SPECTRA CLASSES PREBOARD TEST.

SUBJECT: ACCOUNTANCY

CLASS: XII

Time: 3 Hrs **M.M: 80**

General Instructions:

1. This question paper contains 34 questions. All questions are compulsory.
2. This question paper is divided into two parts, Part A and B
3. Question 1 to 16 and 27 to 30 carries **1** mark each.
4. Questions 17 to 20, 31and 32 carries **3** marks each.
5. Questions from 21 ,22 and 33 carries **4** marks each
6. Questions from 23 to 26 and 34 carries **6** marks each
7. 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.**

Ques no.	PART A (Accounting for Partnership Firms and Companies)	Marks
1	X, Y and Z entered into partnership on 1^{st} October 2022 to share profits and losses in the ratio of 4:3:3. X, however, personally guaranteed that Z's share of profit after charging interest on capital @ 10% p.a. would not be less than 80,000 in a year. Capital contributions were X- ₹ 3,00,000; Y- ₹ 2,00,000 and Z-₹ 1,50,000. The profit for the year ended on 31^{st} March 2023 amounted to ₹ 1,60,000. Partners' share of profit will be: a) X - ₹ 64,000; Y-₹ 48,000; Z-₹ 48,000. b) X-₹ 60,000; Y-₹ 20,000; Z-₹ 80,000. c) X-₹ 49,250; Y-₹ 38,250; Z ₹ 40,000. d) None of these.	1
2	**Assertion (A)**: When a new partner is admitted, existing partnership comes to an end and new partnership agreement among all partners (including incoming partner) comes into effect, but the firm continues. **Reason (R)**: At the time of admission of a partner, the partnership firm dissolves. In the context of above two statements, which of the following is correct? a) Assertion (A) is correct, but Reason (R) is incorrect. b) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A). c) Both Assertion (A) and Reason (R) are incorrect. d) Both Assertion (A) and Reason (R) are correct, and Reason (R) is the correct explanation of Assertion of (A)	1
3	Offer of securities or invitation to subscribe securities to a select group of persons by a company (other than by way of public offer) is known as: a) Public issue. b) Private Placement of shares c) Right Issue. d) Employee stock option plan **OR** A 10% Preference Share of ₹ 100 each is issued at 40% premium, to be redeemed at 20% premium. Out of which ₹ 70 (including ₹10 premium) was called-up and paid-up. The uncalled capital will be: a) ₹ 20 b) ₹ 30 c) ₹ 40 d) ₹ 60	1

4 Raman and Rohit are partners in a firm sharing profits and losses in the ratio of 3:2. They admit Saloni as a partner for 1/4th share in profits. She was unable to bring her share of Premium for Goodwill in cash. The Journal entry passed for adjustment of goodwill is given below: **(1)**

Date	Particulars	L.F	Dr. (₹)	Cr. (₹)
	Saloni's Current A/c Dr To Raman's Capital A/c To Rohit's Capital A/c		15,000	 10,000 5,000

New profit-sharing ratio of Raman, Rohit and Saloni will be.

a) 20:10:10.
b) 16:11:9.
c) 26:19:15.
d) 20:16:12

OR

Ashok, Bilal and Charu are partners trading in Sports Equipment. Ashok used ₹5,00,000 of the firm, without the knowledge of Bilal and Charu and earned profit ₹87,500. Which action should be taken by the firm to rectify this situation?

a) Ashok should return only ₹ 500.000 to the firm.
b) Ashok should return ₹ 87,500 to the firm.
c) Ashok should pay back ₹ 87,500 only equally to Bilal and Charu.
d) Ashok should return ₹ 5,87,500 to the firm.

5 **Statement-I:** In case of retirement of a partner profit or loss on revaluation of assets and re-assessment of liabilities is distributed among old partners in gaining ratio. **(1)**

Statement -II: Gaining Ratio is the ratio in which the continuing partners acquire the share from the retiring/deceased partner.

a) Both the statements are true.
b) Both the statements are false.
c) Statement-I is true, Statement -II is false.
d) Statement-II is true, Statement -I is false.

