



INDIAN SCHOOL MUSCAT
SECOND PRE - BOARD EXAMINATION
ACCOUNTANCY (055)

CLASS: XII

TERM 2

Time Allotted: 2 Hrs.

31.03.2022

Max. Marks: 40

GENERAL INSTRUCTIONS

1. This question paper comprises two Parts – A and B. There are 12 questions in the question paper. All questions are compulsory.
2. Question nos. 1 to 3 and 10 are short answer type–I question carrying 2 marks each.
3. Question nos. 4 to 6 and 11 are short answer type–II questions carrying 3 marks each.
4. Question nos. 7 to 9 and 12 are long answer type questions carrying 5 marks each.
5. There is no overall choice. However, an internal choice has been provided in 3 questions of three marks and 1 question of five marks.

Part A**(Accounting for Not-for-Profit organizations, Partnership Firms and Companies)**

- 1 ₹ 2
 Kolkata Club received subscription during the yr. 2019-2020 1,50,000
 Subscription received in advance on 31-3-2019 4,500
 Subscription received advance on 31-3-2020 5,100
 Subscription outstanding on 31-3-2020 for 2019-2020 3,800
 Subscription outstanding 2018-2019(of which ₹4,000 received in 2019-2020) 6,000
 Calculate the subscription to be taken to Income & Expenditure A/c for 2019-2020
- 2 Varun and Arun are partners in a firm sharing profits and losses equally. On the date of dissolution of the partnership firm, Varun's wife's loan was ₹45,000, whereas Arun's loan was ₹55,000. Which loan will be paid first and Why? 2
- 3 Raju, Sunil and Taj are partners in a firm sharing profit and loss in the ratio of 2:2:1. Taj retires and his balance in Capital Account after adjustment for Reserve and Revaluation of Assets & Liabilities comes out to be ₹50,000. Raju and Sunil agree to pay him ₹60,000. Give journal entry for the adjustment of goodwill. 2
- 4 How are the following dealt with while preparing the final accounts of a club? 3
 Trial Balance as at 31st March, 2019

Particulars	Dr. ₹	Cr. ₹
Match Fund		80,000
Match Fund Investments	72,000	
Match Fund Bank Balance	3,500	
Interest on Match Fund Investments		2,880
Match Expenses	5,500	

OR

Calculate the amount of sports material to be transferred to income and Expenditure Account of Ballygunge Sports Club, Kolkata, for the year ended 31st March, 2018:

	Particulars	₹
(i)	Sports material sold during the year (Book Value ₹25,000)	28,000
(ii)	Amount paid to creditors for sports materials	45,500
(iii)	Cash purchase of sports material	20,000
(iv)	Sports material as on 31st March, 2017	25,000
(v)	Sports material as on 31st March, 2018	27,500
(vi)	Creditors for sports material as on 31st March, 2017	18,500
(vii)	Creditors for sports material as on 31st March, 2018	22,500

- 5 Ramesh, Suresh and Naresh were partners in a firm sharing profits in the ratio of 2:2:1. Suresh died on 30th June, 2020. The Partnership Deed provided for the following on the death of a partner: 3

Goodwill of the firm was to be valued at 2 years' purchase of the average profit of last 5 years. Profits for the year ended 31st March, 2016, 31st March, 2017, 31st March, 2018 and 31st March, 2019 were ₹50,000; ₹80,000; ₹1,10,000 and ₹2,20,000 respectively. Loss for the year ended 31st March, 2020 was ₹1,60,000.

Pass necessary Journal Entry for the treatment of Goodwill, showing the workings clearly.

- 6 Hyatt Ltd. took loan of ₹8,00,000 from State Bank of India and issued 10,000; 9% Debentures of ₹100 each as Collateral Security. How will issue of Debentures be shown in the Balance Sheet when journal entry is passed? 3

OR

Exe Ltd. purchased assets of ₹8,40,000 and took over liabilities of ₹80,000 of Hay Ltd. at a value of ₹7,20,000. Exe Ltd. issued 10% Debentures of ₹100 each at 10% discount in full satisfaction of the price. The company decided to write off Discount on Issue of Debentures from Securities Premium Reserve of ₹1,00,000. Pass journal entries in the books of Exe Ltd.

