INDIAN SCHOOL MUSCAT

FINAL EXAMINATION

NOVEMBER 2019

SET B

CLASS XII

Marking Scheme – ACCOUNTANCY [THEORY]

Q.NO.	Answers	Marks (with split up)
	PART- A **(Accounting for Not-For-Profit-Organizations and Partnership Firms)**	
1	Specific donations received by Not-For-Profit-organizations are shown on the _________ side of_________. **Ans: Liabilities side , Balance sheet**	1
2	The firm paid realization expenses of ₹.20,000 on behalf of Rahul, a partner with whom it was agreed at ₹.50,000. Realization expenses came to ₹.70,000. Realization account will be debited by: a) ₹.20,000 b) ₹.70,000 c) ₹.50,000 d) ₹.1,40,000 **Ans: c) ₹.50,000**	1
3	Maximum number in a partnership business is ________ **Ans: 50**	1
4	Calculate manager's commission if profit is ₹.1,32,000 and commission is allowed at 10% after charging such commission. a) ₹.13,200 b) ₹.11,000 c) ₹.12,000 d) ₹.10,000 **Ans: c) ₹.12,000**	1
5	P,Q and R are partners sharing profits in the ratio of 4:3:1. P retires and his share is taken by Q and R equally. Calculate the new profit sharing ratio of Q and R. a) 1 : 1 b) 4 : 3 c) 3 : 4 d) 5 : 3 **Ans: d) 5 : 3**	1
6	The amount of Sundry assets transferred to Realization account is ₹.80,000. Assets realized 96% of their book value. What amount should be credited to Realization account? **Ans: ₹.76,800**	1
7	Advance or loan taken by the partner from the firm is ____________ to the deceased partner's _____________. **Ans: Debited , capital a/c**	1
8	Name the method of calculating interest on drawings of the partner if different amounts are withdrawn on different dates. **Ans: Product method**	1

9	Name the liability which is not shown in the balance Sheet, but paid at the time of dissolution of the firm. **Ans: Unrecorded Liability**	1
10	At the time of retirement of a partner, state the condition when there is no need to compute the gaining ratio. **Ans: When the continuing partners decide to share profits in the same ratio that existed among them prior to retirement.**	1
11	Why is sacrificing ratio calculated? **Ans: Sacrificing ratio is calculated because the premium for goodwill brought in by the new partner is divided among the old partners in their sacrificing ratio.**	1
12	In case of change in profit-sharing ratio, the accumulated profits are distributed to the partners in a) New ratio b) Old ratio c) Sacrificing ratio d) Equal ratio **Ans: b) Old ratio**	1
13	Revaluation account is a a) Personal account b) Real account c) Nominal account d) None of the above **Ans: Nominal a/c**	1
14	Any change in the relationship of existing partners which results in an end of the existing agreement and enforces making of new agreement is called : a) Revaluation of partnership b) Reconstitution of partnership c) Realization of partnership d) None of the above **Ans: b) Reconstitution of partnership**	1
15	Present the following information for the year ended 31st March, 2018 in the financial statements of a not-for-profit organization:	3

Particulars	Amount (₹.)
Opening balance of Match fund	10,00,000
Sale of Match tickets	7,50,000
Donations for Match Fund received during the year	2,48,000
Match expenses	20,00,000

Ans:

Income and Expenditure Account for the year ended March 31, 2018

Particulars	**Amount (₹.)**	**Particulars**	**Amount (₹.)**
To Match expenses	**2,000**		

Balance Sheet as on 31st March 2018

Liabilities	**Amount (₹.)**	**Assets**	**Amount (₹.)**
Match Fund 10,00,000 **Add: Donations 2,48,000** **Add: Sale of match tickets 7,50,000** **19,98,000** **Less: Match expenses (20,00,000)**			

OR

From the following information , calculate the amount of 'Sports Material' to be debited to Income and Expenditure Account of Youth Football Club for the year ended 31st March 2018:

Particulars	Amount (₹.)
Opening Stock of Sports Material	42,000
Closing Stock of Sports Material	48,000
Opening Creditors of Sports Material	47,000
Closing Creditors of Sports Material	54,000
During the year the creditors for sports material were paid	2,20,000

