COMMON EXAMINATION-XII

MARKING SCHEME-ACCOUNTANCY

Q.NO	Part A - Accounting for Partnership firms and Companies	MARKS
1	Ans: **(C)Manager's commission**.	1
2	. Ans: **(D) Both A and R are correct and R is the correct explanation of A.**	1
3	Ans: **(D) ₹50,000** **OR** Ans: **(B) ₹6,400**	1
4	Ans: **(A) ₹1,00,000** **OR** Ans: **(B)7:3:3**	1
5	Ans: **(B) 15%**	1
6	Ans: **(C) Debit Harit's capital account by ₹2,000 and credit Anisha's capital account by ₹2,000**	1
7	Ans: **(B)Old partner's capital A/c in the old ratio** **OR** Ans:**(B)(i)sacrificing; (ii)capital**	1
8	Ans: **(B) Manager's Commission ₹ 20,000** **OR** Ans: **(B)46**	1
9	Ans: **(A)Workmen Compensation Reserve Dr. 3,00,000** **To Akbar's Capital A/c 1,50,000** **To Birba's Capital A/c 90,000** **To Chanakya's Capital A/c 60,000**	1

10	Ans: **(A) ₹ 71,000**	1
11	Ans: **(B) ₹ 5,000**	1
12	Ans: **(D) ₹ 15,000**	1
13	Ans: **(C) ₹ 6,750**	1
14	Ans: **(B) Both A and R are correct and R is the correct explanation of A.** **OR** Ans: **(B) Both A and R are correct but R is not the correct explanation of A.**	1
15	Ans: **(C) ₹8,000** **OR** Ans: **(C) ₹21,500**	1
16	Ans: **(D)Debenture Suspense A/c**	1
17	Arti, Bhawna and Shreya were partners sharing profits in the ratio 2:2:1. On July 1, 2022 Shreya died. The books of accounts are closed on March 31 every year. Sales for the year 2020-21 amounted to ₹5,00,000 and that from 1st April 2022 to 30th June 2022 were ₹1,40,000. The rate of profit during the past three years had been 10% on sales. The goodwill of the firm was valued at 60,000 on the date of death. Pass the journal entries for adjustment of goodwill and share of profit on Shreya's death.	3

Particulars	Dr(₹)	Cr(₹)
Arti's Capital A/c……….dr	6,000	
Bhawna's Cap A/c……..dr	6,000	
To Shreya's Capital A/c		12,000
(Being share of goodwill credited)		
P/L Suspense A/c………..dr	2,800	
To Shreya's capital A/c		2,800
(Being share of profit credited)		

18	Payal, Himani and Rachna were partners in a firm sharing profits/loss equally. Their respective fixed capitals were Payal- ₹4,00,000; Himani- ₹5,00,000 and Rachna- ₹6,00,000. The partnership deed provided for allowing interest on capital @ 10% p.a. Interest on drawings will be charged @ 18% p.a. The interest on drawings were Payal- ₹700;Himani- ₹500 and Rachna- ₹1,800. Both the interest was omitted while preparing the accounts. Pass necessary journal entry to rectify the above errors showing your workings clearly.	3

Ans:

Part.	Payal		Himani		Rachna		Firm	
	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr
IOC		40,000		50,000		60,000	1,50,000	
IOD	700		500		1,800			3,000
DP	49,000		49,000		49,000			1,47,000
	9,700(Dr)		500(Cr)			9,200(Cr)		

[4 x ½=2marks]

Journal entry:

Particulars	Dr(₹)	Cr(₹)
Payal's Capital A/c..........Dr	9,700	
To Himani's Capital A/c		500
To Rachna's Capital A/c		9,200
(Being adjustment made)		

[1 mark]

OR

Akshay , Vishal and Sumit were partners sharing profit and loss in the ratio 3:4:3. The capital of the partners on 1.4.2021 were Akshay: ₹6,00,000; Vishal: ₹4,00,000 and Sumit: ₹2,00,000.
Their Partnership Deed provided for the following:
Interest on drawings @12% p.a.
Akshay withdrew ₹2,000 at the end of every month.
Vishal withdrew ₹5,000 at the beginning of every quarter.
Sumit withdrew ₹15,000 during the year.
Calculate the interest on drawings for all three partners for the year ended 31.3.2022.

