Part - A

(Accounting for Partnership Firms and Companies)

) (i) (B) Gain $\frac{1}{30}$

) (D) Profit ₹ 1,12,000

) (A) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A)

) (i) (C) the Maximum amount of share capital which a company is authorised to issue

5) (ii) (A) ₹ 8000

6) (D) 14,000

) ~~₹~~ (C) ₹ 6,00,000

8) (i) (B) ₹ 30

9) (B) ₹ 3,00,000

'0) (B) ₹ 2,00,000

1) (A) Drawings

12) (A) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A)

13) (ii) D) $4\frac{1}{2}$

14) A) ₹ 2000

5) C) ₹ 57,000

16) A) 13:5:6

1) (b) Journal entries

S.No.	Particulars	Debit ₹	Credit ₹
i)	Profit & Loss A/c Dr.	1,20,000	
	To Profit & Loss Appropriation A/c		1,20,000
	(Profit transferred to P&L Appropriation)		
ii)	Profit & Loss Appropriation A/c Dr.	1,20,000	
	To Chaman Capital A/c		60,000
	To Burman Capital A/c		40,000
	To Aman Capital A/c		20,000
	(Profit distributed)		
iii)	Chaman Capital A/c Dr.	24,000	
	Burman Capital A/c Dr.	16,000	
	To Aman Capital A/c		40,000
	(Profit deficiency to Aman was met)		

$1,20,000 \times \frac{3}{6}$

$40,000 \times \frac{3}{8}$

18)

Journal entries

Particulars		Debit ₹	Credit ₹
i) General Reserve A/c	Dr.	1,00,000	
To Madhu Capital A/c			30,000
To Raj Capital A/c			20,000
To Atul Capital A/c			40,000
To Prachi Capital A/c			10,000
(General Reserve Transferred			
ii) Raj Capital A/c	Dr.	1,00000	
Prachi Capital A/c	Dr.	3,00,000	
To Madhu Capital A/c			1,00,000
To Atul Capital A/c			3,00,000
(Goodwill adjusted)			

4,000
20,00
20,00

calculations

Sacrificing Ratio = Old Ratio − New Ratio

Madhu → $\frac{3\times4}{10\times4} - \frac{1\times10}{4\times10} = \frac{12-10}{40} = \frac{2}{40}$ (S)

Atul → $\frac{4\times4}{10\times4} - \frac{1\times10}{4\times10} = \frac{16-10}{40} = \frac{6}{40}$ (S)

Raj → $\frac{2\times4}{10\times4} - \frac{1\times10}{4\times10} = \frac{8-10}{40} = \frac{-2}{40}$ (G)

Prachi → $\frac{1\times4}{10\times4} - \frac{1\times10}{4\times10} = \frac{4-10}{40} = \frac{-6}{40}$ (G)

(a)

Journal entries

Priti Ltd.

S.NO	Particulars		Debit ₹	Credit ₹
i)	Sundry Assets A/c	Dr.	5,40,000	
	Goodwill A/c	Dr.	1,08,000	
	To Sundry Liabilities A/c			1,20,000
	To Payal Ltd. A/c			5,28,000
	(Business Purchased)			
ii)	Payal Ltd. A/c	Dr.	5,28,000	
	To Bank A/c			2,64,000
	To 10% Debentures A/c (2400 × 100)			2,40,000
	To Securities Premium A/c (2400×10)			24,000
	(Purchase Consideration met)			

$$\text{No. of Debentures} = \frac{2,64,000}{100+10} = \frac{264000}{110}$$

$= 2400$ Debentures

12
528
642
540
108

264
528

264000
110

24
11)264
22
44
44
0

20) Goodwill = 4,00,000

4,00,000 = 5 × Super Profits

Super Profit = $\frac{4,00,000}{5}$

= ₹80,000

Normal Profit = Capital Employed × $\frac{\text{Normal Rate of return}}{100}$

= $9,00,000 \times \frac{8}{100}$

= ₹72,000

Super Profits = Average Profits − Normal Profits

Average Profits = Super Profit + Normal Profits

= 80,000 + 72000

= ₹1,52,000

21) Dr. **Varsha's Capital A/c** Cr.

