



**COMMON PRE-BOARD EXAMINATION**  
**SUBJECT: ACCOUNTANCY (055)**  
**CLASS XII – SESSION 2022-23**



**Time allowed: 3 hours**

**Maximum. Marks: 80**

**General Instructions:**

1. This question paper contains 34 questions. All questions are compulsory.
2. This questions paper is divided into two parts, Part A and B.
3. Part - A is compulsory for all candidates.
4. Part -B has two potions i.e., (i) Analysis of Financial Statements and (ii) Computerized Accounting.  
Students must attempt only one of the given options.
5. Questions 1 to 16 and 27 to 30 carries 1 mark each.
6. Questions 17 to 20, 31 and 32 carries 3 marks each.
7. Questions 21, 22, and 33 carries 4 marks each.
8. Questions 23 to 26 and 34 carries 6 marks each.
9. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

**PART-A**

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

1. Kiran and Kumar were partners sharing profits and losses in the ratio of 5:3. On 1<sup>st</sup> April, 2021 they admitted Kailash as a new partner and new ratio was decided as 3:2:1. Goodwill of the firm was valued as ₹ 1,80,000. Kailash could not bring any amount for goodwill. Amount of goodwill share to be credited to Kiran and Kumar Accounts will be:  
(a) ₹ 18,000 and ₹ 12,000 respectively. (b) ₹ 15,000 and ₹ 15,000 respectively.  
(c) ₹ 18,500 and ₹ 11,500 respectively. (d) ₹ 22,500 and ₹ 7,500 respectively. **(1)**
2. Read the following statements – Assertion (A) and Reason (R). Choose one of the correct alternatives given below:  
Assertion (A): Pro rata allotment is proportionate allotment where applicants are allotted less number of shares than applied for.  
Reason (R): The balance of the 'Forfeited Shares Account' is added to the Share Capital under 'Subscribed Capital'.  
**Alternatives:** (a) Both (A) and (R) are true, and (R) is the correct explanation of (A).  
(b) Both (A) and (R) are true, and (R) is not the correct explanation of (A).  
(c) Assertion (A) is true but reasons (R) is false.  
(d) Assertion (A) is false but Reason (R) is true. **(1)**
3. Gaurav Ltd. purchased machinery costing ₹ 1,71,000. It was agreed that the purchase consideration be paid by issuing 12% debentures of ₹ 100 each. Assume debentures have been issued at a discount of 10%. Number of debentures issued to vendor are:  
(a) 1,500 (b) 1,900  
(c) 2,000 (d) 2,100

**OR**

Yuvraj Ltd., forfeited 200 shares of ₹ 100 each, ₹ 60 per share called up, held by Charles. He had paid ₹ 20 per share. Out of these, 150 shares were reissued to Andrew as ₹ 60 paid up for ₹ 50 per share. Amount transferred to Capital Reserve Account will be:

- (a) ₹ 2,500 (b) ₹ 4,000  
(c) ₹ 1,500 (d) ₹ 3,000 **(1)**

4. Akil, Dia and Kiya were equal partners. They decided to change the profit-sharing ratio of 4:3:2. For this purpose, the goodwill of the firm was valued at ₹ 1,80,000.

The journal entry for the treatment of Goodwill on change in profit-sharing ratio will be:

Date	Particulars	L.F	Dr. (₹)	Cr. (₹)
(a)	Kiya's Capital A/c Dr. To Akil's Capital A/c		20,000	20,000
(b)	Dia Capital A/c Dr. To Akil's Capital A/c		20,000	20,000
(c)	Akil's Capital A/c Dr. To Kiya's Capital A/c		1,80,000	1,80,000
(d)	Akil's Capital A/c Dr. To Kiya's Capital A/c		20,000	20,000

**OR**

A, B and C are partners in a firm sharing profits in the ratio 2:2:1. C is guaranteed a minimum profit of ₹ 40,000 by A. Profit for the year amounted to ₹ 1,60,000. The profit credited to each partner will be:

- (a) ₹ 40,000, ₹ 80,000, ₹ 40,000 (b) ₹ 56,000, ₹ 64,000, ₹ 40,000  
(c) ₹ 64,000, 64,000, ₹ 32,000 (d) ₹ 60,000, ₹ 60,000, ₹ 40,000 (1)

