



INDIAN SCHOOL MUSCAT
ACCOUNTANCY
SAMPLE PAPER -1
SOLVED
2018-2019



General Instructions:

- 1) This question paper contains two parts- A and B.
- 2) All parts of a question should be attempted at one place.

	Part – A : Accounting for Not-for-Profit Organizations, Partnership Firms and Companies	
1	Land and Building (book value) ₹ 1,60,000 sold for ₹ 3,00,000 through a broker who charged 2% commission on the deal. Journalise the transaction, at the time of dissolution of the firm.	1
2	Why is it necessary to revalue assets and liabilities of a firm in case of admission of a partner? Or State any two reasons for the preparation of 'Revaluation Account' at time of admission of a partner.	1
3	State the basis of accounting on which 'Receipt and Payment Account' is prepared in case of Not-for Profit Organisation. Or What will be the treatment of 'Subscription received in advance' during the current year in the Balance Sheet of a Not-For-Profit Organisation?	1
4	One of the partners in a partnership firm has withdrawn ₹ 9,000 at the end of each quarter, throughout the year. Calculate interest on drawings at the rate of 6% per annum.	1
5	A, B and C are partners in a firm sharing profit and losses in the ratio of 3:2:1. B died on 1st April, 2018. C, son of B, is of the opinion that he is the rightful owner of his father's share of profits, and the profits of the firm should be now shared between A and C equally. A does not agree. Settle the dispute between A and C by giving reason.	1
6	Differentiate between 'Equity Share' and 'Debenture' on the basis of risk involved. Or What is meant by 'Employee Stock Option Plan'?	1
7	On April 1, 2018, a firm had assets of ₹1,00,000 excluding stock of ₹20,000. The current liabilities were ₹ 10,000 and the balance constituted Partners' Capital Accounts. If the normal rate of	3

	return is 8%, the Goodwill of the firm is valued at ₹60,000 at four years purchase of super profit, find the actual profits of the firm.																
8	Jan Dhan Bank, an All India Financial Institution, had 10,000, 12 % debentures of ₹ 100 each, outstanding as at 31st March, 2017. These debentures were due for redemption on 30th June, 2018. Pass necessary Journal Entries for redemption of debentures. Also, state the amount of Debenture Redemption Reserve to be created for the purpose of redemption.	3															
9	<div>Complete the following Journal Entries</div> <table><tr><th>Date</th><th>Particulars</th><th>L.F.</th><th>Amount (₹)</th><th>Amount (₹)</th></tr><tr><td>2018 April 1</td><td>Sundry Assets A/c Dr ----- Dr To Sundry Liabilities A/c To Shiv Shankar Ltd. (Being Shiv Shankar Ltd. was taken over by Parvati Ltd. for a purchase consideration of ₹18,20,000)</td><td></td><td>25,00,000</td><td>7,80,000 18,20,000</td></tr><tr><td></td><td>Shiv Shankar Ltd. Dr ----- Dr To ----- To 8% Debentures A/c (For paying Shiv Shankar Ltd. by issuing a bill of ₹ 20,000 and the balance was paid by issue of 8% Debentures of ₹ 100 each at a discount of 10%)</td><td></td><td>18,20,000</td><td>20,000</td></tr></table> <div>Or</div> <p>S. Singh Limited obtained a loan of ₹ 5,00,000 from State Bank of India @ 10 % interest. The company issued ₹ 7,50,000, 10 % debentures of ₹ 100/- each, in favor of State Bank of India as collateral security. Pass necessary journal entries for the above transactions:</p> <p>i. When company decided not to record the issue of 10 % Debentures as collateral security.</p> <p>ii. When company decided to record the issue of 10 % Debentures as collateral security.</p>	Date	Particulars	L.F.	Amount (₹)	Amount (₹)	2018 April 1	Sundry Assets A/c Dr ----- Dr To Sundry Liabilities A/c To Shiv Shankar Ltd. (Being Shiv Shankar Ltd. was taken over by Parvati Ltd. for a purchase consideration of ₹18,20,000)		25,00,000	7,80,000 18,20,000		Shiv Shankar Ltd. Dr ----- Dr To ----- To 8% Debentures A/c (For paying Shiv Shankar Ltd. by issuing a bill of ₹ 20,000 and the balance was paid by issue of 8% Debentures of ₹ 100 each at a discount of 10%)		18,20,000	20,000	3
Date	Particulars	L.F.	Amount (₹)	Amount (₹)													
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	Shiv Shankar Ltd. Dr ----- Dr To ----- To 8% Debentures A/c (For paying Shiv Shankar Ltd. by issuing a bill of ₹ 20,000 and the balance was paid by issue of 8% Debentures of ₹ 100 each at a discount of 10%)		18,20,000	20,000													