Ans:IOD:

Akshay: 24,000 x 12/100 x 5.5/12 = ₹1,320
Vishal: 20,000 x 12/100 x 7.5/12 = ₹1,500
Sumit: 15,000 x 12/100 x 6/12 = ₹9,000

[3 x 1 = 3 marks]

19 Malay, Kartik and Raj were partners in a firm sharing profits and losses in the ratio of 3 : 3 : 4. **3**

Their partnership deed provided for the following :

(i)Interest on capital @ 5% p.a.

(ii) Malay was allowed an annual salary of ₹4,000.

10% of the net profit was transferred to General Reserve.

Their fixed capitals were Malay : ₹5,00,000; Kartik : 8,00,000 and Raj : ₹4,00,000.

On 1st April, 2021 Kartik extended a loan of ₹1,00,000 to the firm. The net profit of the firm for the year ended 31st March, 2022 before interest on Kartik's loan was ₹3,06,000.

Prepare Profit and Loss Appropriation for the year ending 31.3.2022

Ans: Net profit after interest on loan = 3,06,000 – 6,000

= 3,00,000

Appropriation A/c

Particulars	₹	Particulars	₹
To IOC to transferred to Current A/c Malay's 25,000 Kartik 40,000 Raj 20,000	85,000 [1 mark]	By NP b/d	3,00,000 [1/2 mark]
To Salary Malay Current A/c	4,000 [1/2 mark]		
To transfer To GR	30,000 [1/2 mark]		
To Share of profit transferred to current A/c: Malay 54,300 Kartik 54,300 Raj 72,400	1,81,000 [1/2 mark]		
	3,00,000		3,00,000

20 Mukta Ltd. took over assets of ₹3,20,000 and liabilities of ₹ 80,000 from Heena ltd at an agreed value of ₹2,50,000. Mukta Ltd paid ₹50,000 by bank draft and the balance by issuing 12% Debentures of ₹100 each at a discount 20% redeemable at ₹110. **3**

Pass the necessary entries in the books of Mukta Ltd.

Journal entry:

Particulars	Dr(₹)	Cr(₹)
Sundry Assets ……………Dr Goodwill A/c………………Dr To liabilities A/c To Heena Ltd.	3,20,000 10,000	 80,000 2,50,000 [1mark]
Heena Ltd…………Dr To Bank A/c	50,000	 50,000 [1/2 mark]
Heena Ltd…………..Dr Discount on issue A/c…..dr Loss on Issue A/c…….Dr To 12% Debentures To Premium on Redemption	2,00,000 50,000 25,000	 2,50,000 25,000 [$1^1/_2$ marks]

OR

Famous over business of Limo Ltd and paid for it by issue of 5,000, Equity Shares of ₹100 each at a premium of 10% along and a cheque of ₹2,00,000. The assets taken over was of ₹7,50,000 and liabilities ₹60,000.

Pass the journal entries in the books of Famous Ltd.

Particulars	Dr(₹)	Cr(₹)
Sundry Assets ……………Dr Goodwill A/c………………Dr To liabilities A/c To Limo Ltd.	7,50,000 60,000	 60,000 7,50,000 [$1^1/_2$ marks]
Limo Ltd…………Dr To Bank A/c	2,00,000	 2,00,000 [1/2 mark]
Limo Ltd…………..Dr To Equity Share capital To Securities Premium	5,50,000	 5,00,000 50,000 [1mark]

21	Following is a balance sheet of Raj and Samar who were sharing profit/loss equally. Their Balance Sheet as on 31.03.2022.	4

LIABILITIES	₹	ASSETS	₹

Capitals: Raj: 3,00,000 Samar: 2,00,000	5,00,000	Goodwill	80,000
Workmen Comp. reserve	30,000	Investment	2,50,000
		Debtors 1,30,000 Less: Provision 10,000	1,20,000
Creditors	70,000	Cash at bank	1,50,000
	6,00,000		**6,00,000**

They decided to dissolve the firm. The assets realised and liabilities were paid off as under:

a) Creditors were paid at a discount of 20%.

b) Debtors were realised at 90% of book value.

c) Expenses on dissolution paid by Raj ₹7,000 on behalf of the firm.

