|---|---|---|---|---|
| (i) | Sachin's Capital A/c Dr.<br>To Realisation A/c<br>(Being stock taken over by Sachin) | | 72,000 | <br>72,000 |
| (ii) | Realisation A/c Dr.<br>To Virat's Capital A/c<br>(Being creditors taken over by Virat) | | 65,000 | <br>65,000 |
| (iii) | Realisation A/c Dr.<br>To Rohit's Capital A/c<br>(Being loan of his wife taken over by Rohit) | | 3,00,000 | <br>3,00,000 |
| (iv) | Cash/Bank A/c Dr.<br>To Realisation A/c<br>(Being amount realised from unrecorded assets) | | 10,000 | <br>10,000 |
| (v) | Bank A/c Dr.<br>To Realisation A/c<br>(Being amount realised from sale of Building) | | 66,50,000 | <br>66,50,000 |
| (vi) | Sachin's Capital A/c Dr.<br>Virat's Capital A/c Dr.<br>Rohit's Capital A/c Dr.<br>To Realisation A/c<br>(Being loss transferred equally) | | 10,000<br>10,000<br>10,000 | <br><br><br>30,000 |

**31.**

| | Item | Main head | Sub head |
|---|---|---|---|
| (i) | Bills Payable | Current Liabilities | Trade payable |
| (ii) | Loose tools | Current Assets | Inventories |
| (iii) | Copyrights | Non-Current Asset | Property, Plant and Equipment and Intangible Assets-Intangible |

**32.** Comparative statement of profit and loss for the year ended 31$^{st}$ March 2023-2024.

| | Particulars | Note No. | 31/3/2023 | 31/3/2024 | Absolute change | Percentage change |
|---|---|---|---|---|---|---|
| | | | (A) ₹ | (B) ₹ | (C= B – A) | D = C/A × 100 |
| I. | Revenue from operations | | 4,00,000 | 8,00,000 | 4,00,000 | 100 |
| II. | Expenses | | | | | |
| | (a) Cost of revenue from operations | | 2,00,000 | 4,00,000 | 2,00,000 | 100 |
| | (b) Employee Profit Expenses | | 80,000 | 1,60,000 | 80,000 | 100 |
| | **Total Expenses** | | **2,80,000** | **5,60,000** | **2,80,000** | **100** |
| III. | Profit Before Tax (I-II) | | 1,20,000 | 2,40,000 | 1,20,000 | 100 |
| IV. | Tax | | 60,000 | 1,20,000 | 60,000 | 100 |
| V. | Profit After Tax (III-IV) | | 60,000 | 1,20,000 | 60,000 | 100 |

## Outside Delhi Set-3 67/2/3

*Note: Except these, all other questions have been given in Outside Delhi Set-1 and Set-2.*

**1. Option (C) is correct.**

***Explanation:*** Dilwar aquires $\frac{1}{10}^{th}$ share from Akhil and $\frac{2}{10}^{th}$ share from Bajrang.

His total share comes to

$$\frac{1}{10}+\frac{2}{10}=\frac{3}{10}$$

**2. Option (A) is correct.**

***Explanation:*** Net profit = 90,000

Distributed amongst the partners in the ratio of 5 : 3 : 1

Faguni's share = 9,000 × 3 = 30,000

Profit credited to Faguni's capital A/c was 30,000 though guaranteed amount is 25,000.

**17.** **Journal Entries**

| Date | Particular | | L.F. | Amount Dr. | Amount Cr. |
|---|---|---|---|---|---|
| (i) | Rambha's Capital A/c | Dr. | | 1,30,000 | |
| | Urvashi's Capital A/c | Dr. | | 1,20,000 | |
| | To Advertising Suspense A/c | | | | 2,50,000 |
| | (Being Advertising Suspense A/c written off in old Ratio) | | | | |
| (ii) | Urvashi's Capital A/c | Dr. | | 20,000 | |
| | To Rambha's Capital A/c | | | | 20,000 |
| | (Being Adjustment entry made for Contingency Reserve) | | | | |

**Working Note:** Calculation of Sacrifice/gain of Partner Rambha $= \frac{13}{25}-\frac{12}{25} = \frac{1}{25}$ (sacrifice)

Urveshi $= \frac{12}{25}-\frac{13}{25} = \frac{-1}{25}$ (gain)

Adjusted amount of contingency reserve $= \left[5,00,000\times\frac{1}{25}=20,000\right]$