Ans:
Calculation of Sports Materials to be debited to Income and Expenditure A/c

Particulars	**Amount (₹.)**
Amount paid to creditors	**2,20,000**
Add: Closing balance of creditors	**54,000**
Less: Opening balance of creditors	**(47,000)**
Purchases of sports materials	**2,27,000**
Add: Opening stock of Sports Materials	**42,000**
Less: Closing Stock of Sports Materials	**(48,000)**
Sports Materials to be debited to Income and Expenditure A/c	**2,21,000**

16 Banwari, Girdhari and Murari are partners in a firm sharing profits and losses in the ratio of 4:5:6. On 31st March 2014, Girdhari died. On that date the capitals of Banwari, Girdhari and Murari before the necessary adjustments stood at ₹.2,00,000 ; ₹.1,00,000 and ₹.50,000 respectively. On Girdhari's death , goodwill of the firm was valued at ₹.1,14,000. Revaluation of assets and reassessment of liabilities resulted in a profit of ₹.6,000. General reserve stood in the books of the firm at ₹.30,000.
The amount payable to Girdhari was transferred to his executors a/c. Banwari and Murari agreed to pay Girdhari's executor two yearly instalments of ₹.75,000 each including interest @ 10% p.a on the outstanding balance during the first two years and the balance including interest in the third year. The firm closes its books on 31st March every year.
Prepare Girdhari's executors account till it is finally paid. 3

Ans:
Girdhari's executor's a/c

Date	**Particulars**	**Amount**	**Date**	**Particulars**	**Amount**
2015 Mar31 Mar31	**To bank a/c To Bal c/d**	**75,000 90,000**	**2014 Ap1 2015 Mar31**	**By Girdhari's cap a/c By Interest a/c**	**1,50,000 15,000**
		1,65,000			**1,65,000**
2016 Mar31 Mar31	**To Bank a/c To Balance c/d**	**75,000 24,000**	**2015 Ap1 2016 Mar31**	**By Balance b/d By Interest a/c**	**90,000 9,000**
		99,000			**99,000**
2017 Mar31	**To Bank a/c**	**26,400**	**2016 Ap 1 2017 Mar31**	**By Balance b/d By Interest a/c**	**24,000 2,400**
		26,400			**26,400**

17 Arun, Varun and Vinod are partners in a firm. On 1st April,2011 the balance in their capital accounts stood at ₹.4,00,000; ₹.3,00,000 and ₹.2,00,000 respectively. They shared profits in the proportion of 5:3:2 respectively. Partners are entitled to interest on capital @5% per annum and salary to Varun @ ₹.1,500 per month and a commission of ₹.6,000 to Vinod as per the provisions of the partnership deed.
Arun's share of profit, excluding interest on capital, is guaranteed at not less than ₹.12,500 p.a. Varun's share 4

	of profit, including interest on capital but excluding salary, is guaranteed at not less than ₹.27,500p.a. Any deficiency arising on that account shall be met by Vinod. The profit of the firm for the year ended 31st March, 2012 amounted to ₹.1,08,000. Prepare 'Profit and Loss Appropriation for the year ended 31st March,2012. **Ans:**	

Profit & Loss Appropriation a/c

Particulars	**Amount**	**Particulars**	**Amount**
To Interest on capital **Arun 20,000** **Varun 15,000** **Vinod 10,000**	**45,000**	**By Net profit**	**1,08,000**
To salary (Akbar)	**18,000**		
To Comm (Anthony)	**6,000**		
To net profit **Amar 19,500** **Akbar 11,700** **Add def 800 12,500** **Anthony 7,800** **Less def 800 7,000**	**78,000**		
	1,08,000		**1,08,000**

18 The average profit earned by a firm is ₹.80,000 which includes undervaluation of stock of ₹.8,000 on an average basis. The capital invested in the business is ₹.8,00,000 and the normal rate of return is 8%. Calculate goodwill of the firm on the basis of 7 times the super profit. 4

Ans:

Actual average profit - ₹.88,000
Normal profit - ₹.64,000
Super profit - ₹. 24,000
Goodwill - ₹.1,68,000

OR

A partnership firm earned net profits during the last three years as follows:

Year	Net Profit
2008-2009	1,90,000
2009-2010	2,20,000
2010-2011	2,50,000

The capital employed in the firm throughout the above mentioned period has been ₹.4,00,000. Having regard to the risk involved, 15% is considered to be a fair return on the capital. The remuneration of all the partners during the period is estimated to be ₹.1,00,000 per annum. Calculate the value of goodwill on the basis of two years' purchase of super profits earned on average basis.