- 7 Prateek, Neeraj and Umang were partners in a firm, sharing profits and losses in the ratio of 7:2:1. The firm was dissolved on 31st March, 2022. After transfer of assets (other than cash) and external liabilities to the Realisation Account, the following transactions took place: 5

- Furniture of ₹45,000 was sold by auction for ₹66,000 and the auctioneer's commission amounted to ₹2,000.
- Umang had given a loan of ₹1,09,000 to the firm. He accepted ₹1,00,000 in full settlement of his loan.
- Investments were ₹53,000 out of which ₹23,000 was taken over by Neeraj at ₹25,000. Balance of the investments were sold for ₹35,000.
- Expenses incurred on dissolution were ₹21,000 and were paid by Prateek.
- The firm had a debit balance of ₹40,000 in the Profit and Loss Account.

Pass the necessary journal entries for the above transactions in the books of the firm, assuming that partners' capitals were fixed.

OR

X, Y and Z were partners in a firm with profit sharing ratio of 1/2, 1/3 and 1/6 respectively. The Balance Sheet of the firm as at 31st March, 2020 was as follows:

Liabilities	₹	Assets	₹
Trade Creditors	2,10,000	Cash at Bank	57,500
Workmen's Compensation Reserve	1,20,000	Debtors	4,00,000
Employees Provident Fund	60,000	Less: Provision for Doubtful Debt	20,000
			3,80,000

Investment Fluctuation Reserve	60,000	Stock Investments (Market Value ₹1,76,000)	3,76,500
Capital A/cs		Patents	1,50,000
X 6,80,000		Machinery	1,00,000
Y 3,20,000		Advertisement Expenditure	5,00,000
Z 2,10,000	12,10,000	Goodwill	36,000
			60,000
	16,60,000		16,60,000

Z retired on 1st April, 2020 on the following terms:

- Goodwill of the firm is valued at ₹3,00,000.
- Value of Patents is to be reduced by 20% and that of Machinery to 90%.
- Provision for Doubtful Debts is to be raised to 6%.
- Liability for Workmen Compensation to the extent of ₹60,000 is to be created.
- Z took the Investments at market value.

Prepare Revaluation Account and Partners' Capital Account.

- 8 On April 01, 2021 Amrit Ltd. issued 10,000, 8% debentures of ₹100 each of a discount of 10% redeemable at a premium of 10%. The issue was subscribed and amount was duly received. The company had balance of ₹70,000 in Securities Premium Reserve and Capital Reserve ₹10,000 on that date. 5

- Pass the necessary journal entries for Issue and allotment of Debentures on April 01, 2021.
- Calculate the amount of annual fixed obligation associated with debentures.
- Pass Journal entry to write off loss on issue of debentures on 31 March 2022.
- Prepare Loss on Issue of Debentures Account.

- 9 Following is the Receipts and Payments Account of Indian Youth Association for the year ended 31st March, 2020. 5

Receipts and Payments Account for the year ended 31 st March, 2020			
Dr.			Cr.
Particulars	₹	Particulars	₹
To Balance b/d		By Salaries	3,00,000
In Hand 25,000		By Rent	60,000
At Bank 2,45,000	2,70,000	By Printing and Stationery	15,000
To Subscriptions	4,00,000	By Postage and Courier	4,000
To Bank Interest	2,000	By Printer	40,000
To Sale of Old Car	40,000	By Investments	80,000
		By Balance c/d	
		In Hand 13,000	
		At Bank 2,00,000	2,13,000
	7,12,000		7,12,000

Adjustments:

- Investments were made on 1st October, 2019 earning interest @ 5% p.a.
- Subscriptions included ₹80,000 for the year ended 31st March, 2019 and ₹40,000 for the year ending 31st March, 2021. Subscriptions for the year ended 31st March, 2020 ₹80,000 were still in arrears.
- Rent, for March, 2020, ₹5,000 is unpaid.
- ₹ 3,000 are payable for stationery.
- Book value of the car was ₹55,000.