10	<p>Calculate the amount of sports material to be transferred to Income and Expenditure account of Raman Bhalla Sports Club, Ludhiana, for the year ended 31st March, 2018:-</p> <table><tr><th></th><th>Particulars</th><th>Amount (₹)</th></tr><tr><td>i.</td><td>Sports Material sold during the year (Book Value ₹ 50,000)</td><td>56,000</td></tr><tr><td>ii.</td><td>Amount paid to creditors for sports material</td><td>91,000</td></tr><tr><td>iii.</td><td>Cash purchase of sports material</td><td>40,000</td></tr><tr><td>iv.</td><td>Sports material as on 31.3.17</td><td>50,000</td></tr><tr><td>v.</td><td>Sports Material as on 31.3.18</td><td>55,000</td></tr><tr><td>vi.</td><td>Creditors for sports material as on 31.3.17</td><td>37,000</td></tr><tr><td>vii.</td><td>Creditors for sports material as on 31.3.18</td><td>45,000</td></tr></table>		Particulars	Amount (₹)	i.	Sports Material sold during the year (Book Value ₹ 50,000)	56,000	ii.	Amount paid to creditors for sports material	91,000	iii.	Cash purchase of sports material	40,000	iv.	Sports material as on 31.3.17	50,000	v.	Sports Material as on 31.3.18	55,000	vi.	Creditors for sports material as on 31.3.17	37,000	vii.	Creditors for sports material as on 31.3.18	45,000	3																
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11	<p>Bhavya and Sakshi are partners in a firm, sharing profits and losses in the ratio of 3:2. On 31st March, 2018 their Balance Sheet was as under:</p> <p style="text-align: center;">Balance Sheet of Bhavya and Sakshi As at 31st March, 2018</p> <table><tr><th>Liabilities</th><th>Amount (₹)</th><th>Assets</th><th>Amount (₹)</th></tr><tr><td>Sundry Creditors</td><td>13,800</td><td>Furniture</td><td>16,000</td></tr><tr><td>General Reserve</td><td>23,400</td><td>Land and Building</td><td>56,000</td></tr><tr><td>Investment Fluctuation Fund</td><td>20,000</td><td>Investments</td><td>30,000</td></tr><tr><td>Bhavya's Capital</td><td>50,000</td><td>Trade Receivables</td><td>18,500</td></tr><tr><td>Sakshi's Capital</td><td>40,000</td><td>Cash in Hand</td><td>26,700</td></tr><tr><td></td><td>1,47,200</td><td></td><td>1,47,200</td></tr></table> <p>The partners have decided to change their profit sharing ratio to 1: 1 with immediate effect. For the purpose, they decided that:</p> <ol style="list-style-type: none">Investments to be valued at ₹ 20,000Goodwill of the firm valued at ₹ 24,000General Reserve not to be distributed between the partners. <p>You are required to pass necessary journal entries in the books of the firm. Show workings.</p>	Liabilities	Amount (₹)	Assets	Amount (₹)	Sundry Creditors	13,800	Furniture	16,000	General Reserve	23,400	Land and Building	56,000	Investment Fluctuation Fund	20,000	Investments	30,000	Bhavya's Capital	50,000	Trade Receivables	18,500	Sakshi's Capital	40,000	Cash in Hand	26,700		1,47,200		1,47,200	4												
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12	<p>Dinesh, Alvin and Pramod are partners in a firm sharing profits and losses in the ratio of 5:3:2. Their Balance Sheet as at March 31, 2018 was as follows: -</p> <p style="text-align: center;">Balance Sheet of Dinesh, Alvin and Pramod As at 31st March, 2018</p> <table><tr><th>Liabilities</th><th>Amount (₹)</th><th>Assets</th><th>Amount (₹)</th></tr><tr><td>Sundry Creditors</td><td>50,000</td><td>Debtors</td><td>15,000</td></tr><tr><td>General Reserve</td><td>40,000</td><td>Fixed Assets</td><td>67,000</td></tr><tr><td>Bills Payable</td><td>10,000</td><td>Investments</td><td>40,000</td></tr><tr><td>Dinesh's Capital</td><td>30,000</td><td>Stock</td><td>25,500</td></tr><tr><td>Alvin's Capital</td><td>40,000</td><td>Cash in Hand</td><td>36,000</td></tr><tr><td>Pramod's Capital</td><td>30,000</td><td>Deferred Revenue</td><td></td></tr><tr><td></td><td></td><td>Expenditure</td><td>14,000</td></tr><tr><td></td><td></td><td>Dinesh's Loan Account</td><td>2,500</td></tr><tr><td></td><td>2,00,000</td><td></td><td>2,00,000</td></tr></table>	Liabilities	Amount (₹)	Assets	Amount (₹)	Sundry Creditors	50,000	Debtors	15,000	General Reserve	40,000	Fixed Assets	67,000	Bills Payable	10,000	Investments	40,000	Dinesh's Capital	30,000	Stock	25,500	Alvin's Capital	40,000	Cash in Hand	36,000	Pramod's Capital	30,000	Deferred Revenue				Expenditure	14,000			Dinesh's Loan Account	2,500		2,00,000		2,00,000	4