5. Shanti and Satya are partners with capitals of ₹ 20,00,000 and ₹ 16,00,000 respectively. The Partnership Deed provides for interest on capital @ 10% p.a. If the firms earned a profit of ₹ 2,70,000 for the year ended 31<sup>st</sup> March, 2020, then Interest on capital respectively credited to the Partners' Capital Accounts was:
- (a) ₹ 2,00,000 and ₹ 1,60,000 (b) ₹ 1,35,000 and ₹ 1,35,000  
(c) No Interest on capital will be allowed (d) ₹ 1,50,000 and ₹ 1,20,000 (1)
6. Lotus Ltd. issued 1, 00,000, 10 % Debentures of ₹ 100 at certain rate of premium and to be redeemed at 10% premium. At the time of writing off Loss on Issue of Debentures, Statement of Profit and Loss was debited with ₹ 4,00,000. At what rate of premium, these debentures were issued?
- (a) 5% (b) 6%  
(c) 10% (d) 20 %

**OR**

Himalaya Ltd. issues ₹ 70,00,000, 8 % Debentures of ₹ 100 each at a premium of 5 % redeemable at 110% at the end of the 10 years.

Debentures Application and Allotment A/c Dr. ₹ 73,50,000

Loss on Issue of Debentures A/c Dr. ₹ 7,00,000

To 8% Debentures A/c X

To Securities Premium A/c Y

To Premium on Redemption of Debentures A/c Z

Here, X, Y and Z are:

- (a) ₹ 70,00,000, ₹ 3,50,000, ₹ 7,00,000 (b) ₹ 3,50,000, ₹ 7,00,000, ₹ 70,00,000  
(c) ₹ 3,50,000, ₹ 5,00,000, ₹ 2,00,000 (d) ₹ 7,00,000, ₹ 3,50,000, ₹ 70,00,000 (1)

7. Mehar Ltd. invited applications for 28,000 shares. Applications for 35,000 shares are received. The company rejected 5,000 shares and gave full allotment to applicants of 8,000 shares, and pro rata allotment was given to the applicants in the ratio:

- (a) 6:5 (b) 11:10  
(c) 8:3 (d) 9:8 (1)

8. A, B and C are partners in a business. B retired from the business, when his capital a/c, after all necessary adjustments, showed a balance of ₹ 1, 09,500. It was agreed that he should be paid ₹ 49,500 cash on retirement and the balance in three equal yearly installments with interest at 12% per annum. Amount of last installment with interest will be:
- (a) ₹ 22,400 (b) ₹ 22,300  
(c) ₹ 22,200 (d) ₹ 22,100

OR

Asha, Nisha and Usha were partners in a firm sharing profits and losses in the ratio of 2:2:1. They admitted Ashish for  $\frac{1}{4}$ <sup>th</sup> share with effect from 1<sup>st</sup> April 2022. An extract of their Balance Sheet as at 31<sup>st</sup> March, 2022 is as follows:

Liabilities	(₹ )	Assets	(₹ )
Workmen Compensation Reserve	2,50,000		

If the claim for workmen compensation is estimated at ₹ 3,00,000, which of the following accounts will be debited and by what amount?

- (a) Workmen compensation Reserve by ₹ 50,000.  
(b) Provision for Workmen Compensation Reserve by ₹ 50,000.  
(c) Revaluation A/c by ₹ 2,50,000.  
(d) Revaluation A/c by ₹ 50,000.

(1)

**Read the following hypothetical situation, Answer Question No. 9 and 10.**

Pavan and Naveen are partners sharing profits in the ratio of 3:2 with capitals of ₹ 2,50,000 and ₹ 1,50,000 respectively. Interest on capital is agreed @ 6 % p. a. Naveen is to be allowed an annual salary of ₹ 12,500. During the year ended 31<sup>st</sup> March, 2022 the profits of the year prior to calculation of interest on capital but after charging Naveen's salary amounted to ₹ 62,500. A provision of 10% of the profits is to be made in respect of manager's commission. Following is their Profit and Loss Appropriation Account.