6 Jupiter Ltd. issued 10,000, 10% Debentures of ₹ 100 each at certain rate of discount, redeemable at 10% premium after 5 years. At the time of writing off loss on the issue of Debentures, Statement of Profit & Loss was debited by ₹ 1,60,000 for Loss on Issue of Debentures. At what rate of discount, these debentures were issued? **(1)**

a) 10%. b) 8%. c) 6% d) 5%

OR

Sony Ltd. issued 10,000, 9% Debentures of ₹ 100 each at certain rate of premium redeemable at 10% premium after 5 years. At the time of writing off Loss on issue of Debentures, ₹ 40,000 being part of loss was written off from Statement of Profit & Loss. At what rate of premium, these debentures were issued?

a) 4%. b) 5%. c)6%. d) 8%.

7 What is the amount of allotment when Rajan Ltd. Issued 10% Preference Shares of ₹ 60 each at a premium of 60%, payable on application ₹ 40, on first call ₹ 22 (including premium ₹ 12) and on final call ₹ 4? **(1)**

a) ₹ 6
b) ₹ 12
c) ₹ 18
d) ₹ 30

8	Gyan and Govind are partners sharing profits in the ratio of 3 : 1. On 31st March 2023, firm's net profit is ₹ 7,50,000. The partnership deed provided interest on capital to Gyan and Govind which is ₹ 1,00,000 and ₹ 50,000 respectively and interest on drawings for the year is ₹ 32,000 of Gyan and ₹ 28,000 of Govind. Each partner is also entitled for commission @ 5% on profit after interest and all commissions. Calculate the profit to be transferred to Partner's Capital Accounts. a) ₹6,00,000 b) ₹6,60,000 c) ₹7,20,000 d) ₹7,50,000 **OR** Match List I (Provisions of Partnership Act 1932) with List II (Matters with which the provisions are related) and select the correct answer using the codes given below the lists:	1

List I	List II
A. Interest is allowed at 6% p.a. B. Interest is not allowed. C. Interest is not charged. D. Shared equally by all partners unless otherwise agreed.	1. Drawings by Partners 2. Net loss of the firm for an accounting year 3. Capital contributed by partners. 4. Loan given by partner to the firm.

Codes:

	A	B	C	D		A	B	C	D
a)	1	3	2	4	b)	4	3	2	4
c)	3	2	4	1	d)	4	3	1	2

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

Mohan, Neeraj and Peeyush are partners in a firm. They contributed ₹ 75,000 each as capital three years ago. At that time Peeyush agreed to look after the business as Mohan and Neeraj were busy. Profits for the past three years were ₹ 45,000, ₹ 30,000 and ₹ 60,000 respectively. While going through the books of accounts, Mohan noticed that profit had been distributed in the ratio of 1:1:2. When he inquired from Peeyush about this, Peeyush answered that since he looked after the business, he should get more profit. Mohan disagreed and it was decided to distribute profits equally with retrospective effect for the last three years.

9	The amount Mohan received is short of ________________ for which Peeyush is liable for a) ₹7,500 b) ₹ 11,000 c) ₹ 11,250 d) ₹ 12,000	1
10	Necessary adjustments entry would be:	1

a)	Mohan's Capital A/c To Neeraj's Capital A/c To Peeyush Capital A/c	.Dr.	15,000	 7,500 7,500
b)	Neeraj's Capital A/c Peeyush's Capital A/c To Mohan's Capital A/c	...Dr. ...Dr.	7,500 7,500	 15,000
c)	Peeyush's Capital A/c To Mohan's Capital A/c To Neeraj's Capital A/c	...Dr	22,500	 11,250 11,250
d)	Mohan's Capital A/c Neeraj's Capital A/c To Peeyush's Capital A/c	...Dr ...Dr	11,250 11,250	 22,500