Prepare Income and Expenditure Account of the Association for the year ended 31st March, 2020.

Part-B
(Analysis of Financial Statements)

- 10 State whether the following transactions are Operating, Investing or Financing Activities while preparing Cash Flow Statement. 2
- Payment of cash for purchase of Debentures by a Financing Company.
 - Purchase of Goodwill

- 11 From the information given below, prepare Comparative Statement of Profit and Loss. 3

Particulars	Note No.	31 st March, 2020	31 st March, 2019
Revenue from Operations		₹ 3,50,000	₹ 2,00,000
Purchases of Stock-in-Trade		₹ 2,00,000	₹ 1,00,000
Cost of Revenue from Operations		70% of Revenue from Operations	60% of Revenue from Operations
Employee Benefit Expenses		₹ 7,350	₹ 4,000
Income Tax		45%	45%

OR

Prepare Common-size Balance Sheet from the following information.

	31 st March, 2020 (₹)	31 st March, 2021 (₹)
Shareholders' Funds	12,00,000	18,00,000
Non-current Liabilities	6,00,000	6,00,000
Current Liabilities	2,00,000	6,00,000
Non-current Assets	14,00,000	21,00,000
Current Assets	6,00,000	9,00,000

- 12 From the following Balance Sheet and additional information of Balaji Ltd. prepare Cash Flow Statement as per AS-3 (Revised): 5

Balance Sheet of Thermal Power Ltd. as at 31st March, 2021

Particulars	Note No.	31 st March, 2021 (₹)	31 st March, 2020 (₹)
I. Equity & Liability			
1. Shareholders' Funds			
(a) Share Capital		4,50,000	3,00,000
(b) Reserves and Surplus	1	1,85,000	50,000
3. Current Liabilities			
(a) Short-term Borrowings (Bank Overdraft)		50,000	50,000
(b) Trade Payables		1,05,000	85,000
Total		7,90,000	4,85,000
II Assets			
1. Non-Current Assets			
(a) Property, Plant and Equipment (Fixed Assets)		4,80,000	2,00,000
2. Current Assets			
(a) Inventories (Stock)		90,000	80,000
(b) Trade Receivables (Debtors)		90,000	1,20,000
(c) Cash and Cash Equivalents (Cash)		1,30,000	85,000
Total		7,90,000	4,85,000

Notes to Accounts

Particulars	31 st March,	31 st March,
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	2021 (₹)	2020 (₹)
1. Reserves and Surplus		
Surplus, i.e. Balance in Statement of Profit and Loss	1,85,000	50,000

Additional Information:

- (i) Income Tax paid during the year was ₹35,000.
- (ii) Dividend paid during the year was ₹30,000.
- (iii) Interest on Bank overdraft for the year ₹ 4,000.

End of the Question Paper



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3. Question nos. 4 to 6 and 11 are short answer type–II questions carrying 3 marks each.
4. Question nos. 7 to 9 and 12 are long answer type questions carrying 5 marks each.
5. There is no overall choice. However, an internal choice has been provided in 3 questions of three marks and 1 question of five marks.

Part A**(Accounting for Not-for-Profit organizations, Partnership Firms and Companies)**

- 1 Ravi, Sahil and Tushar are partners in a firm sharing profit & loss in the ratio of 2:2:1. Tushar retires and his balance in Capital Account after adjustment for Reserve and Revaluation of Assets & Liabilities comes out to be ₹1,00,000. Ravi and Sahil agree to pay him ₹1,20,000. Give journal entry for the adjustment of goodwill. 2
- 2

	₹	
Kolkata Club received subscription during the yr. 2019-2020	1,50,000	2
Subscription received in advance on 31-3-2019	4,500	
Subscription received advance on 31-3-2020	5,100	
Subscription outstanding on 31-3-2020 for 2019-2020	3,800	
Subscription outstanding 2018-2019(of which ₹4,000 received in 2019-2020)	6,000	
Calculate the subscription to be taken to Income & Expenditure A/c for 2019-2020		
- 3 A and B are partners in a firm sharing profits in the ratio of 3:2. Mrs. A has given a loan of ₹20,000 to the firm and the firm had taken a loan of ₹10,000 from B. The firm was dissolved and its assets were realized for ₹25,000. State the order of payment of Mrs. A's Loan and B's Loan with reason, if there were no other creditors in the firm. 2
- 4 Hyatt Ltd. took loan of ₹8,00,000 from State Bank of India and issued 10,000; 9% Debentures of ₹100 each as Collateral Security. How will issue of Debentures be shown in the Balance Sheet when journal entry is passed? 3