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	<p>Dinesh died on July 1, 2018, The executors of Dinesh are entitled to:-</p> <ul style="list-style-type: none">i. His share of goodwill. The total goodwill of the firm valued at ₹50,000.ii. His share of profit up to his date of death on the basis of actual sales till date of death. Sales for the year ended March 31, 2018 was ₹ 12, 00,000 and profit for the same year was ₹ 2,00,000. Sales shows a growth trend of 20% and percentage of profit earning remains the same.iii. Investments were sold at par. Half of the amount due to Dinesh was paid to his executors and for the balance, they accepted a Bills Payable. <p>Prepare Dinesh's Capital account to be rendered to his executors.</p>																																																									
13	<p>Prepare Income and Expenditure Account from the following particulars of Youth Club, for the year ended on 31st March,2018:</p> <p style="text-align: center;">Receipts and Payments A/c for the year ended on 31st March, 2018</p> <table><tr><th>Receipts</th><th>Amount (₹)</th><th>Payments</th><th>Amount (₹)</th></tr><tr><td>To Balance b/d</td><td>32,500</td><td>By Salaries</td><td>31,500</td></tr><tr><td>To Subscription</td><td></td><td>By Postage</td><td>1,250</td></tr><tr><td>2016-17 1,500</td><td></td><td>By Rent</td><td>9,000</td></tr><tr><td>2017-18 60,000</td><td></td><td>By Printing and</td><td></td></tr><tr><td>2018-19 <u>1,800</u></td><td>63,300</td><td>Stationery</td><td>14,000</td></tr><tr><td>To Donations</td><td></td><td>By Sports Material</td><td>11,500</td></tr><tr><td>(Billiards table)</td><td>90,000</td><td>By Miscellaneous</td><td></td></tr><tr><td></td><td></td><td>Expenses</td><td>3,100</td></tr><tr><td>To Entrance Fees</td><td>1,100</td><td>By Furniture (1.10.2017)</td><td>20,000</td></tr><tr><td>To Sale of old</td><td></td><td>By 10% investment</td><td></td></tr><tr><td>magazines</td><td>450</td><td>(1.10.2017)</td><td>70,000</td></tr><tr><td></td><td></td><td>By Balance c/d (31.3.18)</td><td>27,000</td></tr><tr><td></td><td>1,87,350</td><td></td><td>1,87,350</td></tr></table> <p>Additional Information:</p> <ul style="list-style-type: none">i. Subscription outstanding as at March 31st 2018 ₹ 16,200ii. ₹ 1200 is still in arrears for the year 2016-17 for subscriptioniii. Value of sports material at the beginning and at the end of the year was ₹ 3,000 and ₹ 4,500 respectively.iv. Depreciation to be provided @ 10% p.a. on furniture.	Receipts	Amount (₹)	Payments	Amount (₹)	To Balance b/d	32,500	By Salaries	31,500	To Subscription		By Postage	1,250	2016-17 1,500		By Rent	9,000	2017-18 60,000		By Printing and		2018-19 <u>1,800</u>	63,300	Stationery	14,000	To Donations		By Sports Material	11,500	(Billiards table)	90,000	By Miscellaneous				Expenses	3,100	To Entrance Fees	1,100	By Furniture (1.10.2017)	20,000	To Sale of old		By 10% investment		magazines	450	(1.10.2017)	70,000			By Balance c/d (31.3.18)	27,000		1,87,350		1,87,350	4
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14	<p>Pradeep and Rajesh were partners in a firm sharing profits and losses in the ratio of 3:2.They decided to dissolve their partnership firm on 31st March, 2018. Pradeep wasdeputed to realize the assets and to pay off the liabilities. He was paid ₹ 1,000 ascommission for his services. The financial position of the firm on 31st March, 2018 wasas follows:</p> <p style="text-align: center;">Balance Sheet As at March 31, 2018</p>	6																																																								