<table>
<tr><td>11</td><td>Gain/loss on revaluation at the time of change in profit-sharing ratio of existing partners is shared by ____(i)___ whereas in case of adjustments of a partner it is shared by __(ii)__
a) (i) remaining partners, (ii) all partner
b) (i) all partners, (ii) partners before admission of a new partner
c) (i) new partner, (ii) all partners
d) (i)sacrificing partner, (ii) incoming partner</td><td>1</td></tr>
<tr><td>12</td><td>Alok Ltd. forfeited 60 shares ₹ 10 each issued at a premium of 20% to Manav who had applied for 72 shares, for non-payment of allotment money of ₹ 5 per share (including premium) and first and final call of ₹ 5 per share. Out of these 20 shares were reissued to Kamal, credited as fully paid for ₹ 9 per share. The gain on the reissue is:
a) ₹ 144. b) ₹ 124. c) ₹ 48. d) ₹ 28.</td><td>1</td></tr>
<tr><td>13</td><td>Mohit was allotted 600 shares by Govinda Ltd on pro rata basis which had issued two shares for every three applied. He had paid application money of ₹ 3 per share and did not pay allotment money of ₹ 5 per share. First and final call of ₹ 2 per share was not yet made by the company. His shares were forfeited. Following entry will be passed.
Equity Share capital A/c ....Dr ₹ X
To Shares forfeited A/c ₹ Y
To Equity Shares Allotment A/c ₹ Z
Here X, Y and Z are:
a) ₹ 6000, ₹ 2700, ₹ 3000 respectively.
b) ₹ 9000, ₹ 2700, ₹ 4500 respectively.
c) ₹ 4800, ₹ 2700, ₹ 2100 respectively.
d) ₹ 7200, ₹ 2700, ₹ 4500 respectively.</td><td>1</td></tr>
<tr><td>14</td><td>Nita and Samar are partners in a firm sharing profits in the ratio of 3:2. Their fixed capitals were ₹ 90,000 and ₹ 2,10,000 respectively. They admitted Mitali on 1st April 2022 as a new partner for 1/5th share in future profits. Mitali brought ₹ 1,50,000 as her capital. Value of goodwill of the firm on Mitali's admission was.
a) ₹ 3,00,000.
b) ₹ 7,50,000.
c) ₹ 1,50,000.
d) ₹ 30,000.</td><td>1</td></tr>
<tr><td>15</td><td>Khushi, Namita and Manvi were partners in a firm sharing profits and losses in the ratio of 5:2:3. On 30th June 2022, Khushi died. The partnership deed provided that on the death of a partner, her share of profit till the date of death was to be calculated on the basis of average profit of last three years less ₹ 10,000.
<table><tr><td>Year ended</td><td>Profit/Losses (₹)</td></tr><tr><td>31st March 2020</td><td>1,20,000</td></tr><tr><td>31st March 2021</td><td>(50,000)</td></tr><tr><td>31st March 2022</td><td>1,70,000</td></tr></table>Khushi's share of profit till date of her death was.
a) ₹ 35,000
b) ₹ 9,583
c) ₹ 28,750
d) ₹ 8,750
OR
Aman, Aadhar and Avinash were partners and sharing profits in the ratio of 3:2:1. Avinash retired from the firm on 1st July 2022. On date of Avinash's retirement, Balance Sheet showed a debit balance of ₹1,20,000 in Profit & Loss Account. For calculating the amount payable to Avinash, this balance will be transferred.
a) to the debit side of the Capital Accounts of Aman and Aadhar in Old Profit-sharing Ratio.</td><td>1</td></tr>
</table>

b) to the debit side of the Capital Accounts of Aman, Aadhar and Avinash in Old Profit-sharing Ratio.
c) to the credit side of the Capital Accounts of Aman and Aadhar in New Profit-sharing Ratio.
d) to the credit side of the Capital Accounts of Aman and Aadhar in their Gaining Ratio.

16 On the date of dissolution of the firm, 'Om Brothers' had partners' capital amounting to ₹ 6,00,000, Sundry liabilities ₹ 1,40,000, cash and bank balance ₹32,000 and Profit & Loss A/c (Dr.) ₹28,000. If realisation expenses and loss on realisation were ₹20,000 and ₹1,00,000 respectively, the amount realised from sale of assets is: 1

a) ₹ 6,56,000.
b) ₹ 5,80,000.
c) ₹ 6,28,000.
d) ₹ 6,00,000.