Prepare Realisation account.

Realisation A/c

Particulars	₹	Particulars	₹
To Goodwill To Investment To debtors	80,000 2,50,000 1,30,000 [1/2 mark]	By Provision By Creditors	10,000 70,000 [1/2 mark]
To Bank: Creditors	56,000 [1/2 mark]	By Bank A/c: Debtors Investment	1,17,000 2,50,000 [1mark]
To Raj's Capital A/c Realis. Expenses	7,000 [1/2 mark]	By Realisation loss Raj Cap: 38,000 Samar Cap 38,000:	76,000 [1mark]
	5,23,000		5,23,000

22	Blessed Products Ltd. registered with capital of ₹ 90,00,000 divided into 90,000 equity shares of ₹ 100 each. The company	4

	issued prospectus inviting applications for 50,000 equity shares of ₹ 100 each payable as ₹ 20 on application, ₹ 30 on allotment, ₹ 20 on first call and balance on second call. Applications were received for ₹40,000 shares. Raman to whom 1600 shares were allotted failed to pay final call money and these shares were forfeited. Show the Share Capital as per Schedule III of Companies Act, 2013 along with notes to accounts.	

Balance Sheet Extract

Particulars	Note No.	CY
1.Equities & Liabilities Shareholders Fund Share Capital	1	39,52,000 [1/2 mark]

Notes to Accounts:

Note No.	Particulars	
1	Share Capital Authorised Capital 90,000 equity shares @100 each	90,00,000 [1/2 mark]
	Issued Capital 50,000 equity shares @100 each	50,00,000 [1/2 mark]
	Subscribed Capital Subscribed and fully paid 38,400 Equity shares @100 each	38,40,000
	Subscribed but not fully paid up 1,600 equity shares @100 each fully called up 1,60,000 -Calls in arrear (48,000)	1,12,000
		39,52,000 [$2^1/_2$ marks]

23	P and Q are partners in 3:1. Following is their Balance sheet as on 31.3.2022.	6

LIABILITIES	₹	ASSETS	₹
Capitals P : 1,80,000 Q: 1,00,000	2,80,000	Land & Buildings	2,00,000
		Furniture	80,000
		Stock	50,000
		Debtors	80,000
General Reserve	60,000	Cash at Bank	20,000
Workmen Comp. Reserve	40,000		
Creditors	50,000		

	4,30,000		**4,30,000**

They decided to admit R as a partner for 1/4th share, which he acquires entirely from P.
Following adjustments were also made:
a) Make a provision equal to 5% on debtors for doubtful debts.
b) Claim against workmen compensation was determined at ₹32,000.
c) Land and building were appreciated by 25%.
d) R brought ₹1,20,000 as his capital and ₹40,000 as his share of goodwill in cash.
e) It was also decided to re-adjust the capitals of old partners on the basis of new
ratio by taking R's capital as base. Necessary adjustments were made by introducing or withdrawing cash.
Prepare: Revaluation account and Partners' capital account.