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	80,000	Building	1,20,000
Mrs Pradeep's Loan	40,000	Investment	30,600
Rajesh's loan	24,000	Debtors	34,000
		Less : Provision for Doubtful Debts	<u>4,000</u>
Investment Fluctuation Fund	8,000	Bills Receivable	37,400
Capitals:		Bank	6,000
Pradeep	42,000	Profit and Loss A/c	8,000
Rajesh	<u>42,000</u>	Goodwill	4,000
	2,36,000		2,36,000

Following terms and conditions were agreed upon:

- Pradeep agreed to pay off his wife's loan.
 - Half of the debtor's realized ₹ 12,000 and remaining debtors were used to pay off 25% of the creditors.
 - Investment sold to Rajesh for ₹ 27,000
 - Building realized ₹ 1,52,000
 - Remaining creditors were to be paid after two months, they were paid immediately at 10% p.a. discount
 - Bill receivables were settled at a loss of ₹ 1,400
 - Realization expenses amounted to ₹ 2,500
- Prepare Realization Account.

15	<p>Mudit, Sudhir and Uday are partners in a firm sharing profits in the ratio of 3:1:1. Their fixed capital balances are ₹ 4,00,000, ₹ 1,60,000 and ₹ 1,20,000 respectively. Net profit for the year ended 31st March, 2018 distributed amongst the partners was ₹ 1,00,000, without taking into account the following adjustments:</p> <ol style="list-style-type: none"> Interest on capitals @ 2.5% p.a.; Salary to Mudit ₹ 18,000 p.a. and commission to Uday ₹ 12,000 Mudit was allowed a commission of 6% of divisible profit after charging such commission. <p>Pass a rectifying journal entry in the books of the firm. Show workings clearly.</p> <p style="text-align: center;">Or</p> <p>The partners of a firm, Alia, Bhanu and Chand distributed the profits for the year ended 31st March, 2017, ₹ 80,000 in the ratio of 3:3:2 without providing for the following adjustments:</p> <ol style="list-style-type: none"> Alia and Chand were entitled to a salary of ₹ 1,500 each p.a. Bhanu was entitled for a commission of ₹ 4,000 Bhanu and Chand had guaranteed a minimum profit of ₹ 35,000 p.a. to Alia any deficiency to borne equally by Bhanu and Chand. <p>Pass the necessary Journal entry for the above adjustments in the books of the firm. Show workings clearly.</p>	6
16	Anshika Ltd. issued applications for 2,00,000 equity shares of ₹ 10 each, at a premium of ₹ 4 per share. The amount was payable as follows:	8