Ans:

Average Profit - ₹.2,20,000
Actual average profit - ₹.1,20,000
Normal profit- ₹.60,000
Super profit- ₹.60,000
Goodwill - ₹.1,20,000

19 Anita, Beena and Christy were partners in a firm sharing profits in the ratio of 2:2:1. Their Balance Sheet as at 31st March, 2019 was as follows: 4

Balance Sheet
As at 31st March,2019

Liabilities	Amount	Assets	Amount
Creditors	30,000	Land	85,000
Bills payable	20,000	Building	50,000
Outstanding expenses	25,000	Plant	1,00,000
General reserve	50,000	Stock	40,000

Capital Anita 50,000 Beena 60,000 Christy 70,000	1,80,000	Debtors Cash	25,000 5,000
	3,05,000		3,05,000

From April 1,2019 the partners decided to share profits in the ratio 1:2:3. For this purpose, it was agreed that:
a) The goodwill of the firm should be valued at ₹.60,000.
b) Land should be revalued at ₹.1,00,000. Building should be depreciated by 6%.
c) Creditors amounting to ₹.3,000 were not to be paid.
It was decided among the partners that General Reserve has to be distributed among the partners whereas goodwill and revised values of assets and liabilities are not to be recorded in the books.
You are required to:
a) Record the necessary journal entries to give effect to the above agreement.
b) Prepare the capital accounts of the partners.

Ans:

a) Journal entries

Date	**Particulars**	**lf**	**Dr**	**Cr**
2019 Ap 1	**General reserve a/c Dr To Anita's Capital a/c To Beena's Capital a/c To Christy's Capital a/c**		**50,000**	**20,000 20,000 10,000**
	Chrsity's Capital a/c Dr To Anita's Capital a/c To Beena's Capital a/c		**22,500**	**17,500 5,000**

Partners' Capital a/c

Particular	**Anita**	**Beena**	**Christy**	**Particular**	**Anita**	**Beena**	**Christy**
To A cap			**17,500**	**By Bal**	**50,000**	**60,000**	**70,000**
To B cap			**5,000**	**By GR**	**20,000**	**20,000**	**10,000**
To Bal	**87,500**	**85,000**	**57,500**	**By C cap**	**17,500**	**5,000**	
	87,500	**85,000**	**57,500**		**87,500**	**85,000**	**57,500**

20 A, B and C were partners in a firm. A died on 31.03.2018 and the Balance Sheet of the firm on that date was as under: 6

Balance Sheet of A, B and C
As at 31.03.2018

Liabilities	Amount	Assets	Amount
Creditors	7,000	Cash at bank	12,000
General Reserve	9,000	Debtors	32,000
Workmen's compensation fund	10,000	Furniture	30,000
Profit & Loss account	6,000	Plant	40,000
Capital A - ₹.40,000 B - ₹.30,000 C - ₹.20,000	90,000	Patents	8,000
	1,22,000		1,22,000

On A's death it was found that patents were valueless, furniture was to be brought down to ₹.24,000, plant was to be reduced by ₹.10,000 and there was a liability of ₹.7,000 on account of workmen's compensation. Pass the necessary journal entries for the above at the t11ime of A's death.

Ans:

Journal

Date	Particulars	Lf	Dr	Cr
	Revaluation a/c Dr **To Patents a/c** **To Furniture a/c** **To Plant a/c** **(Being assets revalued)**		**24,000**	 **8,000** **6,000** **10,000**
	Workmen's Compensation fund a/c Dr **To claim for WCR** **To A's capital a/c** **To B's capital a/c** **To C's capital a/c** **(Being comp fund transferred to claim)**		**10,000**	 **7,000** **1,000** **1,000** **1,000**
	A's capital a/c **B's capital a/c** **C's capital a/c** **To Revaluation a/c** **(Being loss on revaluation)**		**8,000** **8,000** **8,000**	 **24,000**
	General Reserve a/c **Profit & loss a/c** **To A's capital a/c** **To B's capital a/c** **To C's capital a/c** **(Being general reserve and profit & loss dis)**		**9,000** **6,000**	 **5,000** **5,000** **5,000**
	A's capital a/c Dr **To a's executor a/c** **(being capital bal trfed)**		**38,000**	 **38,000**