Dr. Profit and Loss Appropriation Account		Cr.	
Particulars	₹	Particulars	₹
To Interest on Capital:		By Profit and Loss A/c	.....
Pavan	.....		
Naveen	.....		
To Naveen's Salary A/c	12,500		
To Profits transferred to:			
Pavan's Capital A/c	.....		
Naveen's Capital A/c	.....		
	=====		=====

9. Pavan's profit will be:
- (a) ₹ 14,250 (b) ₹ 20,850  
(c) ₹ 18,600 (d) ₹ 15,400
- (1)
10. Naveen's profit will be:
- (a) ₹ 12,400 (b) ₹ 13,900  
(c) ₹ 14,250 (d) ₹ 15,900
- (1)
11. Which of the following statement is incorrect in context of partnership?
- (a) Interest on partners' drawings is to be given @ 10% p.a. if the partnership deed is silent about the rate of interest.  
(b) Fixed capital account always show a credit balance while fluctuating capital accounts may show a credit or debit balances.

(c) Every partner including sleeping partner will get equal share of profit in the absence of deed.

(d) Debit balance of a partner's current account would indicate that the partner has withdrawn in excess of what was due to him. So, it will be shown on the asset side of balance sheet. (1)

12. Honda Ltd. forfeited 100 equity shares of ₹ 10 each issued at a premium of 20% for non-payment of ₹ 5 on final call including premium. The maximum amount of discount at which these shares can be reissued is:

- |           |           |     |
|-----------|-----------|-----|
| (a) ₹ 600 | (b) ₹ 700 |     |
| (c) ₹ 800 | (d) ₹ 900 | (1) |

13. Which of the following statements is/are true?

- |   |                       |
|---|-----------------------|
| (i) Authorised Capital < Issued Capital   |                       |
| (ii) Authorised Capital ≥ Issued Capital  |                       |
| (iii) Subscribed Capital ≤ Issued Capital |                       |
| (iv) Subscribed Capital > Issued Capital  |                       |
| (a) (i) only                              | (b) (i) and (iv) Both |
| (c) (ii) and (iii) Both                   | (d) (ii) only         |
- (1)

14. X and Y are partners sharing profits in the ratio of 2:1. They admit Z into the partnership for 1/4<sup>th</sup> share in profits for which he brings ₹ 20,000 as his share of capital. Hence, the adjusted capital of X and Y will be:

- |  |  |
|--|--|
| (a) ₹ 40,000 and ₹ 20,000 respectively | (b) ₹ 32,000 and ₹ 16,000 respectively |
| (c) ₹ 60,000 and ₹ 30,000 respectively | (d) ₹ 20,000 and ₹ 40,000 respectively |
- (1)

15. A, B and C are partners, their partnership deed provides for interest on drawings at 8% per annum. B withdrew a fixed amount in the middle of every month and his interest on drawings amounted to ₹ 4,800 at end of the year. What was the amount of his monthly drawings?

- |                |              |
|----------------|--------------|
| (a) ₹ 10,000   | (b) ₹ 5,000  |
| (c) ₹ 1,20,000 | (d) ₹ 48,000 |

OR

Sumanth, a partner withdrew ₹ 6,000 at the end of each quarter and interest on drawings was calculated as ₹ 900 at the end of accounting year 31<sup>st</sup> March 2022. What is the rate of interest on drawings charged?

- |              |              |
|--------------|--------------|
| (a) 12% p.a. | (b) 9% p.a.  |
| (c) 6% p.a.  | (d) 10% p.a. |
- (1)

16. During the dissolution of partnership firm, assets were ₹ 2,00,000 and outside liabilities were ₹ 50,000. If assets realized 85% and expenses of dissolution paid were ₹ 500, profit/loss on realization will be:

- |                     |                     |
|---------------------|---------------------|
| (a) ₹ 30,500 (Gain) | (b) ₹ 25,500 (Gain) |
| (c) ₹ 30,500 (Loss) | (d) ₹ 40,500 (Loss) |
- (1)

17. A, B and C were partners in a firm whose books were closed on March 31<sup>st</sup> each year. A died on 30<sup>th</sup> June, 2020 and according to the agreement, the share of profits of a deceased partner upto the date of the death is to be calculated on the basis of the average profits for the last five years. The net profits for the last 5 years have been: 2016 - ₹ 14,000; 2017 - ₹ 18,000; 2018 - ₹ 16,000; 2019 - ₹ 10,000 (loss) and 2020 - ₹ 16,000.