Particulars	₹	Particulars	₹
To Varsha's Executors A/c	6,41,000	By Balance b/d	3,00,000
		By General Reserve	50,000
		By Interest on Capital (~~P&L Suspense~~)	6000
		By Aditi Capital A/c	81,000
		By Renu Capital A/c	54,000
		By Profit & Loss Suspense A/c	1,50,000
	6,41,000		641000

$\cancel{4}^{5}00{,}000 \times \frac{\cancel{8}^{1}}{\cancel{10}_{2}}$

$\cancel{1{,}35}^{27}{,}000 \times \frac{3}{\cancel{5}}$

$3{,}00{,}000 \times \frac{5}{10}$

150,000

W.N :

1) Interest on Capital

$3{,}00{,}0\cancel{00} \times \frac{\cancel{6}^{2}}{\cancel{100}} \times \frac{\cancel{4}^{1}}{\cancel{12}_{3}} = 6000$

2) Goodwill : $3 \times 90{,}000 \Rightarrow \cancel{270}^{135}{,}000 \times \frac{\cancel{8}^{1}}{\cancel{16}_{2}} = 1{,}35000$

3) Profit

Sales	Profit
60,00,000	12,00,000
15,00,000	?

$\Rightarrow 15{,}00{,}000 \times \frac{\cancel{12{,}00{,}000}^{2}}{\cancel{60{,}00{,}000}} = 300000$

22)

RR Ltd.

(Entract) Balance Sheet as at . . .

Particulars	Note No.	Current year	Previous Year
I EQUITY AND LIABILITIES			
1) Share holders funds			
a) Share Capital	1	3,90,000	

Notes to Accounts

		₹
1) Share Capital		
AUTHORISED CAPITAL		
80,000 Equity Shares of ₹ 10 each		8,00,000
ISSUED CAPITAL		
40,000 Equity Shares of ₹ 10 each		4,00,000
SUBSCRIBED CAPITAL		
Subscribed & fully paid up		
38,000 Equity Shares of ₹ 10 each		3,80,000
Subscribed & not fully paid up		
2000 Equity Shares of ₹ 10 each	20,000	~~20~~,
(-) Calls in Arrears (2000×5)	(10,000)	10,000
		3,90,000

3) (i)

Suhavo Ltd.

JOURNAL

S.No	Particulars	Debit ₹	Credit ₹
i)	Bank A/c (10,000 x 90) Dr.	9,00,000	
	To Debenture Application & Allotment A/c		9,00,000
	(Debenture Application money received)		
ii)	Debenture Application & Allotment A/c Dr.	9,00,000	
	Loss on Issue of Debentures A/c (10,000x15) Dr.	150,000	
	To 11% Debentures A/c (10,000 x 100)		1000000
	To Premium on Redemption of Debentures A/c (10,000 x 5)		50,000
	(Debentures were alloted)		

(ii)

Mudit Ltd

JOURNAL

i)	Bank A/c (20,000 x 105) Dr	21,00000	
	To Debenture Application & Allotment A/c		21,00,000
	(Application money received)		

(ii) Debenture Application & Allotment A/c (20,000×10) Dr.	21,00,000	
Loss on Issue of Debentures A/c Dr.	2,00,000	
To 9% Debentures A/c (20,000 × 100)		2000000
To Securities Premium A/c (20,000 ₹5)		10,0000
To Premium on Redemption of Debentures A/c (20,000 × 10)		2,00,000
(Debentures were alloted)		

(iii) Sudip Ltd.