	<p>On application ₹ 6 (including ₹2 premium) On allotment ₹ 7 (including ₹2 premium) Balance on first and final call</p> <p>Applications for 3,00,000 shares were received. Allotment was made to all the applicants on pro-rata basis. Mehak to whom 400 shares were allotted, failed to pay allotment and call money. Khushboo who had applied for 300 shares failed to pay call money. These shares were forfeited after Final call. 400 of the forfeited shares (including all shares of Khushboo) were reissued @ ₹8 per share as fully paid up. Pass necessary journal entries in the books of Anshika Ltd. for the above transactions by opening calls in arrears and calls in advance account wherever necessary.</p> <p style="text-align: center;">Or</p> <p>Khyati Ltd. issued a prospectus inviting applications for 80,000 equity shares of ₹10 each payable as follows: ₹2 on application ₹3 on allotment ₹2 on first call ₹3 on final call</p> <p>Applications were received for 1,20,000 equity shares. It was decided to adjust the excess amount received on account of over subscription till allotment only. Hence allotment was made as under: (i) To applicants for 20,000 shares – in full (ii) To applicants for 40,000 shares – 10,000 shares (iii) To applicants for 60,000 shares – 50,000 shares</p> <p>Allotment was made and all shareholders except Tammana, who had applied for 2,400 shares out of the group (iii), could not pay allotment money. Her shares were forfeited immediately, after allotment. Another shareholder Chaya ,who was allotted 500 shares out of group (ii), failed to pay first call. 50% of Tamanna’s shares were reissued to Satnaam as ₹ 7 paid up for payment of ₹ 9 per share. Pass necessary journal entries in the books of Khyati Ltd. for the above transactions by opening calls in arrears and calls in advance account wherever necessary.</p>																																									
17	<p>Divya, Yasmin and Fatima are partners in a firm, sharing profits and losses in 11:7:2 respectively. The balance sheet of the firm as on 31st March 2018 was as follows:</p> <p style="text-align: center;">Balance Sheet As at 31.3.2018</p> <table><tr><th>Liabilities</th><th>Amount (₹)</th><th>Assets</th><th>Amount (₹)</th></tr><tr><td>Sundry Creditors</td><td>70,000</td><td>Factory Building</td><td>7,35,000</td></tr><tr><td>Public Deposits</td><td>1,19,000</td><td>Plant and Machinery</td><td>1,80,000</td></tr><tr><td>Reserve fund</td><td>90,000</td><td>Furniture</td><td>2,60,000</td></tr><tr><td>Outstanding Expenses</td><td>10,000</td><td>Stock</td><td>1,45,000</td></tr><tr><td>Capital accounts</td><td></td><td>Debtors 1,50000</td><td></td></tr><tr><td>Divya 5,10000</td><td></td><td>Less: Provision (30000)</td><td>1,20,000</td></tr><tr><td>Yasmin 3,00000</td><td></td><td>Cash at bank</td><td>1,59,000</td></tr><tr><td>Fatima 5,00000</td><td>13,10,000</td><td></td><td></td></tr><tr><td></td><td>15,99,000</td><td></td><td>15,99,000</td></tr></table> <p>On 1.4.2018, Aditya is admitted as a partner for one-fifth share in the profits with a capital of ₹4,50,000 and necessary amount for his share of goodwill on the following terms: i. Furniture of ₹2,40,000 were to be taken over Divya, Yasmin and Fatima equally.</p>	Liabilities	Amount (₹)	Assets	Amount (₹)	Sundry Creditors	70,000	Factory Building	7,35,000	Public Deposits	1,19,000	Plant and Machinery	1,80,000	Reserve fund	90,000	Furniture	2,60,000	Outstanding Expenses	10,000	Stock	1,45,000	Capital accounts		Debtors 1,50000		Divya 5,10000		Less: Provision (30000)	1,20,000	Yasmin 3,00000		Cash at bank	1,59,000	Fatima 5,00000	13,10,000				15,99,000		15,99,000	8
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- ii. A creditor of ₹ 7,000 not recorded in books to be taken into account.
 iii. Goodwill of the firm is to be valued at 2.5 years purchase of average profits of last two years. The profit of the last three years were: 2015-16 ₹6,00,000; 2016-17 ₹2,00,000; 2017-18 ₹6,00,000
 iv. At time of Aditya's admission Yasmin also brought in 50,000 as fresh capital
 v. Plant and Machinery is re-valued to ₹2,00,000 and expenses outstanding were brought down to ₹ 9,000. Prepare Revaluation Account, Partners Capital Account and the balance sheet of the reconstituted firm.