Calculate A's share of the profit upto the date of death and pass necessary journal entry. (3)

18. Sonali and Monali started a business on 1<sup>st</sup> April, 2017. Their capital contribution were ₹ 2,00,000 and ₹ 1,50,000 respectively. The partnership deed provided: (i) Interest on capital at 10% p.a. (ii) Sonali to get a salary of ₹ 2,000 p.m. and Monali ₹ 3,000 p.m. (iii) Profits are to be shared in the ratio of 3:2. The profits for the year ended 31<sup>st</sup> March, 2018 before making above appropriations were ₹ 2,16,000. Interest on drawings amounted to ₹ 2,200 for Sonali and ₹ 2,500 for Monali. Prepare Profit and Loss Appropriation Account.

**OR**

Rohit and Raina are partners in a firm sharing profits in the ratio of 7:3. Their capital accounts on 1<sup>st</sup> April 2019, stood at ₹ 9,00,000, and ₹ 4,00,000 . The partnership deed provided for the following but the profit for the year was distributed without providing for:

- (a) Interest on capital was to be allowed @ 9% per annum.
- (b) Rohit's salary ₹ 50,000 per year and Raina's salary ₹ 3,000 per month.

The profit for the year ended 31<sup>st</sup> March, 2018 was ₹ 2,78,000 .

You are required to pass an Adjustment entry to rectify the error.

**(3)**

19. Wipro Ltd. invited applications for issuing 500, 12% debentures of ₹ 100 each at a discount of 5%. These debentures were redeemable after three years at par. Applications for 600 debentures were received. Pro-rata allotment was made to all the applicants. Pass necessary journal entries for the issue of debentures assuming that the whole amount was payable with application.

**OR**

Sony Ltd. purchased assets of Super Star Ltd. for ₹ 3,00,000. It also agreed to take over the liabilities of Super Star Ltd. amounting to ₹ 50,000 for a purchase consideration of ₹ 2,75,000. The payment to Super Star Ltd. was made by issue of 8% debentures of ₹ 50 each at a premium of 10 %.

Pass necessary journal entries for the above transactions in the books of Sony Ltd.

**(3)**

20. Ram, Shyam and Mohan were partners in a firm sharing profits and losses equally. The firm was engaged in the storage and distribution of canned juice and its godowns were located at three different places in the city. Each godown was being managed individually by Ram, Shyam and Mohan. Because of increase in business activities at the go-down managed by Shyam, he had to devote more time. Shyam demanded that his share in the profits of the firm be increased, to which Ram and Mohan agreed. The new profit sharing ratio was agreed to be 1:2:1. For this purpose, the goodwill of the firm was valued at two years 'purchase of the average profits of last five years. The profits of the last five years were as follows:

Year	Profit(₹)
I	4,00,000
II	4,80,000
III	7,33,000
IV (Loss)	33,000
V	2,20,000

You are required to

- (a) Calculate the goodwill of the firm.
- (b) Pass necessary Journal Entry for the treatment of goodwill on change in profit- sharing ratio of Ram, Shyam and Mohan.

**(3)**

21. On 1<sup>st</sup> April, 2019, Videocon Ltd. was formed with an authorized capital of ₹ 5,00,000 divided into 50,000 equity shares of ₹ 10 each. Since the economy was in robust shape the company decided to offer to the public subscription of 30,000 equity shares of ₹ 10 each at a premium of ₹ 20 per share. The company received applications for 28,000 equity shares and allotment was made to all the applicants. All calls were made and duly received except the final call of ₹ 2 per share on 500 shares. Show the following:

(a) Share Capital in the Balance Sheet of the company as per Schedule III Part I of the Companies Act, 2013.

(b) Also prepare 'Notes to Accounts' for the same. (4)

**22.** Raghav, Laxman and Bharath have been partners in a firm manufacturing alarm clock. During recent years, they saw a decline in the demands and sale of their product as mobile phones have started to serve the purpose of alarm clock too. All the partners decided to voluntarily dissolve the firm through mutual consent.

The firm of Raghav, Laxman and Bharath was dissolved on 31/03/2021 various assets (other than cash and bank) and the third party liabilities had been transferred to realization account.