OR

X, Y and Z were partners in a firm sharing profits and losses in the ratio of 5:3:2. On 31.03.2016 their Balance Sheet was as follows:

Liabilities	Amount	Assets	Amount
Capital a/cs X 75,000 Y 62,500 Z 37,500 Creditors	 1,75,000 42,500	Building Patents Machinery Stock Debtors Cash at Bank	50,000 15,000 75,000 37,500 20,000 20,000
	2,17,500		2,17,500

Z died on 31st July, 2016. It was agreed that:

a) Goodwill be valued at 2 ½ year's purchase of the average profit of the last four years, which were as follows:

Years	Profit(₹.)
2012-2013	32,500
2013-2014	30,000
2014-2015	40,000
2015-2016	37,500

b) Machinery be valued at ₹.70,000; Patents at ₹.20,000 and Building at ₹.62,500.

c) For the purpose of calculating Z's share of profits in the year of his death the profits in 2016-2017 should be taken to have been accrued on the same scale as in 2015-2016.

d) A sum of ₹.17,500 was paid immediately to the executors of Z and the balance was paid in four half yearly instalments together with interest at 12% p.a. starting from 31.01.2017.

Pass necessary journal entries to record the above transactions.

Ans:

Journal

Date	Particulars	lf	Dr	Cr
	X's capital a/c Dr **Y's capital a/c Dr** **To Z's capital a/c** **(Being goodwill compensated)**		**10,938** **6,562**	 **17,500**
	Profit & loss suspense a/c Dr **To Z's capital a/c**		**2,500**	 **2,500**
	Revaluation a/c Dr **To machinery a/c**		**5,000**	 **5,000**
	Patents a/c Dr **Building a/c Dr** **To Revaluation a/c**		**5,000** **12,500**	 **17,500**
	Revaluation a/c Dr **To X's capital a/c** **To Y's capital a/c** **To Z's capital a/c**		**12,500**	 **6,250** **3,750** **2,500**
	Z's capital a/c Dr **To Z's executor a/c**		**60,000**	 **60,000**
	Z's executor a/c Dr **To Bank a/c**		**17,500**	 **17,500**

21 From the following information of Genius Clubs, Prepare Income and Expenditure Account for the year ended 31st March, 2018: 6

Receipts and Payments Account of Gentle Club, for the year ending 31st March,2018

Receipts	Amount (₹.)	Payments	Amount (₹.)
To Balance b/d	1.00,000	By Furniture	2,60,000
To Interest on Investments	4,800	By Salaries	1,29,000
To Donations	34,000	By Miscellaneous Expenses	1,04,000
To Subscriptions	6,00,000	By Telephone charges	24,000
To Rent received	1,40,000	By Fax machine	12,000
To sale of old newspapers	1,200	By 6% Investments(on 01.08.2017)	2,00,000
		By Printing and Stationery	38,000
		By Balance c/d	1,13,000
	8,80,000		8,80,000

Additional Information:

Subscriptions received included ₹.30,000 for 2018-2019. The amount of subscriptions outstanding on 31st March, 2018 were ₹.40,000. Salaries unpaid on 31st March 2018 were ₹.16,000 and Rent receivable was ₹.4,000. Opening stock of printing and stationery was₹.24,000, whereas Closing stock was ₹.30,000.

Ans:

Surplus - ₹.4,92,200

22 A, B and C were partners sharing profits and losses in the ratio of 3:1:1. They Balance Sheet as at 31st March, 2017 was as follows: 8

Balance Sheet of A,B and C
As at 31st March 2017

Liabilities	Amount (₹.)	Assets	Amount (₹.)
Creditors	11,500	Bank	6,000
Loan	3,500	Debtors 48,400 Less:Provision for Bad debts 2,400	 46,000
Capitals		Stock	16,000

A 50,000 B 25,000 C 14,000	89,000	Furniture Sundry assets	2,000 34,000
	1,04,000		1,04,000

It was agreed that:

a) A was to take over Furniture at ₹.2,600 and Debtors amounting to ₹.40,000 at ₹.34,000; the creditors of ₹.10,000 to be paid by him.

b) B was to take over all the stock in trade at ₹.14,000 and some of the Sundry Assets at ₹.28,000 (being 10% less than the book value).

c) C was to take over the remaining sundry Assets at 90% of the book value and assumed the responsibility for the discharge of the loans.

d) The remaining Debtors were sold to a debt collecting agency for 50% of the book value. The expenses of dissolution ₹.600 were paid by John.