17 X, Y and Z are partners sharing profits in the ratio of 4 : 3 : 2. Y retired and his capital after making adjustments for Reserves and Profit on revaluation was ₹ 92,800. X and Z agreed to pay him certain amount in settlement of his claim. Journal entry for goodwill passed was as given below: 3

Date	Particulars		₹	₹
	X's Capital account ... Dr		3,900	
	Z's Capital account ... Dr		3,300	
	To Y's Capital account			7,200
	(Y's share of goodwill adjusted in the Capital Account of gaining partners in their gaining ratio)			

Calculate the amount agreed to be paid to Y and New Profit-sharing Ratio of X and Z.

18 A and B are partners in a firm sharing profits and losses in the ratio of 3:2. Balance Sheet of the firm as on 31st March 2023 was as follows: 3

Liabilities	**₹**	**Assets**	**₹**
Capital Accounts		Sundry Assets	80,000
A	60,000		
B	20,000		
	80,000		**80,000**

The profit ₹ 30,000 for the year ended 31st March 2023 was divided between the partners without allowing interest on capital @ 12% p.a. and salary to A @ ₹1000 per month. During the year, A withdrew ₹ 10,000 and B withdrew ₹ 20,000.
Pass the necessary adjustment Journal entry and show your working clearly.

19 Ashutosh Ltd. purchased Machinery for ₹ 5,00,000, computers for ₹ 2,50,000 and Furniture for ₹ 1,50,000 from a Vendor. It paid ₹1,00,000 by cheque and balance to be paid by issue of 9% Debentures of ₹ 100 each at a discount of 20%. 3
You are required to pass the Journal entries for the purchase of Assets and issue of 9% Debentures.

OR

Meena Ltd. issued 60,000 shares of ₹ 10 each at a premium of ₹ 2 per share payable ₹3 on application, ₹ 5 on allotment and the balance on first and final call. Applications were received for 1,02,000 shares. It was resolved to allot the shares as follows:
A. Applicants of 60,000 shares -- 30,000 shares
B. Applicants of 40,000 shares -- 30,000 shares
C. Applicants of 2,000 shares -- Nil
Nikhil, who had applied for 1,000 shares in Category A and Vishu who was allotted 600 shares in Category B failed to pay the allotment money. Calculate the amount received on allotment.
Also pass Journal entries for allotment money due as well as allotment money received later on assuming that Calls-in-Arrears Account is maintained.

20 Om, Shanti and Namo are partners sharing profits and losses in the ratio of 5:3:2. They decided to share profits and losses in the ratio 2:3:5 with effect from 1st April 2023. For this purpose, goodwill is to be valued on the basis of 4 years' purchase of average profit of past 5 years. The profits were: **(3)**

Year Ended	31st March 2019	31st March 2020	31st March 2021	31st March 2022	31st March 2023
Profit/Loss(₹)	30,000	70,000	1,00,000	1,40,000	(1,20,000)

On 1st April 2022, 5 cycles costing ₹ 20,000 were purchased and were wrongly debited to Travelling Expenses. Depreciation on cycles was to be charged @ 25%.
Journalise the transactions giving working notes.

21 City Optics Ltd. is a company with authorised capital of ₹ 50,00,000 divided into 4,00,000 Equity Shares of ₹10 each and 10,000 Preference Shares of ₹100 each. It issued: **(4)**

(i) 50,000 Equity Shares of ₹10 each at par to Vendors from whom Machinery was purchased.
(ii) For subscription 2,00,000 Equity Shares at a premium of ₹ 5 each payable ₹ 5 on application; ₹ 8 (including premium) on allotment and balance as First and final call.
(iii) Issued 10,000, 8% Preference Shares at par payable along with application.