Revaluation account

Particulars	₹	Particulars	₹
To Provision	4,000 [1/2 mark]	By Land & Buld.	50,000 [1/2 mark]
To Revaluation profit P's Cap: 34,500 Q's Cap: 11,500 [1mark]	46,000		
	50,000		50,000

Partners' Capital A/c

Part.	P	Q	R	Part.	P	Q	R
				Bal`	180000	100000	
Bal c/d	305500	128500	120000	Cash			120000
				Prem			
				GR	40,000	15,000	
				WCR	45,000	2,000	
				Rev.	6,000	11,500	
					34,500		
						128500	120000
	305500	128500	120000	Bal b/d	305500	128500	120000
Cash					305500		
Balc/d	65500	8500					
	240000	120000	120000				

[4marks]

OR

X, Y and Z are partners in 2:2:1. Their Balance sheet as on 31.03.2022 is as follows:

LIABILITIES	₹	ASSETS	₹
Creditors	50,000	Cash at Bank	60,000
General Reserve	20,000	Debtors 1,15,000	
Capitals:		Less: Provision (5,000)	1,10,000
X : 2,00,000		Furniture	40,000
Y : 1,50,000		Stock	80,000
Z : 1,00,000	4,50,000	Other Fixed Assets	2,00,000
		Goodwill	30,000
	5,20,000		**5,20,000**

On the above date X retired from the firm on the following conditions:

i. Goodwill of the firm is valued at ₹3,00,000.
ii. Write off bad debts amounting to ₹15,000.
iii. Depreciate furniture by 25%.
iv. Other fixed assets revalued at 2,40,000.
v. Capital of the new firm after X's retirement was fixed at ₹1,50,000. It was also decided to re-adjust the capital in new ratio by opening current account.

Prepare Revaluation account and Partners' capital account.

Revaluation account

Particulars	₹	Particulars	₹
To Bad debt	10,000	By other FA	40,000 [1/2 mark]
To furniture	10,000 [1mark]		
To Reval. Profit			
X cap 8,000	20,000		
Y cap 8,000			
X cap 4,000 [1mark]			
	40,000		40,000

Partners' Capital A/c

Part.	X	Y	Z	Part.	X	Y	Z
X cap		80000	40000	Bal`	20000	15000	100000
Goodwi	12000	12000	6000		0	0	
X loan	32400			GR			4000
Bal c/d	0	74000	62000	Rev.	8000	8000	4000
				Y cap	8000	8000	
				Z cap	80000		
					40000		

Z Curr Bal c/d	33600 0	16600 0 10000 0	10800 0 12000 50000	Bal b/d Y Curr	33600 0	16600 0 74000 26000	108000 62000

[$3\frac{1}{2}$ marks]

24 The Balance Sheet of X, Y and Z who were sharing profits in the ratio of 3 : 3 : 4 as at 31 st March, 2022 was as follows : **6**

LIABILITIES	₹	ASSETS	₹
Sundry Creditors	16,600	Cash	15,000
Workmen's Compensation Fund	9,000	Debtors 21,000 Less-Prov. for Doubtful Debts (1400)	19,600
General Reserve	6,000		
Capitals : X 90,000 Y 60,000 Z 30,000	1,80,000	Stock Machinery Building	19,000 58,000 1,00,000
	2,11,600		**2,11,600**

Z died on October 1, 2022. It was agreed between her executors and the remaining partners that:

(i)Goodwill be valued at 2 years' purchase of the average profits of the previous five years, which were: 2016-17: ₹30,000; 2017-18: ₹26,000; 2018-19: ₹24,000; 2020-21: ₹30,000 and 2021-22: ₹40,000

(ii)Revaluation loss amounted to ₹20,000.

(iii)Profit for the year 2022-23 be taken as having been accrued at the same rate as that in the previous year.

(iv) Interest on capital be provided at 10% p.a.

Prepare Z's Capital Account.