Prepare Realization a/c, Partner's Capital a/c and Bank a/c.

Ans:

Same as Set A

OR

Shreya and Vivek were partners in a firm sharing profits in the ratio 3:2. The balances in their capital and current accounts as on 1st April, 2017 were as under:

Particulars	Shreya (₹.)	Vivek(₹.)
Capital accounts	3,00,000	2,00,000
Current accounts	1,00,000 (Cr.)	28,000(Dr.)

The partnership deed provided that Shreya was to be paid a salary of ₹.5,000 p.m. whereas Vivek was to get a commission of ₹.30,000 for the year.

Interest on capital was to be allowed @ 8% p.a whereas interest on drawings was to be charged @ 6% p.a. The drawings of Shreya were ₹.3,000 at the beginning of each quarter while Vivek withdrew ₹.30,000 on 1st September. 2017. The net profit of the firm for the year before making the above adjustments was ₹.1,20,000.

Prepare Profit and Loss Appropriation Account and Partner's Capital and Current Accounts.

Ans:

Same as Set A

23 Mohan and Mahesh were partners in a firm sharing profits in the ratio of 3:2. On 1st April, 2013 they admitted Nusrat as partner in the firm. The Balance Sheet of Mohan and Mahesh on that date was as under: 8

Balance Sheet of Mohan and Mahesh

As on 1st April 2013

Liabilities	Amount	Assets	Amount
Creditors	2,10,000	Cash in hand	1,40,000
Workmen's compensation Reserve	2,50,000	Debtors	1,60,000
General reserve	1,60,000	Stock	1,20,000
Capitals: Mohan 1,00,000 Mahesh 80,000	1,80,000	Machinery Building	1,00,000 2,80,000
	8,00,000		8,00,000

It was agreed that:

a) The values of Building and Stock be appreciated to ₹.3,80,000 and ₹.1,60,000 respectively.

b) The liabilities of workmen' compensation reserve was determined at ₹.2,30,000.

c) Nusrat brought in her share of goodwill ₹.1,00,000 in cash.

d) Nusrat was to bring further cash as would make her capital equal to 20% of the combined capital of Mohan and Mahesh after above revaluation and adjustments are carried out.

e) The future profit sharing ratio will be for 2:2:1.

Prepare Revaluation a/c, Partners Capital a/c and Balance Sheet of the new firm.

Ans:

Revaluation a/c – Profit – Mohan Capital a/c ₹.84,000

Mahesh Capital a/c ₹.56,000

Partner's Capital a/c – Mohan - ₹.3,92,000

	Mahesh - ₹.2,08,000 **Nusrat - ₹.1,20,000** **Balance sheet total - ₹.11,60,000** **OR** X, Y and Z were partners in a firm sharing profits in the ratio of 5:3:2. On 31st March 2015 their Balance Sheet was as follows:	

Balance Sheet of X, Y and Z
As at 31st March ,2015

Liabilities	Amount (₹.)	Assets	Amount (₹.)
Creditors	21,000	Land and building	62,000
Investment Fluctuation Fund	10,000	Motor Vans	20,000
Profit & Loss a/c	40,000	Investments	19,000
Capital X 50,000 Y 40,000 Z 20,000	1,10,000	Machinery Stock Debtors 40,000 Less : PDBB 3,000 Cash	12,000 15,000 37,000 16,000
	1,81,000		1,81,000

On the above date, Y retired and X and Z agreed to continue the business on the following terms:
a) Goodwill of the firm was valued at ₹.51,000.
b) There was a claim of ₹.4,000 for Workmen's Compensation.
c) Provision for bad debts was to be reduced by ₹.1,000.
d) Y will be paid ₹.8,200 in cash and the balance will be transferred in his loans account which will be paid in four equal yearly instalments together with interest @10%.p.a.
e) The new profit sharing ratio between X and Z will be 3:2 and their capitals will be in their new profit sharing ratio. The capitals adjustments will be done by opening current accounts.
Prepare Revaluation a/c, Partners capital a/c and the Balance Sheet of the reconstituted .