Equity Shares were subscribed two times while Preference shares were fully subscribed. Equity Shares were allotted to all the applicants on pro rata basis.
Amount due was received except first and final call on 5,000 Equity Shares held by Param, which were forfeited.
Show the share capital in the Balance Sheet of the company prepared as per Schedule III of the Companies Act, 2013.

OR

Zed Ltd. issued 2,00,000, 8% Debentures of ₹100 each at a discount of 6% redeemable at a premium of 10% after 5 years. The amount was payable as follows:
On application -- ₹ 50 per debenture; and
On allotment -- Balance.
Record the necessary journal entries for the issue of debentures in the books of Zed Ltd.

22 Mike and Ajay are partners sharing profits and losses in proportion to their capitals, which on 31st March 2023, stood at ₹ 6,00,000 and ₹ 4,00,000 respectively. On this date, the firm had ₹ 1,00,000 in its Workmen Compensation Reserve and its outside liabilities were ₹ 6,00,000, which included Creditors of ₹ 2,00,000 and Bills Payable of ₹ 60,000. **(4)**
The Firm was dissolved on 31st March 2023, on which date assets, other than Cash of ₹ 70,000, realised ₹ 14,00,000 and the liabilities were paid as follows:
a) Creditors were paid at a discount of ₹ 1,000.
b) Bills Payable were discharged at a rebate of ₹ 1,000.
c)Workmen Compensation Claim of ₹ 40,000 was met.
d) Expenses of dissolution of ₹ 30,000 were paid.
You are required to prepare:
(i) Realisation Account
(ii) Partners Capital Accounts.

23 Sangita Ltd. invited applications for issuing 40,000 shares of ₹ 10 each at 20% premium payable as follows: **(6)**
On application ₹ 6 (including ₹ 1 premium) and balance on allotment.
Applications were received for 70,000 shares. Shares were allotted on pro-rata to the applicants of 50,000 shares. Money overpaid on applications was not refunded and was to be adjusted against amount due on allotment. All the shareholders have paid the amount up to allotment except Vijay, the allottee of 8,000 shares. His shares were forfeited. 40% of the forfeited shares were reissued at 11 per share as fully paid-up.
Pass the necessary Journal entries.

	OR Pass Journal entries for forfeiture and reissue in the following two cases: (i) Star Ltd. forfeited 5,000 Shares of ₹ 10 each issued at par of Pawan against application of 7,000 Shares for non-payment of ₹ 4 per share as allotment money and ₹ 3 per share as first and final call, which was transferred to Calls-in-Arrears Account. Out of the above, 2,000 Equity Shares were reissued for ₹ 15 as fully paid-up. (ii) Moon Ltd. forfeited 5,000 shares of ₹ 20 each issued at a premium of ₹ 4 per share for non-payment of ₹ 5 each as first and final call. Calls-in-Arrears Account not be opened. Out of the forfeited shares, 2,500 shares were reissued at their nominal (face) value as fully paid-up.	
24	A and B are partners sharing profits and losses in the ratio of 3:2. Their Balance Sheet as at 31st March 2023 was as under:	6

Liabilities	₹	Assets		₹
Capital Accounts:		Plant and Machinery		10,000
A	10,000	Land and Building		8,000
B	8,000	Debtors	12,000	
General Reserve	15,000	Less: Provision for		
Workmen Compensation Reserve		Doubtful Debts	1000	11,000
Creditors	5,000	Stock		12,000
	12,000	Cash		9,000
	50,000			**50,000**

They admit C into partnership on 1st April 2023 for 1/5th share of profit on the following terms:

I. Provision for Doubtful Debts would be increased by ₹2,000.
II. ii) Value of land and building would be increased to ₹18,000.
III. Value of stock would be increased by ₹ 4,000.
IV. Liability against Workmen Compensation Reserve is determined at ₹ 2,000.
V. C brought in as his share of goodwill ₹10,000 in cash. C would bring further cash as would make his capital equal to 20% of the total capital of the new firm, after the revaluation and adjustments are carried out.

Pass Journal entries relating to Goodwill, General Reserve and Workmen Compensation Reserve. Also prepare Partners' Capital Accounts.