- (i) Raghav's loan of ₹ 40,000 to the firm was settled by paying ₹ 35,000.
- (ii) Bharath's loan of ₹ 75,000 to the firm and he took over Investments of ₹ 60,000 as part payment.
- (iii) Laxman's loan ₹ 60,000 was settled by giving an unrecorded asset of ₹ 75,000.
- (iv) Raghav agreed to bear the dissolution expenses of ₹ 6,500 and the same paid from the firm's cash. (4)

**23.** Jindal Ltd has offered 50,000 equity shares of ₹ 100 each at a premium of ₹ 20, payable as follows:

Application ₹ 50

Allotment ₹ 40 (including premium) and balance on first and final call.

The bank account of the company has received ₹ 35,00,000 on account of share application money.

Jindal Ltd. decided to allot shares to all the applicants on Pro-rata basis. The balance in calls in arrears account at the time of allotment and first and final call amounted to ₹ 1,00,000 and ₹ 1,50,000 respectively. These shares were forfeited and reissued at ₹ 90 per share as fully paid up.

Make Journals in Jindal Ltd.

**OR**

Give journal entries for forfeiture and reissue of shares:

- (i) Max Ltd. forfeited 30 shares of ₹ 10 each, ₹ 7 called-up, on which Madhu has paid application and allotment money ₹ 5 per share. Of these, 25 shares were reissued to Neha as fully paid up for ₹ 6 per share.
- (ii) Reliance Ltd. forfeited 180 shares of ₹ 10 each, ₹ 8 called up, issued at premium of ₹ 2 per share to Arsh for non-payment of allotment money of ₹ 5 per share (including premium) . Out of these, 160 shares were reissued to Jyothi as ₹ 8 called up for ₹ 10 per share fully paid up. (6)

**24.** Kavita and Pavita were partners in a firm sharing profits and losses equally.

On 31<sup>st</sup> March 2022 their Balance Sheet was as follows:

Balance Sheet of Kavita and Pavita as on 31/03/2022

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditors	1,04,000	Cash at Bank	30,000
Capitals:		Bills Receivables	45,000
Kavita 2,50,000		Debtors	75,000
Pavita <u>2,16,000</u>	4,66,000	Furniture	1,10,000
		Land and Building	3,10,000
	<b>5,70,000</b>		<b>5,70,000</b>

On 1/4/2022, they admitted Navita as a new partner for 1/3<sup>rd</sup> share in the profits on the following conditions:

- (i) Navita will bring ₹ 3,00,000 as her capital and ₹ 50,000 as her share of goodwill premium, half of which will be withdrawn by Kavita and Pavita.
- (ii) Debtors to the extent of ₹ 5,000 were unrecorded.

- (iii) Furniture will be reduced by 10% and 5% provision for bad and doubtful debts will be created on bills receivables and debtors.
- (iv) Value of land and building will be appreciated by 20%.
- (v) There being a claim against the firm for damages, a liability to the extent of ₹ 8,000 will be created for the same.

Prepare Revaluation A/c and Partners' Capital Accounts.

**OR**

Jeet, Meet and Geet were partners in a firm sharing profits in the ratio of 3:2:1 respectively. On March 31<sup>st</sup>, 2022, the balance sheet of the firm stood as follows:

**Balance Sheet**

Liabilities	(₹)	Assets	(₹)
Creditors	26,000	Cash	4,700
Bank Overdraft	4,000	Debtors	8,000
Capital Accounts:		Stock	25,300
Jeet 30,000		Buildings	50,000
Meet 20,000		Profit and Loss Account	12,000
Geet 20,000	70,000		
	<b>1,00,000</b>		<b>1,00,000</b>

Meet retired on the above mentioned date on the following terms:

- (i) Building to be appreciated by ₹ 10,000.
- (ii) A provision for doubtful debts to be made at 5 % on debtors.
- (iii) Goodwill of the firm is valued at ₹ 36,000 and necessary adjustment to be made by raising and writing off the goodwill.
- (iv) ₹ 11,200 to be paid to Meet immediately and the balance in his capital account to be transferred to his loan account carrying interest as per the agreement.
- (v) Capital of the new firm was to be in the new profit sharing ratio of the continuing partners, by opening current account.

Prepare revaluation account and Partners' capital account.

**(6)**

- 25.** Narain Laxmi Ltd. issued 2,500, 8% debentures of ₹ 100 each at a discount of 10 % on 1<sup>st</sup> April, 2021 redeemable at par after five years. The company has a balance of ₹ 15,000 in Securities Premium Reserve. The company decided to use the Securities Premium Reserve for writing off the loss on issue of debentures and also decided to write off the remaining discount in the first year itself.