Ans:
Revaluation a/c – Loss – X- ₹.1,500
Y - ₹.900
Z- ₹.600
Partner's Capital a/c – X- ₹.52,560
Y- ₹.35,040
Y's Loan a/c - ₹.61,200
Balance Sheet Total - ₹.1,89,640

	PART – B **(Analysis of Financial Statements)**	
24	Under what major heading, the Trade Marks will be presented in the Balance Sheet of a company as per Schedule III Part I of the Companies Act,2013? **Ans:Non-current Assets – Intangible Fixed assets**	1
25	Which of the transactions will result into 'flow of cash'? a) Deposited ₹.10,000 into bank. b) Withdrew cash from bank ₹.14500 c) Sale of machinery of the book value ₹.74,000 at a loss of ₹.9,000 d) Converted 2,00,000, 9% debentures into equity shares. **Ans: Sale of machinery of the book value ₹.74,000 at a loss of ₹.9,000**	1
26	Analysis simply means ________ data. **Ans: Simplifying**	1

27	What will be the impact of 'Cash Paid in Trade Payables' on a Current ratio of 2:1? State the reason. **Ans: Current Ratio will increase because both Current assets and Current liabilities are decreased by the same amount.**	1
28	Short term deposits are shown as _______________ **Ans: Cash and cash equivalents.**	1
29	State whether the following statement is true or false- Uncalled liability on partly paid shares is a contingent liability. **Ans: False**	1
30	From the following 'Statement of Profit and Loss' for the year ended 31st March, 2017 & 31st March 2018 prepare a Comparative Statement of Profiit and :	4

Particulars	Note No.	31st March 18 (₹.)	31st March 17 (₹.)
Revenue from Operations		20,00,000	15,00,000
Other incomes		10,00,000	4,00,000
Total Revenue		30,00,000	19,00,000
Expenses		21,00,000	15,00,000
Tax		50%	50%

OR

From the following Balance Sheet of R.Ltd., prepare a Common Size Statement.

Balance sheet

As at 31st March,2018

Particulars	Note No	31.03.2018 (₹.)	31.03.2017 (₹.)
I. Equity and Liabilities			
1. Shareholders' Funds:			
a) Share Capital		2,50,000	2,00,000
b) Reserves and Surplus		80,000	60,000
2. Current Liabilities			
a) Trade Payables		70,000	40,000
Total		4,00,000	3,00,000
II. Assets:			
1. Non-Current Assets:			
a) Fixed Assets:			
i) Tangible		1,60,000	1,20,000
ii) Intangible		20,000	30,000
2. Current Assets:			
a) Inventories		80,000	30,000
b) Trade Receivables		1,20,000	1,00,000
c) Cash and Cash Equivalents		20,000	20,000
Total		4,00,000	3,00,000

Ans:

Comparative Statement of Profit and Loss

For the year ended 31st March 2017 and 31st March 2018

Particulars	**Note No**	**31st March'17 (₹.)**	**31st March'18 (₹.)**	**Absolute change**	**% change**
Revenue from Operations		**15,00,000**	**20,00,000**	**5,00,000**	**33.33**
Other income		**4,00,000**	**10,00,000**	**6,00,000**	**150**
Total revenue		**19,00,000**	**30,00,000**	**11,00,000**	**57.88**
Less : expenses		**15,00,000**	**21,00,000**	**6,00,000**	**40**
PBT		**4,00,000**	**9,00,000**	**5,00,000**	**125**
Less Tax		**2,00,000**	**4,50,000**	**2,50,000**	**125**
PAT		**2,00,000**	**4,50,000**	**2,50,000**	**125**

OR
Balance sheet
As at 31st March,2018

Particulars	Note No	31.03.2018 (₹.)	31.03.2017 (₹.)	% change 31.03.2017	% change 31.03.2018
I. Equity and Liabilities					
1. Shareholders' Funds:					
a) Share Capital		**2,50,000**	**2,00,000**	**66.67**	**62.5**
b) Reserves and Surplus		**80,000**	**60,000**	**20**	**20**
2. Current Liabilities					
a) Trade Payables		**70,000**	**40,000**	**13.33**	**17.5**
Total		**4,00,000**	**3,00,000**	**100**	**100**
II. Assets:					
1. Non-Current Assets:					
a) Fixed Assets:					
i) Tangible		**1,60,000**	**1,20,000**	**40**	**40**
ii) Intangible		**20,000**	**30,000**	**10**	**5**
2. Current Assets:					
a) Inventories		**80,000**	**30,000**	**10**	**20**
b) Trade Receivables		**1,20,000**	**1,00,000**	**33.33**	**30**
c) Cash and Cash Equivalents		**20,000**	**20,000**	**6.67**	**5**
Total		**4,00,000**	**3,00,000**	**100**	**100**