OR

Harish, Paresh and Mahesh were partners sharing profits and losses in the ratio of 5:4:1. Paresh retired on 31st March 2021. His capital as on 1st April 2020, was ₹ 80,000. During the year 2020-21, he withdrew ₹ 5,000. He was to be charged interest of ₹100 on drawings.

The Partnership Deed provides that on the retirement of a partner, he will be entitled to:
(i) His share of capital.
(ii) Interest on capital @ 10% per annum.
(iii) His share of profit in the year of retirement.
(iv) His share of goodwill of the firm.
(v) His share in the profit/loss on revaluation of assets and liabilities.

Additional Information:
(a) Paresh's share in the profit of the firm for the year 2020-21 was ₹ 20,000.
(b) Goodwill of the firm was valued at ₹ 24,000.
(c) The firm incurred loss of ₹12,000 on the revaluation of assets and liabilities.
(d) Paresh was to be paid ₹ 7,700 in cash and the balance was to be transferred to his Loan Account bearing interest @ 6% per annum. Loan was to be repaid in two equal annual instalments, the first instalment to be paid on 31st March 2022. You are required to prepare:

(i) Paresh's Capital Account.
(ii) Paresh's Loan Account till it is finally closed.

25 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 31st March, 2023 was as follows: **6**

Liabilities	₹	Assets	₹
Sundry Creditors	50,000	Debtors	15,000
General Reserve	40,000	Fixed Assets	67,000
Bills Payable	10,000	Investments	40,000
Capital Accounts:		Stock	25,500
Dinesh	30,000	Cash in Hand	36,000
Alvin	40,000	Deferred Revenue Expenditure	
Pramod	30,000	Dinesh's Loan Account	14,000
			2,500
	2,00,000		**2,00,000**

Dinesh died on 1st July 2023; the executors of Dinesh are entitled to:
(i) His share of goodwill. The total goodwill of the firm is 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 31st March 2023 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 bill payable.
Prepare Dinesh's Capital Account to be rendered to his executors.

26 On 1st April 2022, Sigma India Ltd. issued 20,000, 8% Debentures of ₹ 100 each at a discount of 3%, redeemable at a premium of 3% after 3 years. The issue was fully subscribed. According to the terms of issue, interest on debentures is payable yearly on 31st March. **6**
The company has a balance of ₹ 80,000 in Securities Premium Account.
On the basis of the above information, answer the following questions:
I. What entry is passed for interest due on debentures for the year ending 31st March 2023?
(a) Dr. 8% Debentures A/c and Cr. Debenture holders' A/c by ₹ 1,60,000.
(b) Dr. Debenture holders' A/c and Cr. Interest on Debentures A/c by ₹ 1,60,000
(c) Dr. Interest on Debentures A/c and Cr. Debenture holders' A/c by ₹ 1,60,000.
(d) Dr. Interest on Debentures A/c and Cr. 8% Debentures A/c by ₹ 1,60,000.
II The entry passed for payment of interest on debentures is.
(a) Dr. Debenture holders' A/c and Cr. Interest on Debentures A/c by ₹ 1,60,000.
(b) Dr. Debenture holders' A/c and Cr. Bank A/c by ₹ 1,60,000.
(c) Dr. Debenture holders' A/c and Cr. 8% Debentures A/c by ₹1,60,000.
(d) Dr. 8% Debentures A/c and Cr. Bank A/c by ₹ 1,60,000.
III. What entry is passed for transferring interest on debentures?
(a) Dr. Profit & Loss Appropriation A/c and Cr. Interest on Debentures A/c by ₹1,60,000.
(b) Dr. Securities Premium A/c and Cr. Interest on Debentures A/c by ₹ 1,60,000.
(c) Dr. Statement of Profit & Loss and Cr. Interest on Debentures A/c by ₹ 1,60,000.
(d) Dr. Interest on Debentures A/c and Cr. Statement of Profit & Loss by ₹1,60,000.
IV. While preparing Loss on Issue of Debentures A/c, _______will be debited.
(a) ₹ 80,000
(b) ₹1,20,000
(c) ₹ 40,000
(d) ₹ 2,4,000
V. Loss on issue of debentures will be written off by passing the following Journal entry:
(a) Dr. Loss on Issue of Debentures A/c by ₹ 1,20,000; Cr. Securities Premium A/c by ₹ 80,000 and Statement of Profit & Loss by ₹ 40,000.