JOURNAL

i) Bank A/c (30,000 ×100) Dr.	30,00,000	
To Debenture Application & Allotment A/c		30,00,000
(Application received)		
ii) Debenture Application & Allotment A/c Dr.	30,00,000	
Loss on Issue of Debentures A/c (30,000 × 5) Dr.	1,50,000	
To 8% Debentures A/c		30,00,000
To Premium on Redemption of Debentures A/c		1,50,000
(Debentures were alloted)		

4) Journal entries

S.No	Particulars		Debit ₹	Credit ₹
(i)	Realisation A/c	Dr.	34,000	
	To Sharma Capital A/c			34,000
	(Sharma paid creditor of ₹40,000 for ₹34,000 in full settlement)			
(ii)	Realisation A/c	Dr.	80,000	
	To Verma Capital A/c			80,000
	(Verma agreed to pay his wife's loan)			
(iii)	Verma Capital A/c	Dr.	2,400	
	To Realisation A/c			2,400
	(Verma took typewriter at 20% less than estimated price)			
iv)	Cash / Bank A/c	Dr.	1,200	
	To Realisation A/c			1,200
	(Neelu paid 80% of the amount written off as bad debts)			

$3000 \times \frac{20}{100}$

$3000 - 600 = 2400$

$1,500 \times \frac{80}{100}$

1200

v)	Realisation A/c Dr.	8000	
	To Sharma Capital A/c		8000
	(Dissolution expenses were paid by Sharma)		
vi)	Sharma Capital A/c Dr.	24,000	
	Verma Capital A/c Dr.	16000	
	To Realisation A/c		40,000
	(Loss on Realisation was distributed b/w partners)		

25) (a)

Revaluation A/c

Dr. Cr.

Particulars		₹	Particulars	₹
To Furniture		6000	By Investments	12000
To Profit transferred to:				
Sanju Capital	3600			
Manju Capital	2400	6000		
		12000		12,000

Partners Capital A/c

Dr. Cr.

Particulars	Sanju	Manju	Uday	Particulars	Sanju	Manju	Uday
To Plant & Machinery	48,000	32,000	-	By Balance b/d	1,40,000	1,20,000	-
To Balance c/d	1,25600	1,10,400	78,667	By General Reserve	24,000	16,000	
				By Revaluation	3,600	2400	
				By Premium for Goodwill	6000	4000	
				By Cash/Bank			78,667
	1,73,600	1,42,400	78,667		1,73600	142400	78,667

WN:

Capital of Sanju & Manju = 1,25,600 + 1,10,400 = 2,36,000

Capital of Uday = $2,36,000 \times \frac{4}{3} \times \frac{1}{4}$

= ₹ 78667

$78667 \times 3 = 236001$

$236000 \div 3 = 78666$

26) (a)

i) Star Ltd.

JOURNAL

S.NO	Particulars	Debit ₹	Credit ₹
i)	Share Capital A/c (8000 x 80) Dr.	6,40000	
	Securities Premium A/c (8000x10) Dr.	80,000	
	To Share Allotment A/c (8000 x 40)		32,0000
	To Share First Call A/c (8000 x 30)		2,40,000
	To Forfeited Shares A/c (8000 x 20)		1,60,000
	(8000 shares were forfeited)		
ii)	Bank A/c (6000 x 70) Dr.	4,20,000	
	Forfeited Shares A/c (6000 x 10) Dr.	60,000	
	To Share Capital A/c (6000 x 80)		4,80,000
	(Forfeited shares of ₹ 6000 reissued)		
iii)	Forfeited Shares A/c Dr.	60,000	
	To Capital Reserve A/c		60,000
	(Profit on Reissue transferred)		

W.N
Shares
8000
6000
=) 6000
12,0
60
60,

ii)

Premier Ltd.
JOURNAL

S.No	Particulars		Debit ₹	Credit ₹
i)	Share Capital A/c (3000 x 8)	Dr.	24,000	
	To Share First Call A/c (3000 x 3)			9,000
	To Forfeited Shares A/c (3000 x 5)			15,000
	(Shares of 3000 were forfeited)			
ii)	Bank A/c (2000 x 12)	Dr.	24,000	
	To Share Capital A/c (2000 x 8)			16000
	To Securities Premium A/c (2000 x 4)			8000
	(2000 forfeited shares were reissued)			
iii)	Forfeited Shares A/c	Dr.	10,000	
	To ~~Share~~ Capital Reserve A/c			10,000
	(Profit on Reissue transferred)			

W.N

Shares	Lost
3000	15000
2000	?