OR

Exe Ltd. purchased assets of ₹8,40,000 and took over liabilities of ₹80,000 of Hay Ltd. at a value of ₹7,20,000. Exe Ltd. issued 10% Debentures of ₹100 each at 10% discount in full satisfaction of the price. The company decided to write off Discount on Issue of Debentures from Securities Premium Reserve of ₹1,00,000. Pass journal entries in the books of Exe Ltd.

- 5 How are the following dealt with while preparing the final accounts of a club?

3

Trial Balance as at 31st March, 2019

Particulars	Dr. ₹	Cr. ₹
Match Fund		80,000
Match Fund Investments	72,000	
Match Fund Bank Balance	3,500	
Interest on Match Fund Investments		2,880
Match Expenses	5,500	

OR

Calculate the amount of sports material to be transferred to income and Expenditure Account of Ballygunge Sports Club, Kolkata, for the year ended 31st March, 2018:

	Particulars	₹
(i)	Sports material sold during the year (Book Value ₹25,000)	28,000
(ii)	Amount paid to creditors for sports materials	45,500
(iii)	Cash purchase of sports material	20,000
(iv)	Sports material as on 31st March, 2017	25,000
(v)	Sports material as on 31st March, 2018	27,500
(vi)	Creditors for sports material as on 31st March, 2017	18,500
(vii)	Creditors for sports material as on 31st March, 2018	22,500

- 6 Ramesh, Suresh and Naresh were partners in a firm sharing profits in the ratio of 2:2:1. Suresh died on 30th June, 2020. The Partnership Deed provided for the following on the death of a partner:

3

Goodwill of the firm was to be valued at 2 years' purchase of the average profit of last 5 years. Profits for the year ended 31st March, 2016, 31st March, 2017, 31st March, 2018 and 31st March, 2019 were ₹50,000; ₹80,000; ₹1,10,000 and ₹2,20,000 respectively. Loss for the year ended 31st March, 2020 was ₹1,60,000.

Pass necessary Journal Entry for the treatment of Goodwill, showing the workings clearly.

- 7 Following is the Receipts and Payments Account of Indian Youth Association for the year ended 31st March, 2020.

5

Receipts and Payments Account
for the year ended 31st March, 2020

Dr.	for the year ended 31 st March, 2020		Cr.
Particulars	₹	Particulars	₹
To Balance b/d		By Salaries	3,00,000
In Hand 25,000		By Rent	60,000
At Bank 2,45,000	2,70,000	By Printing and Stationery	15,000
To Subscriptions	4,00,000	By Postage and Courier	4,000
To Bank Interest	2,000	By Printer	40,000
To Sale of Old Car	40,000	By Investments	80,000
		By Balance c/d	
		In Hand 13,000	
		At Bank 2,00,000	2,13,000
	7,12,000		7,12,000

Adjustments:

- Investments were made on 1st October, 2019 earning interest @ 5% p.a.
- Subscriptions included ₹80,000 for the year ended 31st March, 2019 and ₹40,000 for the year ending 31st March, 2021. Subscriptions for the year ended 31st March, 2020 ₹80,000 were still in arrears.
- Rent, for March, 2020, ₹5,000 is unpaid.

(iv) ₹ 3,000 are payable for stationery.

(v) Book value of the car was ₹55,000.

Prepare Income and Expenditure Account of the Association for the year ended 31st March, 2020.