(b) Dr. Loss on Issue of Debentures A/c by ₹ 40,000 and Cr. Statement of Profit & Loss by ₹ 40,000.
(c) Dr. Statement of Profit & Loss by ₹1,20,000 and Cr. Loss on Issue of Debenture A/c by ₹ 1,20,000.
(d) Dr. Securities Premium A/c by ₹ 80,000 and Statement of Profit & Loss by ₹ 40,000 Cr. Loss on Issue of Debentures A/c by ₹ 1,20,000

VI. Loss on Issue of Debentures is debited:
(a) on receipt of Application Money
(b) on transferring Application money to % Debentures Account.
(c) on making Allotment Money due
(d) on receipt of Allotment Money.

Part B
(Analysis of Financial Statements)

27 Current assets of X Ltd. are ₹ 2,00,000 and Current Liabilities are ₹ 1,50,000. If its Working Capital Turnover Ratio is 6 times, its Revenue from Operations will be. 1

a) ₹ 2,00,000
b) ₹ 3,00,000
c) ₹ 2,50,000
d) ₹ 1,50,000

OR

Which of the following are not tools of Financial Analysis?

(i) Cash Flow Statement (ii) Statement of Profit & Loss
(ii) Balance Sheet (iv) Ratio Analysis

Options:
a) (i) and (ii)
b) (ii) and (iv)
c) (ii) and (iii)
d) (iii) and (iv)

28 Which of the following transaction will decrease Debt-Equity Ratio and will not change Current Ratio? 1

a) Issue of shares for cash
b) Issue of Debentures against purchase of fixed asset
c) Issue of shares against purchase of fixed asset
d) Redemption of Preference Shares for cash.

29 **Assertion (A):** Interest received on Calls-in-Arrears by a company is Financing Activity. 1
Reason (R): Dividend received by a financial enterprise is an Investing Activity.
In the context of above two statements, which of the following is correct?

a) Both Assertion (A) and Reason (R) are correct.
b) Both Assertion (A) and Reason (R) are incorrect
c) Assertion (A) is correct, but Reason (R) is incorrect.
d) Assertion (A) is incorrect, but Reason (R) is correct.

OR

Which of the following transactions would not result in Cash Flow?

a) Buy-back of equity shares.
b) Amortisation of a patent
c) Payment of cash dividend
d) Sale of equipment at book value

30 Following is the extract of Balance Sheet of Max Ltd. for the year ended 31st March 2023 1

Equity and Liabilities	31st March 2023 (₹)	31st March 2022 (₹)

Surplus i.e., Balance in Statement of Profit & Loss	16,00,000	10,00,000
Dividend Payable	60,000	60,000

Additional Information:

Proposed Dividends for the years ended 31st March 2022 and 2023 were ₹ 6,00,000 and ₹ 7,00,000 respectively.

Which of the following options is correct as Net Profit before Tax and Extraordinary Items?

a) ₹ 6,40,000
b) ₹ 8,40,000
c) ₹ 11,40,000
d) ₹ 12,00,000

31 Classify the following items under Major-heads and Sub-heads (if any) in the Balance Sheet of a company as per Schedule III of the Companies Act, 2013 — 3

(i) Accrued Incomes
(ii) Shares in listed companies
(iii) Office Equipment
(iv) Provision for Expenses
(v) Capital Reserve
(vi) Employees' Earned Leave payable on retirement

32 (a) — 3

Long-term Borrowings	₹ 16,00,000
Long-term Provision	₹ 4,00,000
Current Liabilities	₹ 10,00,000
Non-current Assets	₹ 44,00,000
Current Assets	₹ 26,00,000

Calculate Debt to Capital Employed Ratio.