$\Rightarrow 2000 \times \frac{\cancel{15000}^{5}}{\cancel{3000}} = 10,000$

Part - B
OPTION - I
(Analysis of Financial Statements)

27) (D) Cash outflow from Investing activities of ₹ 4,70,000

(i)
28) (C) Statement I is correct and Statement II is incorrect

29) (C) Repayment of long Term loan of ₹ 7,00,000

30) (ii) (B) Quick Ratio

31)

Items	Heads	Sub-heads
i) Livestock	Non current Assets	Property, Plant & Equipmen & Intangible assets - Property, Plant, Equipmen
ii) Accrued income	Current Assets	Other current assets

	Heads	Subheads
iii) Unpaid Dividend	Current Liabilities	Other Current Liabilities

2) Gross Profit Ratio = $\frac{\text{Gross Profit}}{\text{Revenue from Operations}} \times 100$

Revenue from operations = 10,00,000

Gross profit = ~~Cos~~ Revenue from operations - Cost of Revenue from operations

Cost of Revenue from Operations = Purchase + Carriage inwards + Wages + Decrease in Inventory - Returns outwards

= ₹ 3,00,000 + 60,000 + 50,000 + 40,000 - 20,000

= ₹ 4,30,000

Gross Profit = 10,00,000 - 4,30,000

= ₹5,70,000

Gross Profit Ratio = $\frac{5,70,\cancel{000}}{10,\cancel{00,000}} \times 1\cancel{00}$

= 57 %

30
6
5
4
45
43
100
43
57

33) (b) Common Size Statement of Profit & Loss of Neurosci Ltd. for the year ended 31st March, 2[illegible]

Particulars	2021-22	2022-23	22 % of Revenue from operations	23 % of Revenue from operations
I Revenue from operations	20,00,000	40,00,000	100	100
II Expenses				
purchase of stock in trade	2,00,000	4,00,000	10	10
Other Expenses	20,000	40,000	1	1
	2,20,000	4,40,000	11	11
III Profit before Tax	17,80,000	3560000	89	89
(-) Tax	8,90,000	17,80,000	44.5	44.5
IV Profit after Tax	8,90000	1780000	44.5	44.5

$\frac{2}{20} \times 10$

$\frac{220}{2000} \times 1$

$\frac{220}{2000} \times 10$

$\frac{1780}{2000} \times 100$ 89

$\frac{890}{2000} \times 100$ 44

$\frac{3560}{4000} \times$ 89

$\frac{1780}{4000} \times$ 44.5

34)

Nishant Ltd.

Cash Flow from Operating Activities
as at 31st March, 2023

Particulars		₹	₹
Net Profit before Tax and Extraordinary items		75,000	
Adjustment of Non Cash, Non Operating items			
(+) Depreciation on Machinery	33,000		
Amortisation on Goodwill	36,000		
Interest on Debentures	8,500		
Loss on Sale of Machinery	1000	78,500	
Operating Profit before Working Capital Changes		1,53,500	
~~(+)~~ (−) Decrease in Trade Payables	12,500		
Increase in Inventories	4000		
Increase in Trade Receivables	13,500	(30,000)	
Cash generated in operating activity		1,23,500	
(−) Tax paid		38,500	
Cash flow from Operating activities			85000

Working Notes:

1) Net profit before Tax & Extraordinary items

	₹
Profit during the year	50,000
(+) Provision for Tax	25,000
	75,000

2) **Machinery A/c**

Particulars	Amount	Particulars	Amount
To Balance b/d	5,00,000	By Accumulated Dep.	8000
To Bank	1,47,000	By Bank	3000
		By Loss on Sales	1000
		By Balance c/d	6,35,000
	6,47,000		6,47,000

3) **Accumulated Depreciation A/c**

Particulars	Amount	Particulars	Amount
To Machinery	8000	By Balance b/d	75000
		By Depreciation (b/f)	33,000
To Balance c/d	1,00,000		
	1,08,000		1,08,000