Z's Capital account

Particulars	₹	Particulars	₹
To Rev. loss	8,000 [1/2]	By Bal b/d	30,000 [1/2]
		By IOC	1,500 [1]
To Z's Executor	61,500[1/2]	By X Cap	12,000
		By Y Cap	12,000 [$1\frac{1}{2}$]
		By P/L suspense	8,000 [1]
		By GR	2,400 [1/2]
		By WCF	3,600 [1/2]
	69,500		

	69,500 [6 marks]	
25	Astha Ltd. appointed marketing expert, Mr.Pranay as the CEO of the company, with a target to penetrate their roots in the rural regions. Mr. Pranay discussed the ways and means to achieve target of the company with financial, production and marketing departmental heads and asked the finance manager to prepare the budget. After reviewing the suggestions given by all the departmental heads, the finance manager proposed requirement of an additional fund of ₹42,00,000. Astha Ltd. is a zero-debt company. To avail the benefits of financial leverage, the finance manager proposed to include debt in the capital structure. After deliberations, on April,1,2021, the board of directors had decided to issue 6% Debentures of ₹100 each to the public at a premium of 5%, redeemable after 5 years at 10% premium per share. You are required to answer the following questions: (i)Calculate the number of debentures to be issued to raise additional funds. (ii)Pass Journal entry for the allotment of debentures. (iii)Pass Journal entry to write off loss on issue of debentures. (iv)Calculate the amount of annual fixed obligation associated with debentures. (v) Prepare Loss on Issue of Debentures Account. (i)No. of debentures issued= 40,000 [1 mark] (ii)	6

Particulars	Dr(₹)	Cr(₹)
Debenture Appl. & Allotment..Dr Loss on issue A/c…..dr To Securities Premium To 6% debebtures To Premium Redemption on Deb. [1 1/2 marks]	42,00,000 4,00,000	 2,00,000 40,00,000 4,00,000

(iii)

Particulars	Dr(₹)	Cr(₹)

Securities Premium Reserve A/c Statement of Profit/loss To loss on issue of Debentures [1 1/2 marks]	2,00,000 2,00,000	 4,00,000

(iv)Interest on debenture = 40,00,000 x 6/100 = ₹2,40,000 [1 mark]

(v) Loss on Issue of Debentures Account.

Particulars	₹	Particulars	₹
To 6% debebtures	4,00,000	By Securities Premium Reserve A/c By Statement of Profit/loss	2,00,000 2,00,000
	4,00,000		4,00,000

[1 mark]

26 (**a)**Akash Ltd forfeited 400 shares of **₹**10 each issued at a premium of **₹**1 per share for the non-payment of allotment of **₹**4 per share and first and final call of **₹**3 per share. The premium was collected with the application money. 50% of the forfeited shares were re-issued at **₹**8 per share fully paid-up. Pass necessary journal entries for the forfeiture and re-issue of shares. Also, prepare the Forfeited Share A/c 6

(b) *X* Ltd . forfeited 100 shares of ₹ 10 each issued at a premium of ₹ 2 per share to Mr.Sreyas, on which he had paid applications money of ₹ 5 per share only. The premium was due along with allotment. The shares were fully called up. Out of these, 70 shares were reissued to Mr. Sanjay as fully paid up for ₹ 11 per share. Give necessary journal entries relating to forfeiture and reissue of shares.

(a)

Particulars	Dr(₹)	Cr(₹)
Equity Share capital A/c………dr To Forfeited Share A/c To Calls in arrear A/c	40,000	 12,000 28,000
Bank A/c………dr Forfeited Share A/c……dr To Share capital A/c	32,000 8,000	 40,000
Forfeited share A/c…..dr	4,000	

To Capital Reserve A/c		4,000

Forfeited Share A/c

Particulars	₹	Particulars	₹
To Share capital A/c To Capital Reserve	8,000 4,000 12,000	Equity Share capital A/c	12000 12,000

[$2^1/_2 + ^1/_2$ marks]

(b)

Particulars	Dr(₹)	Cr(₹)
Equity Share capital A/c………dr	1,000	
Securities Premium……….dr	200	
To Forfeited Share A/c		500
To Calls in arrear A/c		700
Bank A/c………dr	770	
To securities premium		70
To Share capital A/c		700
Forfeited share A/c…..dr	350	
To Capital Reserve A/c		350

[3 marks]

OR

Zoom Ltd. issued a prospectus inviting applications for 5,00,000 equity shares of ₹10 each issued at a premium of 10% payable as: ₹3 on Application; ₹5 on Allotment (including premium) and ₹3 on call. Applications were received for 6, 60,000 shares.