- 8 Prateek, Neeraj and Umang were partners in a firm, sharing profits and losses in the ratio of 7:2:1. The firm was dissolved on 31st March, 2022. After transfer of assets (other than cash) and external liabilities to the Realisation Account, the following transactions took place: 5

- Furniture of ₹45,000 was sold by auction for ₹66,000 and the auctioneer's commission amounted to ₹2,000.
- Umang had given a loan of ₹1,09,000 to the firm. He accepted ₹1,00,000 in full settlement of his loan.
- Investments were ₹53,000 out of which ₹23,000 was taken over by Neeraj at ₹25,000. Balance of the investments were sold for ₹35,000.
- Expenses incurred on dissolution were ₹21,000 and were paid by Prateek.
- The firm had a debit balance of ₹40,000 in the Profit and Loss Account.

Pass the necessary journal entries for the above transactions in the books of the firm, assuming that partners' capitals were fixed.

OR

X, Y and Z were partners in a firm with profit sharing ratio of 1/2, 1/3 and 1/6 respectively. The Balance Sheet of the firm as at 31st March, 2020 was as follows:

Liabilities	₹	Assets	₹
Trade Creditors	2,10,000	Cash at Bank	57,500
Workmen's Compensation Reserve	1,20,000	Debtors	4,00,000
Employees Provident Fund	60,000	Less: Provision for Doubtful Debt	20,000
Investment Fluctuation Reserve	60,000	Stock	3,80,000
Capital A/cs		Investments (Market Value	3,76,500
X	6,80,000	₹1,76,000)	1,50,000
Y	3,20,000	Patents	1,00,000
Z	2,10,000	Machinery	5,00,000
	12,10,000	Advertisement Expenditure	36,000
		Goodwill	60,000
	16,60,000		16,60,000

Z retired on 1st April, 2020 on the following terms:

- Goodwill of the firm is valued at ₹3,00,000.
- Value of Patents is to be reduced by 20% and that of Machinery to 90%.
- Provision for Doubtful Debts is to be raised to 6%.
- Liability for Workmen Compensation to the extent of ₹60,000 is to be created.
- Z took the Investments at market value.

Prepare Revaluation Account and Partners' Capital Account.

- 9 On April 01, 2021 Amrit Ltd. issued 10,000, 8% debentures of ₹100 each of a discount of 10% redeemable at a premium of 10%. The issue was subscribed and amount was duly received. The company had balance of ₹70,000 in Securities Premium Reserve and Capital Reserve ₹10,000 on that date. 5

- Pass the necessary journal entries for Issue and allotment of Debentures on April 01, 2021.
- Calculate the amount of annual fixed obligation associated with debentures.
- Pass Journal entry to write off loss on issue of debentures on 31 March 2022.
- Prepare Loss on Issue of Debentures Account.

Part-B
(Analysis of Financial Statements)

- 10 State whether the following transactions are Operating, Investing or Financing Activities while preparing Cash Flow Statement. 2
- (i) Dividend paid by Manufacturing Company
- (ii) Purchase and Sale of Securities by a Finance Company

- 11 From the information given below, prepare Comparative Statement of Profit and Loss. 3

Particulars	Note No.	31 st March, 2020	31 st March, 2019
Revenue from Operations		₹ 3,50,000	₹ 2,00,000
Purchases of Stock-in-Trade		₹ 2,00,000	₹ 1,00,000
Cost of Revenue from Operations		70% of Revenue from Operations	60% of Revenue from Operations
Employee Benefit Expenses		₹ 7,350	₹ 4,000
Income Tax		45%	45%

OR

Prepare Common-size Balance Sheet from the following information.

	31 st March, 2020 (₹)	31 st March, 2021 (₹)
Shareholders' Funds	12,00,000	18,00,000
Non-current Liabilities	6,00,000	6,00,000
Current Liabilities	2,00,000	6,00,000
Non-current Assets	14,00,000	21,00,000
Current Assets	6,00,000	9,00,000

- 12 From the following Balance Sheet and additional information of Balaji Ltd. prepare Cash Flow Statement as per AS-3 (Revised): 5

