



Date	Particulars	L.F	Dr Amount (₹)	Dr Amount (₹)															
2019 April, 1	Investment Fluctuation Reserve A/c Dr. To Investment A/c To A's capital A/c To B's Capital A/c (Being the transfer of excess Investment Fluctuation reserve to partner's capital account in old profit sharing ratio)		60,000	20,000 24,000 16,000	(1)														
10	because the claim of the partner against the firm is increased by the amount of liability assumed.				(1)														
11	C's Share acquired from A and B each = $\frac{1}{5} \times \frac{1}{2} = \frac{1}{10}$ A's Share = $\frac{3}{5} - \frac{1}{10} = \frac{5}{10}$ B's Share = $\frac{2}{5} - \frac{1}{10} = \frac{3}{10}$ New Profit Sharing ratio of A: B: C is 5:3:2 Yes, new profit sharing ratio is 5:3:2				1														
12	b) ₹ 2,50,000				(1)														
13	Reserve Capital				(1)														
14	<p><b>a) Statement Showing Expenditure on Medicine consumed during the year ending 31<sup>st</sup> March, 2019:-</b></p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>Amount paid for medicines during the year</td> <td>2,00,000</td> </tr> <tr> <td>Add: Opening Stock of medicines</td> <td>50,000</td> </tr> <tr> <td>Less: Closing stock of medicines</td> <td>(95,000)</td> </tr> <tr> <td>Less: Opening Creditors</td> <td>(20,000)</td> </tr> <tr> <td>Add: Closing creditors</td> <td>10,000</td> </tr> <tr> <td>Medicine consumed during the year</td> <td><u>1,45,000</u> -----</td> </tr> </tbody> </table>	Particulars	Amount (₹)	Amount paid for medicines during the year	2,00,000	Add: Opening Stock of medicines	50,000	Less: Closing stock of medicines	(95,000)	Less: Opening Creditors	(20,000)	Add: Closing creditors	10,000	Medicine consumed during the year	<u>1,45,000</u> -----				$\frac{1}{2} \times 6$
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Or																			
<b>Basis of distinction</b>	<b>Income and Expenditure</b>	<b>Receipt and Payment Account</b>																	
Nature	It is like as profit and loss account, hence is a nominal account.	It is the summary of the cash book, hence a real account.		1															
Nature of Items	It records items of Revenue and expense nature only.	It records receipts and payment of cash and bank.		1															
Period	Items in Income and Expenditure account relate to the current period.	Receipts and payments items may relate to preceding and succeeding periods.		1															

15

Journal

Date	Particulars	L.F	Dr Amount (₹)	Dr Amount (₹)
September 30, 2019	Ana's Capital A/c Dr		18,000	
	Pranjal's Capital A/c Dr To Danish's Capital A/c (Being Danish's share of goodwill adjusted in capital Accounts of Ana and Pranjal)		12,000	30,000
September 30, 2019	Profit and Loss Suspense A/c Dr To Danish's Capital A/c (Being Danish's share of profit up to date of his death transferred to his capital account)		5,400	5,400
September 30, 2019	Danish's Capital A/c Dr To Danish's Executor's A/c (Being amount due to Danish transferred to his executor's account)		5,35,400	5,35,400

(1)

(1)

(1)

Working Notes:-

Sales = 2,00,000 + 20% of 2,00,000  
= 2,00,000 + 40,000

Profit % = 10% - 1% = 9%

Danish's Share of Profit = ₹ 2,40,000 X 9/100 X 5/10 X 6/12 = ₹ 5,400

(1)

16

Journal

Date	Particulars	L.F.	Dr Amount (₹)	Dr Amount (₹)
2018 March,31	Maanika's capital A/c Dr. Bhavi's Capital A/c Dr. To Komal's Capital A/c (Being the deficiency of komal met by Maanika and Bhavi)		2,40,000 1,60,000	4,00,000

(2)