Allotment was made as follows:

(a) Applicants of 4, 00,000 shares were allotted in full.

(b) Applicants of 2, 00,000 shares were allotted 50% on pro rata basis.

(c) Applicants of 60,000 shares were issued letters of regret.

A shareholder to whom 500 shares were allotted under category (a) paid full amount on shares allotted to him along with allotment money.

Another shareholder to whom 1,000 shares were allotted under category (b) failed to pay the amount due on allotment. His shares were immediately forfeited. These shares were then

reissued at ₹14 per share as ₹7 paid up. Call has not yet been made.
Pass necessary journal entries for the above transactions in the books of Joy Ltd.

Particulars	Dr(₹)	Cr(₹)
Bank A/c………..dr To Equity share Application A/c	19,80,000	19,80,000 [1/2 mark]
Equity share Application A/c….dr To Equity share Capital A/c To Equity share Allotment A/c To Bank A/c	19,80,000	15,00,000 3,00,000 1,80,000 [1mark]
Equity share Allotment A/c…..Dr To Securities Premium To Equity share Capital A/c	25,00,000	5,00,000 20,00,000 [1/2 mark]
Bank A/c………..Dr Calls in Arrear A/c……….dr To Equity share Allotment A/c To Calls in Advance A/c	21,99,500 2,000	22,00,000 1,500 [2 marks]
Equity Share capital A/c………dr Securities Premium……….dr To Forfeited Share A/c To Calls in arrear A/c	7,000 1,000	6,000 2,000 [1mark]
Bank A/c………dr To securities premium To Share capital A/c	14,000	7,000 7,000 [1/2 mark]
Forfeited share A/c…..dr To Capital Reserve A/c	6,000	6,000 [1/2 mark]

27	Which one of the following is correct? (i)Quick Ratio can be more than Current Ratio. (ii)High Inventory Turnover ratio is good for the organisation. (iii) Sum of Operating Ratio and Operating Profit ratio is always 100. (A) All (i), (ii) and (iii) are correct. (B) Only (ii) and (iii) are correct. (C) Only (i) and (iii) are correct. (D) Only (i) and (ii) are correct. Ans: **(B) Only (ii) and (iii) are correct.** **OR** Which is not a part of Inventory as per schedule III (Part -I) of Balance sheet as per Companies Act 2013? (A) Finished Goods (B) Capital work in progress (C) Loose tools, stores and spares (D) Raw Material Ans: **(B) Capital work in progress**	1
28	Gross profit ratio of a company is 25%. Cost of revenue from operations are 3/4th of the revenue from operations. If revenue from operations is ₹60,00,000, the Gross profit of the company will be: (A) ₹25,00,000 (B) ₹45,00,000 (C) ₹15,00,000 (D) ₹11,25,000 Ans: **(C) ₹15,00,000**	1
29	M/s Mevo and Sons.; a bamboo pens producing company, purchased a machinery for ₹ 9,00,000. It received dividend of ₹ 70,000 on investment in shares. The company also sold an old machine of the book value of ₹ 79,000 at a loss of ₹ 10,000. What is Cash flow from Investing Activities? (A)Inflow ₹9,00,000 (B)Outflow ₹9,70,000 (C) Outflow ₹7,61,000 (D)Inflow ₹8,91,000 Ans: **Outflow ₹7,61,000**	1
30	While preparing Cash Flow Statement, match the following activities i.Payment of cash to acquire Debenture by an Investing Company a. Financing activity	1