Balance Sheet of Thermal Power Ltd. as at 31st March, 2021

Particulars	Note No.	31 st March, 2021 (₹)	31 st March, 2020 (₹)
I. Equity & Liability			
1. Shareholders' Funds			
(a) Share Capital		4,50,000	3,00,000
(b) Reserves and Surplus	1	1,85,000	50,000
3. Current Liabilities			
(a) Short-term Borrowings (Bank Overdraft)		50,000	50,000
(b) Trade Payables		1,05,000	85,000
Total		7,90,000	4,85,000
II Assets			
1. Non-Current Assets			
(a) Property, Plant and Equipment (Fixed Assets)		4,80,000	2,00,000
2. Current Assets			
(a) Inventories (Stock)		90,000	80,000
(b) Trade Receivables (Debtors)		90,000	1,20,000
(c) Cash and Cash Equivalents (Cash)		1,30,000	85,000
Total		7,90,000	4,85,000

Notes to Accounts

Particulars	31 st March, 2021 (₹)	31 st March, 2020 (₹)
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1. Reserves and Surplus Surplus, i.e. Balance in Statement of Profit and Loss	1,85,000	50,000
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Additional Information:

- (i) Income Tax paid during the year was ₹35,000.
- (ii) Dividend paid during the year was ₹30,000.
- (iii) Interest on Bank overdraft for the year ₹ 4,000.

End of the Question Paper



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Part A**(Accounting for Not-for-Profit organizations, Partnership Firms and Companies)**

- 1 The firm of X, Y and Z was dissolved on 1st April, 2020. Y demands that his loan of ₹25,000 be paid before payment of capitals of the partners. But X and Z demand that capital be paid before the payment of loan by Y. Who is correct and why? 2
- 2 Raheel, Sushant and Tanmay are partners in a firm sharing profit & loss in the ratio of 2:2:1. Tanmay retires and his balance in Capital Account after adjustment for Reserve and Revaluation of Assets & Liabilities comes out to be ₹2,00,000. Raheel and Sushant agree to pay him ₹2,40,000. Give journal entry for the adjustment of goodwill. 2
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	₹	
Kolkata Club received subscription during the yr. 2019-2020	1,50,000	2
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- 6 How are the following dealt with while preparing the final accounts of a club? 3
Trial Balance as at 31st March, 2019

Particulars	Dr. ₹	Cr. ₹
Match Fund		80,000
Match Fund Investments	72,000	
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Calculate the amount of sports material to be transferred to income and Expenditure Account of, Ballygunge Sports Club, Kolkata, for the year ended 31st March, 2018:

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Dr.			Cr.
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To Balance b/d		By Salaries	3,00,000
In Hand 25,000		By Rent	60,000
At Bank 2,45,000	2,70,000	By Printing and Stationery	15,000
To Subscriptions	4,00,000	By Postage and Courier	4,000
To Bank Interest	2,000	By Printer	40,000
To Sale of Old Car	40,000	By Investments	80,000
		By Balance c/d	

		In Hand	13,000	
		At Bank	2,00,000	2,13,000
	7,12,000			7,12,000

Adjustments:

- Investments were made on 1st October, 2019 earning interest @ 5% p.a.
- Subscriptions included ₹80,000 for the year ended 31st March, 2019 and ₹40,000 for the year ending 31st March, 2021. Subscriptions for the year ended 31st March, 2020 ₹80,000 were still in arrears.
- Rent, for March, 2020, ₹5,000 is unpaid.
- ₹ 3,000 are payable for stationery.
- Book value of the car was ₹55,000.

Prepare Income and Expenditure Account of the Association for the year ended 31st March, 2020.

- 9 Prateek, Neeraj and Umang were partners in a firm, sharing profits and losses in the ration of 7:2:1. The firm was dissolved on 31st March, 2022. After transfer of assets (other than cash) and external liabilities to the Realisation Account, the following transactions took place: 5

- Furniture of ₹45,000 was sold by auction for ₹66,000 and the auctioneer's commission amounted to ₹2,000.
- Umang had given a loan of ₹1,09,000 to the firm. He accepted ₹1,00,000 in full settlement of his loan.
- Investments were ₹53,000 out of which ₹23,000 was taken over by Neeraj at ₹25,000. Balance of the investments were sold for ₹35,000.
- Expenses incurred on dissolution were ₹21,000 and were paid by Prateek.
- The firm had a debit balance of ₹40,000 in the Profit and Loss Account.