31 From the given information, calculate the following: 4

a) Cost of Revenue from operations
b) Opening and closing inventory
c) Quick assets
d) Current assets

Information:
Inventory Turnover Ratio 6 times,
Inventory at the end is ₹.6,000 more than the inventory in the beginning,
Revenue from operations ₹.2,40,000
Gross Profit 25% on cost
Current liabilities ₹.80,000
Quick ratio -.80:1

Ans:
a) Cost of revenue from operations: ₹.1,92,000
b) Opening inventory : ₹.29,000, closing inventory: ₹.35,000
c) Quick assets: ₹.64,000
d) Current assets: ₹.99,000

OR

From the following, compute :
a) Debt to Equity ratio
b) Total assets to debt ratio
c) Proprietary ratio
d) Current ratio

Information:
Long term borrowings ₹.1,00,000
Long term Provisions ₹.50,000
Current Liabilities ₹.25,000
Non-current assets ₹.1,80,000
Current assets ₹.45,000

Ans:
a) Debt to Equity ratio = 3:1
b) Total assets to debt ratio = 1.5:1
c) Proprietary ratio = 0.22:1

	d) Current ratio = 1.8:1	
32	Following is the Balance Sheet of J.M.Ltd. as at 31.03.2016:	6

J.M.Ltd.

Balance Sheet as at 31.03.2016

Particulars	Note No,	31.03.2016 (₹.)	31.03.2015 (₹.)
I. Equity and Liabilities			
1. Shareholders' Funds:			
a) Share Capital		4,50,000	3,50,000
b) Reserves and Surplus	1	2,25,000	1,12,500
2. Non-Current Liabilities:			
Long term Borrowings	2	2,25,000	1,75,000
3. Current Liabilities			
a) Short term borrowings	3	75,000	37,500
Total		9,75,000	6,75,000
II. Assets:			
1. Non-Current Assets:			
a) Fixed Assets:			
i) Tangible	4	7,32,500	4,57,500
ii) Intangible	5	50,000	75,000
b) Non-Current Investments		75,000	50,000
2. Current Assets:			
a) Current Investments		20,000	35,000
b) Inventories	6	61,000	36,000
c) Cash and Cash Equivalents		36,500	21,500
Total		9,75,000	6,75,000

Notes to Accounts

S.NO	Particulars	31.03.2016 (₹.)	31.03.2015 (₹.)
1	Reserves and Surplus: (Surplus, i.e., Balance in Statement of Profit & Loss)	2,25,000	1,12,500
		2,25,000	1,12,500
2	Long term Borrowings: 12% Debentures	2,25,000	1,75,000
		2,25,000	1,75,000
3	Short-term Borrowings: Bank overdraft	75,000	37,500
		75,000	37,500
4	Tangible Assets: Machinery Accumulated Depreciation	8,37,500 (1,05,000)	5,27,500 (70,000)
		7,32,500	4,57,500
5	Intangible Assets: Goodwill	50,000	75,000
		50,000	75,000
6	Inventories Stock-in-trade	61,000	36,000
		61,000	36,000
7	Contingent Liabilities Proposed Dividend	1,00,000	62,500
		1,00,000	62,500

Additional information:

	1) ₹.50,000, 12% debentures were issued on 31.03.2016. 2) During the year a piece of machinery costing ₹.40,000, on which accumulated depreciation was ₹.20,000 was sold at a loss of ₹.5,000. Prepare Cash Flow Statement. **Ans:** **Net profit before tax and extra-ordinary item = ₹.1,75,000** **Cash flow from operating activities = ₹.2,56,000** **Cash used in investing activities = (₹.3,60,000)** **Cash flow from Financing activities = ₹.1,04,000** **Net change in C & CE = nil**	
	End of the Question Paper	