	ii.Purchase of Goodwill b. Investing Activity iii. Dividend paid by a manufacturing company c. Operating activity (A)i-b; ii-a; iii - c (B)i-c; ii – b; iii – a (C)i-a; ii – c; iii – b (D)i-c; ii – a; iii – b Ans: (**B)i-c; ii – b; iii – a**	
31	Net profit after interest and tax of M Ltd. was ₹1,00,000. Its Current Assets were ₹4,00,000 and Current Liabilities were ₹2,00,000. Tax rate was 50%. Its Total Assets were ₹10,00,000 and 10% Long term debt was ₹4,00,000. Calculate Return on Investment and Debt to Capital employed ratio. ROI = 2,40,000/8,00,000 x 100 = 30% Debt to Capital employed = 4,00,000/8,00,000 = 1:2 [2+1 = 3 marks]	3
32	State any three limitations of financial statement analysis. LIMITATIONS OF FINANCIAL STATEMENT ANALYSIS 1. Danger of window dressing 2. Not free from bias 3. Ignores qualitative elements. 4. Ignores price level changes 5. Historical in nature. (any 3) [3 marks]	3
33	What will be the amount of gross profit of a firm if its average inventory is ₹80,000, Inventory turnover ratio is 6 times, and the Selling price is 25% above cost. If the closing stock was three times the opening stock. Find the value of opening stock and closing stock. CRFO = 4,80,000 [1 mark] GP = 4,80,000 x 25/100 = 1,20,000 [1 mark] Opening stock = 40,000 [$1^1/_2$ marks] Closing stock = 1,20,000 [$^1/_2$ marks] (All steps and calculations must be shown) **OR** Calculate amount of Opening Trade Receivables and Closing Trade Receivables from the following figures: Trade Receivable Turnover ratio 5 times. Cost of Revenue from Operations ₹ 8,00,000. Gross Profit ₹ 2,00,000. Closing Trade Receivables were ₹ 40,000 more than in the beginning.	4

Cash sales being ¼ of Credit sales.
RFO = 10,00,000 [1/2 marks]
Credit RFO = 1,60,000 [1 mark]
Avg Trade Receivables = 32,000 [1 mark]
Opening Trade Receivables= 12,000 [1 mark]
Closing Trade Receivables = 40,000 [1/2 marks]

(All steps and calculations must be shown)

34 Prepare Cash Flow Statement for Surya Ltd. from the following details: 6

Particulars	Note No.	31.3.22(₹)	31.3.21(₹)
EQUITY AND LIABILITIES			
(1) Shareholders Funds			
(a) Share capital		1,50,000	1,00,000
(b) Reserves and Surplus	1	50,000	25,000
(2) Non-Current Liabilities			
Long term borrowings (12%Debentures)		25,000	50,000
(3) Current Liabilities			
Trade Payables		11,250	15,000
Short term Provisions	2	32,500	30,000
TOTAL LIABILITIES		**2,68,750**	**2,20,000**
ASSETS			
(1) Non-Current Assets			
Fixed assets			
Tangible assets - Building	3	1,50,000	1,50,000
Intangible Assets- Patent		11,250	12,500
Non-current Investments		18,750	Nil
(2) Current Assets			
(a) Inventories		3,750	2,500
(b) Trade Receivables		63,750	50,000
(c) Cash and Cash Equivalents		21,250	5,000
TOTAL ASSETS		**2,68,750**	**2,20,000**

Notes to Accounts

Note No.	Particulars	31.3.22 (₹)	31.3.21 (₹)

1	Reserves & Surplus Balance in Statement of profit/loss	50,000	25,000
2	Short-term Provisions Provision for tax	32,500	30,000
3	Building (at cost) -Accumulated Depreciation	2,00,000 (50,000) **1,50,000**	1,80,000 (30,000) **1,50,000**

Additional Information :
During the year a building costing ₹60,000 on which accumulated depreciation provided ₹10,000 was sold at a profit of ₹2,000.