Pass the necessary journal entries for the above transactions in the books of the firm, assuming that partners' capitals were fixed.

OR

X, Y and Z were partners in a firm with profit sharing ratio of 1/2, 1/3 and 1/6 respectively. The Balance Sheet of the firm as at 31st March, 2020 was as follows:

Liabilities	₹	Assets	₹
Trade Creditors	2,10,000	Cash at Bank	57,500
Workmen's Compensation Reserve	1,20,000	Debtors	4,00,000
Employees Provident Fund	60,000	Less: Provision for Doubtful Debt	20,000
Investment Fluctuation Reserve	60,000	Stock	3,80,000
Capital A/cs		Investments (Market Value	3,76,500
X	6,80,000	₹1,76,000)	1,50,000
Y	3,20,000	Patents	1,00,000
Z	2,10,000	Machinery	5,00,000
	12,10,000	Advertisement Expenditure	36,000
		Goodwill	60,000
	16,60,000		16,60,000

Z retired on 1st April, 2020 on the following terms:

- Goodwill of the firm is valued at ₹3,00,000.
- Value of Patents is to be reduced by 20% and that of Machinery to 90%.
- Provision for Doubtful Debts is to be raised to 6%.
- Liability for Workmen Compensation to the extent of ₹60,000 is to be created.
- Z took the Investments at market value.

Prepare Revaluation Account and Partners' Capital Account.

Part-B
(Analysis of Financial Statements)

- 10 State whether the following transactions are Operating, Investing or Financing Activities while preparing Cash Flow Statement. 2
(i) Receipt of Dividend (ii) Buy-back of Own Shares

- 11 From the information given below, prepare Comparative Statement of Profit and Loss. 3

Particulars	Note No.	31 st March, 2020	31 st March, 2019
Revenue from Operations		₹ 3,50,000	₹ 2,00,000
Purchases of Stock-in-Trade		₹ 2,00,000	₹ 1,00,000
Cost of Revenue from Operations		70% of Revenue from Operations	60% of Revenue from Operations
Employee Benefit Expenses		₹ 7,350	₹ 4,000
Income Tax		45%	45%

OR

Prepare Common-size Balance Sheet from the following information.

	31 st March, 2020 (₹)	31 st March, 2021 (₹)
Shareholders' Funds	12,00,000	18,00,000
Non-current Liabilities	6,00,000	6,00,000
Current Liabilities	2,00,000	6,00,000
Non-current Assets	14,00,000	21,00,000
Current Assets	6,00,000	9,00,000

- 12 From the following Balance Sheet and additional information of Balaji Ltd. prepare Cash Flow Statement as per AS-3 (Revised): 5

Balance Sheet of Thermal Power Ltd. as at 31st March, 2021

Particulars	Note No.	31 st March, 2021 (₹)	31 st March, 2020 (₹)
I. Equity & Liability			
1. Shareholders' Funds			
(a) Share Capital		4,50,000	3,00,000
(b) Reserves and Surplus	1	1,85,000	50,000
3. Current Liabilities			
(a) Short-term Borrowings (Bank Overdraft)		50,000	50,000
(b) Trade Payables		1,05,000	85,000
Total		7,90,000	4,85,000
II Assets			
1. Non-Current Assets			
(a) Property, Plant and Equipment (Fixed Assets)		4,80,000	2,00,000
2. Current Assets			
(a) Inventories (Stock)		90,000	80,000
(b) Trade Receivables (Debtors)		90,000	1,20,000
(c) Cash and Cash Equivalents (Cash)		1,30,000	85,000
Total		7,90,000	4,85,000

Notes to Accounts

Particulars	31 st March, 2021 (₹)	31 st March, 2020 (₹)
1. Reserves and Surplus		

Surplus, i.e. Balance in Statement of Profit and Loss	1,85,000	50,000
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Additional Information:

- (i) Income Tax paid during the year was ₹35,000.
- (ii) Dividend paid during the year was ₹30,000.
- (iii) Interest on Bank overdraft for the year ₹ 4,000.

End of the Question Paper