Pass the Journal entries for issue of debentures and writing off the discount on Issue of debentures.

You are also required to prepare Discount on Issue of Debentures Account.

**(6)**

- 26.** Keith, Chander and Bina were partners in a firm sharing profits and losses in the ratio of 2:2:1. On 31<sup>st</sup> March, 2022 their Balance Sheet was as follows:

Balance Sheet of Keith, Honey and Bina as on 31/03/2022.

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditors	3,00,000	Fixed Assets	4,50,000
General Reserve	1,50,000	Stock	1,50,000
Capitals:		Debtors	2,00,000
Keith 2,00,000		Bank	1,50,000
Chander 2,00,000			
Bina <u>1,00,000</u>	5,00,000		
	<b>9,50,000</b>		<b>9,50,000</b>

Chander died on 12/06/2022. According to the partnership deed, the legal representatives of the deceased partner were entitled to the following:

- (i) Balance in his Capital Account.
- (ii) Interest on Capital @ 12%.p.a.
- (iii) Share of goodwill. Goodwill of the firm on Chander's death was valued at ₹ 60,000.
- (iv) Share in the profits of the firm till the date of his death, calculated on the basis of last year's profit. The profit of the firm for the year ended 31/03/2022 was ₹ 5,00,000.

Prepare Chander's Capital Account to be presented to his representatives.

(6)

#### PART-B

#### (Analysis of Financial Statements)

**27.** A company has an operating cycle of eight months. It has accounts receivables amounting to ₹ 1,00,000 out of which ₹ 60,000 have a maturity period of 13 months. How would the information be presented in the balance sheet?

- (a) ₹ 40,000 as current assets and ₹ 60,000 as non-current assets.
- (b) ₹ 60,000 as current assets and ₹ 40,000 as non-current assets.
- (c) ₹ 1,00,000 as non-current assets.
- (d) ₹ 1,00,000 as current assets.

**OR**

Which one of the following is correct?

- (i) Total assets to Debt ratio shows relationship between total assets and long-term debts of the business.
- (ii) Total Assets to Debt Ratio = Total Assets / Long term Debts.
- (iii) Long term Debts refers to debt that will mature after one year from the date of Balance Sheet or after the period of operating cycle.
- (iv) A total asset to debt ratio of 3:1 is considered safe for the investors.

Choose the correct option:

- (a) Only (i) and (ii)
- (b) Only (i) and (iii)
- (c) Only (i) and (iv)
- (d) Only (i), (ii) and (iii)

(1)

**28.** Based on the following information, calculate Net assets or Capital Employed Turnover Ratio:

Shareholders' Funds ₹ 40,00,000, Equity Share Capital ₹ 15,00,000, 7 % Preference Share Capital ₹ 10,00,000, Reserves and Surplus ₹ 15,00,000, 8 % Debentures ₹ 10,00,000 and Revenue from Operations ₹ 75,00,000.

(1)

**29.** Modern Ltd. purchased machinery of ₹ 2, 50,000 issuing a cheque of ₹ 1, 00,000 and 9% Debentures of ₹ 1,50,000. In the cash flow statement, the transaction will be shown as:

- (a) Outflow under investing activity ₹ 2,50,000 inflow under financing activity as Receipt for Debentures of ₹ 1,50,000.
- (b) Outflow under investing activity ₹ 1,00,000.
- (c) Inflow of ₹ 1,50,000 as financing activity.
- (d) Inflow of ₹ 1,50,000 as Investing Activity and Outflow under financing activity of ₹ 2,50,000.

**OR**

#### Balance Sheet (an Extract)

Equities and liabilities	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2020
12% Debentures	2,00,000	1,60,000

#### Additional Information:

Interest on debentures is paid on half yearly basis on 30<sup>th</sup> September and 31<sup>st</sup> March each year. Debentures were redeemed on 30<sup>th</sup> September, 2019.



How much amount (related to above information will be shown in Financing Activity for Cash Flow Statement prepared on 31<sup>st</sup> March, 2020?