Or

The Balance Sheet of Adil, Bhavya and Cris as at 31st March 2018 was as under:

**Balance Sheet
As at 31.3.18**

Liabilities	Amount(₹)	Assets	Amount (₹)
Capital Accounts:		Buildings	1,20,000
Adil	40,000	Motor car	18,000
Bhavya	30,000	Stock	20,000
Cris	20,000	Investments	20,000
General Reserve	10,000	Debtors	40,000
Investment		Cash at Bank	12,000
Fluctuation Reserve	7,000		
Sundry creditors	1,23,000		
	2,30,000		2,30,000

The partners share profits in the ratio of 5:3:2. On 1-4-2018, Cris retires from the firm on the following terms and conditions:

- i. 20% of the General Reserve is to remain as a reserve for bad and doubtful debts
 ii. Motor car is to be reduced by 5%
 iii. Stock is to be revalued at ₹ 17,500 and investment to be re-valued at ₹ 18,000
 iv. Goodwill is to be valued at 3 years' purchase of the average profits of last 4 years. Profits of the last four years were: 2014-15 ₹13,000; 2015-16 ₹11,000; 2016-17 ₹16,000 and 2017-18 ₹24,000 Cris was paid in full. Adil and Bhavya borrowed the necessary amount from the Bank on the security of Building to pay off Cris. Pass necessary journal entries.

**Part B: Analysis of Financial Statements
Option-I**

18	Under which type of activity will you classify 'Rent received' while preparing cash flow statement?	1
19	State any one advantage of preparing Cash Flow Statement.	1
20	Under which major heads and subheads of the Balance Sheet of a company, will the following items be shown:-	4

	i) Loose Tools ii) Retirement Benefits Payable to employees iii) Patents iv) Interest on Calls in Advance																			
21	<p>Calculate amount of Opening Trade Receivables and Closing Trade Receivables from the following figures:</p> <table><tr><td>Trade Receivable Turnover ratio</td><td>5 times</td></tr><tr><td>Cost of Revenue from Operations</td><td>₹ 8,00,000</td></tr><tr><td>Gross Profit ratio</td><td>20%</td></tr><tr><td>Closing Trade Receivables were ₹ 40,000 more than in the beginning</td><td></td></tr><tr><td>Cash sales being ¼ times of Credit sales</td><td></td></tr></table> <p style="text-align: center;">Or</p> <p>From the following data, calculate Current ratio and Liquid Ratio</p> <table><tr><td>Liquid Assets</td><td>₹ 75,000</td></tr><tr><td>Inventories(Includes Loose Tools of ₹20,000)</td><td>₹ 35,000</td></tr><tr><td>Prepaid expenses</td><td>₹10,000</td></tr><tr><td>Working Capital</td><td>₹ 60,000</td></tr></table>	Trade Receivable Turnover ratio	5 times	Cost of Revenue from Operations	₹ 8,00,000	Gross Profit ratio	20%	Closing Trade Receivables were ₹ 40,000 more than in the beginning		Cash sales being ¼ times of Credit sales		Liquid Assets	₹ 75,000	Inventories(Includes Loose Tools of ₹20,000)	₹ 35,000	Prepaid expenses	₹10,000	Working Capital	₹ 60,000	4
Trade Receivable Turnover ratio	5 times																			
Cost of Revenue from Operations	₹ 8,00,000																			
Gross Profit ratio	20%																			
Closing Trade Receivables were ₹ 40,000 more than in the beginning																				
Cash sales being ¼ times of Credit sales																				
Liquid Assets	₹ 75,000																			
Inventories(Includes Loose Tools of ₹20,000)	₹ 35,000																			
Prepaid expenses	₹10,000																			
Working Capital	₹ 60,000																			