Particulars	₹	₹
Net profit for the year		25,000
+Provision for tax		32,500
Net Profit before tax & EOI		**57,500**
Adj for non-cash and non op items:		
Depreciation	30,000	
Amortization	1,250	
Interest on borrowings	6,000	
Profit on sale of building	(2000)	
		35,250
		92,750
-Increase in CA and Decrease in CL		
Inventory	(1,250)	
Trade Receivable	(13,750)	
Trade Payable	(3,750)	
		(18,750)
		74,000
-Tax		(30,000)
Cash from operating activities		**44,000**
Investing Activities		
Sale of building	52,000	
Purchase of building	(80,000)	
Purchase of Non-current investments	(18,750)	
Cash used in investing activities		**(46,750)**
Financing Activities		
Issue of share	50,000	
Repayment of borrowings	(25,000)	
Interest on borrowings	(6,000)	
Cash from financing activities		**19,000**
Net increase in CCE		**16,250**

	Opening cash & Cash equivalent Opening cash & Cash equivalent | | **5,000** **21,250** [Operating activity:2.5 marks; investing activity: 2 marks Financing activity:1.5 marks] [6 marks]	
27	How does the usage of computer sharpen the competitive edge and enhance the profitability of a business ? Ans. The quick, accurate and timely access to the information, helps decision making fast and correct, hence it helps the business to earn better	1
28	Give an example to explain the meaning of 'stored' and 'derived' attribute. Ans. The information which is stored e.g. date of birth of a person is an example of stored attribute where as when his/her age is calculated automatically is derived attribute.	1
29	Name the value which represents absence of data. Also state the situations which may require the use of these values. Ans. The value is called "Null value" The three situations in which these can be used are 1. When a particular attribute does not apply to an entry. 2. Value of an attribute is unknown. 3. Unknown because it does not exit.	4
30	Differentiate between desktop database and server database. Ans. (Any four) 1. Application : Desktop database can be used by a single user server data base can be used by many users at the same time. 2. Additional provision for reliability : Desktop database Doesn't present this but these provisions are available in server based database. 3. Cost : Desktop database tend to cost less than the server database. 4. Flexibility regarding the performance in front end applications : It is not present in desktop database but server database provide this flexibility. 5. Suitability : Desktop database are suitable for small/home offices and server database are more suitable for large business organisations	4
31	Give four limitations of computerised accounting system. Ans. Following are the limitations of computerised accounting softwares : 1. Faster obsolescence of technology necessitates investment in shorter period of time. 2. Data may be lost or	4

	corrupted due to power interruptions. 3. Data are prone to hacking. 4. Un-programmed and un-specified reports cannot be granted .	
32	ABC Ltd. operates in two cities — Bengaluru and Mangalore. House Rent Allowance for Bengaluru is ₹5,000 and for Mangalore is ₹4,000. Dearness Allowance is calculated on Basic Pay as follows : 15% of Basic Pay if basic pay is less than ₹15,000. 10% of Basic Pay if basic pay is greater than ₹15,000. Standard number of days are taken as 30 days in a month. Calculate the amount using Excel : (i) Gross Salary of Mr. Mahesh, who is working in Bengaluru. He has availed leave without pay for 3 days and his Basic Pay is ₹25,000. (ii) Gross Salary of Mr. Ranjan, who is working in Mangalore. Basic Pay of Mr. Ranjan is ₹14,000 Ans. Gross salary of Mr. Mahesh and Ranjan Basic pay of Mahesh Column A1 = 25000 Basic pay of Ranjan column A2 = 14000 Basic pay earned for Mahesh column B1 = A1* 27/30 = 22500 Basic pay earned for Ranjan column B2 = A2 = 14000 HRA for Mahesh Column C1 = 5000 HRA for Ranjan Column C2 = 4000 DA for Mahesh Column D1 = IF (A1>15000, 10/100*B1, 15/100*B1) DA for Ranjan Column D2 = IF (A2 > 15000, 10/100*B2, 5/100*B2) D1 = 2250 D2 = 2100 Gross salary for Mahesh = Column E1 = SUM (B1,C1,D1) Gross salary for Ranjan = Column E2 = SUM (B2,C2,D2) Mr. Mahesh’s Salary E1 = 22500 + 5000 + 2250 = `29750 Mr. Ranjan’s Salary E2 = 14000 + 4000 + 2100 = `20100	6