- (a) Outflow ₹ 40,000 (b) Inflow ₹ 42,600  
(c) Outflow ₹ 61,600 (d) Outflow ₹ 64,000

(1)

30. JJK Ltd. purchased a plant and machinery for ₹ 12,00,000. It received dividend of ₹ 90,000 on investments. The company also sold old equipment for ₹ 2,40,000 at a loss of ₹ 20,000. The cash flow from investing activities for Cash Flow Statement will be:

- (a) Cash Inflow ₹ 8,70,000 (b) Cash Outflow ₹ 8,70,000  
(c) Cash Inflow ₹ 12,00,000 (d) Cash Outflow ₹ 12,00,000

(1)

31. Under which major headings and sub-headings will the following items be shown in the Balance Sheet of a company as per Schedule III Part I of the Companies Act, 2013:

- (i) Net loss as shown by Statement of Profit and Loss  
(ii) Capital redemption reserve  
(iii) Bonds  
(iv) Loans repayable on demand  
(v) Unclaimed dividend  
(vi) Building

(3)

32. One of the objectives of 'Financial Statement Analysis' is to judge the ability of the firm to repay its debt and assessing the short- term as well as the long-term liquidity position of the firm. State two more objectives of this analysis.

(3)

33. Calculate Debt to Capital Employed Ratio from the following information:

(₹)

Shareholder's Funds		50,00,000
Non- current Liabilities:		
Long term Borrowings	20,00,000	
Long term Provisions	17,50,000	37,50,000
Non-Current Assets:		
Property, Plant and Equipment and Intangible Assets	90,00,000	
Non- current Investments	12,50,000	1,02,50,000
Current Assets		23,75,000

OR

Assuming that the current ratio is 2.1:1.2. State with reasons whether this ratio would increase, decrease or remain unchanged in the following cases:

- (a) Redeemed 9 % debentures of ₹ 1,00,000 at a premium of 10 %.  
(b) Received from debtors ₹ 17,000.  
(c) Issued ₹ 2,00,000 equity shares to the vendors of machinery.  
(d) Purchase of Loose Tools against cash.

(3)

34. Read the following hypothetical situation, and answer the questions that follow:

After completing his MBA, Manak Gupta initiated a start-up that provides a platform for the 'App Development'. Following are the Balance Sheets of his start up Dreams Converge Ltd. as at 31/03/2022 and 31/03/2021.

Particulars	Note No.	31/03/22 (₹)	31/03/21 (₹)
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds:</b>			
(a) Share Capital		7,00,000	5,00,000
(b) Reserves and Surplus (Profit and Loss Balance)		3,50,000	2,00,000
<b>(2) Share Application money pending allotment</b>			
<b>(3) Non- current Liabilities:</b>		50,000	1,00,000
Long Term Borrowings			
<b>(4) Current Liabilities</b>			
(a) Trade Payables		1,22,000	1,05,000
(b) Short – term Provisions (Provision for tax)		50,000	30,000
<b>Total</b>		<b>12,72,000</b>	<b>9,35,000</b>
<b>II ASSETS</b>			
<b>1. Non-current Assets</b>			
(a) Property, Plant and Equipment (Fixed Assets)			
(i) Tangible Assets	1	5,00,000	5,00,000
(ii) Intangible Assets	2	95,000	1,00,000
(b) Non-current Investments		1,00,000	Nil
<b>2. Current Assets</b>			
(a) Inventory		1,30,000	55,000
(b) Trade Receivables		1,47,000	80,000
(c) Cash and Cash Equivalents		3,00,000	2,00,000
<b>Total</b>		<b>12,72,000</b>	<b>9,35,000</b>

Note No.	Particulars	31/03/22	31/03/21
<b>1.</b>	Tangible Assets		
	Computers and related equipment	2,80,000	2,00,000
	Less: Accumulated Depreciation	(1,00,000)	(80,000)
		1,80,000	1,20,000
	Office Premises	3,20,000	3,80,000
		5,00,000	5,00,000
<b>2.</b>	<b>Intangible Assets</b>		
	Goodwill	95,000	1,00,000

During the year, the company had to sell some computers of the book value of 80,000 (accumulated depreciation ₹ 20,000) at a loss of ₹ 18,000.

You are required to:

- Calculate operating profit before working capital changes.
- Calculate cash inflow from operating activities
- Prepare 'Computers and Related Equipment's Account.

(6)