(b)

Inventory in the beginning of the year	₹ 60,000
Inventory at the end of the year	₹ 1,00,000
Inventory Turnover Ratio	8 Times

Selling price 25% above cost.

Compute the amount of Gross Profit and Revenue from Operations.

OR

(a) Preference Share Capital ₹ 80,000. Equity Shareholder' Funds ₹ 1,20,000. Capital Employed ₹ 6,00,000. Calculate Debt-Equity Ratio.

(b) Capital Employed ₹ 1,00,000, Non-current Assets ₹ 80,000, Cost of Revenue from Operations ₹ 3,20,000, Gross Profit 20% on Revenue from Operations.

Calculate Working Capital Turnover Ratio.

33 From the following Balance sheet of Mercury Ltd as at 31st March 2023 prepare Comparative Balance Sheet. — 4

Particulars	Note No.	31st March 2023 (₹)	31st March 2022(₹)

I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital			
Equity Share Capital		10,00,000	5,00,000
(b) Reserves and Surplus		1,00,000	1,00,000
2. Non-Current Liabilities			
Long-term Borrowings		2,00,000	3,00,000
3. Current Liabilities			
Trade Payables		2,00,000	1,00,000
Total		**15,00,000**	**10,00,000**
II. ASSETS			
1.Non-Current Assets			
(a) *Property, Plant and Equipment and Intangible assets:*			
(i) Property, Plant and Equipment		8,00,000	4,00,000
(ii) Intangible Assets		2,00,000	2,00,000
(b) Non-Current Investments		2,00,000	2,00,000
2. Current Assets			
(a) Inventories		2,50,000	1,50,000
(b) Cash and Cash Equivalents		50,000	50,000
Total		**15,00,000**	**10,00,000**

34 Following is the Balance Sheet of Honda Ltd. as at 31st March 2023 — 6

Particulars	Note No.	31st March 2023(₹)	31st March 2022 (₹)
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital		4,50,000	4,00,000
(b) Reserves and Surplus	1	37,000	30,000
2. Non-Current Liabilities			
Long Term Borrowings	2	1,15,000	60,000
3. Current Liabilities			
(a) Short Term Borrowings (Bank Overdraft)		68,000	1,25,000
(b) Trade Payables		60,000	70,000
(c) Other Current Liabilities	3	8,000	5,000
(d) Short Term Provisions	4	42,000	30,000
Total		7,80,000	7,20,000
II. ASSETS			
1. Non-Current Asset			
Property, Plant and Equipment and Intangible Assets			
Property Plant and Equipment (Machinery)			
2. Current Assets		2,50,000	3,00,000
(a) Current Investments			
(b) Inventories		5,000	2,000
(c) Trade Receivables		3,50,000	3,00,000

(d) Cash and Cash Equivalents		1,40,000 35,000	1,00,000 18,000
Total		**7,80,000**	**7,20,000**

Notes to Accounts

Particulars	31st March 2023(₹)	31st March 2022 (₹)
1. Reserves and Surplus		
Debentures Redemption Reserve	25,000	20,000
Surplus *i.e,* Balance in Statements of Profit & Loss	12,000	10,000
	37,000	**30,000**
2. Long Term Borrowings		
10% Debentures	1,15,000	60,000
3. Other Current Liabilities		
Dividend Payable	8,000	5,000
4. Short Term Provisions		
Provision for Tax	42,000	30,000

Note: Proposed Dividend for the year ended 31st March 2022 and 2023 are ₹ 58,000 and ₹ 53,000 respectively.

Additional Information:

(i) Interest paid on Debentures ₹ 6,000

(ii) Depreciation charged during the year was ₹ 40,000

(iii) 5000 equity shares ₹ 10 each were issued on 31st March 2023; Shares Issue Expenses incurred ₹ 5,000, which were written off from Statement of Profit & Loss.

You are required to prepare a Cash Flow Statement (as per AS-3) for the year 2022-23.

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