22

From the following Balance Sheet of R Ltd., Prepare a Common Size Statement
Balance Sheet As at 31st March, 2018.

4

Particulars	Note no.	31.3.2018 (₹)	31.3.2017 (₹)
I EQUITY AND LIABILITIES			
1. Shareholder's Funds:			
a. Share Capital		2,50,000	2,00,000
b. Reserve and Surplus		80,000	60,000
2. Current Liabilities:			
a. Trade Payable		70,000	40,000
Total		4,00,000	3,00,000
II ASSETS			
1. Non-Current Assets:			
a. Fixed Assets:			
i. Tangible Assets		1,60,000	1,20,000
ii. Intangible Assets		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

Or

From the following Statement of Profit and Loss of the Sakhi Ltd. for the year ended 31st March 2018, prepare Comparative Statement of Profit & Loss.

Statement of Profit & Loss for the year ended 31st March, 2018

Particulars	2016-17 (₹)	2017-18(₹)
Revenue from Operations	25,00,000	40,00,000
Expenses:		
a) Employee benefit expenses	7,00,000	10,00,000
b) Other Expenses	3,00,000	2,00,000
Rate of Tax - 40%		

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From the following Balance Sheets of Vishva Ltd., prepare Cash Flow Statement as per AS-3 (revised) for the year ending 31st March, 2018

6

Particulars	Note No.	31.3.2018 (₹)	31.3.2017 (₹)
I EQUITY AND LIABILITIES			
1. Shareholder's Funds:			
a. Share Capital		1,02,000	84,000
b. Reserve and Surplus	1	36,000	22,560
2. Non-Current Liabilities			

	a. Long Term Borrowings	2	60,000	48,000		
	3. Current Liabilities:					
	a. Short term Borrowings	3	10,000	5,000		
	b. Trade Payable		28,800	36,000		
	c. Short Term provisions	4	16,800	18,000		
	Total		253,600	2,13,560		
	II ASSETS					
	1. Non-Current Assets:					
	a. Fixed Assets:					
	i. Tangible Assets	5	1,18,800	1,32,000		
	2. Current Assets					
	a. Inventories		61,800	45,600		
	b. Trade Receivables	6	33,600	27,600		
	c. Cash and Cash Equivalents		39,400	8,360		
	Total		253,600	2,13,560		
	Notes to Accounts					
	Note No.	Particulars	31.3.2018(₹)	31.3.2017(₹)		
	1	Reserve and Surplus				
		Balance in Statement of Profit and Loss	15,600	5,760		
		General Reserve	20,400	16,800		
			36,000	22,560		
	2	Long Term Borrowings				
		10% Debentures	60,000	48,000		
			60,000	48,000		
	3	Short- term Borrowings				
		Bank Overdraft	10,000	5,000		
			10,000	5,000		
	4	Short-term Provisions				
		Provision for Income Tax	16,800	18,000		
			16,800	18,000		
	5	Tangible assets				
		Land and Building	96,000	97,200		
		Plant and Machinery	22,800	34,800		
			1,18,800	1,32,000		
	6	Trade Receivables				
		Debtors	19,200	24,000		
		Bills Receivables	14,400	3,600		
			33,600	27,600		
	Additional Information:					
	(a) Tax paid during the year 2017-18 ₹14,400					
	(b) Depreciation on plant charged during the year 2017-18 was ₹14,400					
	(c) Additional debentures were issued on March 31,2018					