**18.** **Journal Entries**

| Date | Particulars | | L.F. | Dr. (₹) | Cr. (₹) |
|---|---|---|---|---|---|
| 1. (a) | Bad debts A/c | Dr. | | 60,000 | |
| | To Debtor's A/c | | | | 60,000 |
| | (Being Bad debts on Debtors) | | | | |
| (b) | Provision For Bad debts A/c | Dr. | | 90,000 | |
| | To Bad debts A/c | | | | 60,000 |
| | To Revaluation A/c | | | | 30,000 |
| | (Being Bad debts charge from P.B.D and excess provision transfer to Revaluation A/c) | | | | |
| (c) | Revaluation A/c | Dr. | | 30,000 | |
| | To Luv's capital A/c (30,000 × 5/9) | | | | 16,667 |
| | To Kush's capital A/c (30,000 × 4/9) | | | | 13,333 |
| | (Being Profit on revaluation distributed in old partner's in old ratio) | | | | |
| 2. (a) | Bad debts A/c | Dr. | | 90,000 | |
| | To Debtor's A/c | | | | 90,000 |
| | (Being Bad debts on Debtors) | | | | |
| (b) | Provision for Bad debts A/c | Dr. | | 90,000 | |
| | To Bad debts A/c | | | | 90,000 |
| | (Being Bad debts charged from P.B.D) | | | | |

| | | | | |
|---|---|---|---|---|
| 3. (a) | Bad debts A/c Dr.<br>To Debtor's A/c<br>(Being Bad debts on Debtor's) | | 1,00,000 | 1,00,000 |
| (b) | Provision for Bad debts A/c Dr.<br>Revaluation A/c Dr.<br>To Bad debts A/c<br>(Excess amount of Bad debts debited to Revaluation A/c) | | 90,000<br>10,000 | 1,00,000 |
| (c) | Luv's Capital A/c Dr.<br>Kush's Capital A/c Dr.<br>To Revaluation A/c<br>(Loss on revaluation distributed in Old partner's in old ratio) | | 5,556<br>4,444 | 10,000 |

**21.** **Journal Entries**

| Date | Particulars | L.F. | Debit ₹ | Credit ₹ |
|---|---|---|---|---|
| (i) | Bank A/c Dr.<br>To 9% Debenture Application A/c<br>(Being Application money received for 3000 9% Debentures @ ₹ 200 each) | | 6,00,000 | 6,00,000 |
| (ii) | Debenture Application A/c Dr.<br>To 9% Debenture A/c<br>(Being Application money transferred to 9% Debenture A/c) | | 6,00,000 | 6,00,000 |
| (iii) | Debenture Allotment A/c Dr.<br>To 9% Debenture A/c<br>To Securities Premium A/c<br>(Being Allotment money due) | | 10,50,000 | 9,00,000<br>1,50,000 |
| (iv) | Bank A/c Dr.<br>To 9% Debenture Allotment A/c<br>(Being Allotment money received) | | 10,50,000 | 10,50,000 |

**23.** **Journal Entries**

| Date | Particulars | L.F. | Debit ₹ | Credit ₹ |
|---|---|---|---|---|
| (i) | Preeti's Capital A/c Dr.<br>To Realisation A/c<br>(Being Debtors taken by Preeti) | | 72,000 | 72,000 |
| (ii) | Realisation A/c Dr.<br>To Kamala'a Capital A/c<br>(Being loan taken by Kamala) | | 4,00,000 | 4,00,000 |
| (iii) | Preeti's Capital A/c Dr.<br>Varsha's Capital A/c Dr.<br>Kamala's Capital A/c Dr.<br>To Realisation A/c<br>(Share divided among the partners) | | 80,000<br>80,000<br>80,000 | 2,40,000 |
| (iv) | Realisation A/c Dr.<br>To Bank A/c<br>(Being creditors paid at a discount of 10%) | | 4,50,000 | 4,50,000 |
| (v) | Bank A/c Dr.<br>To Realisation A/c<br>(Being Land and Building sold through Broker) | | 57,00,000 | 57,00,000 |
| (vi) | Realisation A/c Dr.<br>To Varsha's Capital A/c<br>(Being Dissolution Expenses paid by the Partner credited to his capital A/c) | | 45,000 | 45,000 |

**31.**

| | Item | Main head | Sub head |
|---|---|---|---|
| (i) | Outstanding salaries | Current Liabilities | Other Current Liabilities |
| (ii) | Trademarks | Non-Current Assets | Property, Plant, & Equipment and Intangible Assets-Intangible. |
| (iii) | Lose Tools | Current Assets | Inventories |

**32.** Comparative statement of profit and loss for the year ended 31st March 2023-2024.

| | Particulars | Note No. | 31/3/2023 | 31/3/2024 ₹ | Absolute change | Percentage change |
|---|---|---|---|---|---|---|
| | | | (A) ₹ | (B) ₹ | (C= B – A) | D = C/A × 100 |
| I. | Revenue from operation | | 10,00,000 | 20,00,000 | 10,00,000 | 100 |
| II. | Expenses | | | | | |
| | (a) Cost of revenue from operation | | 1,00,000 | 2,00,000 | 1,00,000 | 100 |
| | (b) Other Expenses | | 2,00,000 | 4,00,000 | 2,00,000 | 100 |
| | **Total Expenses** | | **3,00,000** | **6,00,000** | **3,00,000** | **200** |
| III. | Profit before Tax (I-II) | | 7,00,000 | 14,00,000 | 7,00,000 | 100 |
| IV. | Tax 50% | | 3,50,000 | 7,00,000 | 3,50,000 | 100 |
| V. | Profit after Tax (III-IV) | | 3,50,000 | 7,00,000 | 3,50,000 | 100 |