Dr

**Profit and Loss Appropriation A/c  
For the year ended 31<sup>st</sup> March, 2018**

Cr

Particulars	Amount (₹)	Particulars	Amount (₹)
To Net Loss (Profit and Loss A/c)	22,00,000	By Loss transferred to Maanika's capital a/c Bhavi's capital a/c Komal's Capital a/c	12,00,000 8,00,000 2,00,000
	<u>22,00,000</u> =====		<u>22,00,000</u> =====

(1 ½)

Working note:

Loss of the firm : 22,00,000

Komal's share of loss = 22,00,000 X 1/11 = 2,00,000

Guaranteed minimum profit = 2,00,000

½

OR

Firm's		Particular's	Alia's		Bhanu's		Chand's	
Dr	Cr		Dr	Cr	Dr	Cr	Dr	Cr
	80,000	Profits Given	30,000		30,000		20,000	
40,000		Salary		18,000		4,000		18,000
40,000		Profit to be credited		15,000		15,000		10,000

**RECTIFYING JOURNAL ENTRY**

Date	Particulars	L.F.	Amount (₹)	Amount (₹)
31 <sup>st</sup> March, 2017	Bhanu's Capital A/c Dr To Chand's Capital A/c To Alia's Capital A/c (Being Salary, profit share incorrectly distributed, now adjusted)		11,000	3,000 8,000

17

**Extract of Balance Sheet of Bliss Products Ltd.**

As at \_\_\_\_\_

Particulars	No te No .	Amount Current Year	Amount Previous Year
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholder's Fund</b>			
a. Share Capital	1	39,70,000	

1/2

Notes to Accounts:

Note No.	Particulars	Amount (₹)
1	<b>Share Capital</b> <b>Authorized Capital</b> 90,000 Equity shares of ₹ 100 each	90,00,000
	<b>Issued Capital</b> 50,000 Equity shares of ₹ 100 each	50,00,000
	<b>Subscribed Capital</b> <b>Subscribed and Fully Paid Capital</b> 39,000 Equity shares of ₹ 100 each                      39,00,000 <b>Add: Forfeited Shares (1,000 of ₹ 70 each)</b> 70,000	39,70,000

1

1

1 1/2

18

Journal

Date	Particulars	L.F.	Amount (₹)	Amount (₹)
	Realization A/c Dr To K's Capital A/c (Being wife's loan discharged by the partner)		6,000	6,000
	Realization A/c Dr To Bank A/c (Being balance creditor's paid at a discount of 10% after part payment through furniture)		27,000	27,000

(4)

	K's Capital Account To Realization A/c (Being unrecorded machine taken over by a partner)	Dr	3,000	3,000	
	R's Capital A/c K's Capital A/c S's Capital A/c To Profit and Loss A/c (being debit balance of Profit and Loss distributed amongst partners)	Dr Dr Dr	5,000 5,000 5,000	15,000	

19

**Dr. Income and Expenditure Account Cr**  
For the year ended 31<sup>st</sup> March, 2019

Expenditure	Amount (₹)	Income	Amount (₹)
To Advertisement	13,100	By Donations	20,000
To Rent, Rates and Taxes	14,000	By Proceeds from Charity show	16,200
To Repairs	15,000	By Subscription	52,000
To Printing and Stationery	16,000	By Entrance fees	6,000
To Telephone expenses	1,000	By Interest on investments	7,200
To Depreciation on furniture (70000x15/100x9/12)	7,875		
To excess of Income over expenditure	34,425		
	<u>1,01,400</u>		<u>1,01,400</u>
	=====		=====

( $\frac{1}{2} \times 10$ ) = 5  
+ 1  
(subs)

**Dr Subscription Account Cr**

Particulars	Amount (₹)	Particulars	Amount (₹)
To Subscription in arrears in the beginning	6,000	By Subscription in advance at end	4,000
To Income and Expenditure	52,000	By Receipts and Payments	52,000
To Subscription in advance at end	5,000	By Subscription in arrears at end	7,000
	<b>63,000</b>		<b>63,000</b>

20

**Journal**

Date	Particulars	L.F	Amount (₹)	Amount (₹)	
	Bank A/c To Deb Application and Allotment A/c (Being the application money received)	Dr.	1,05,000	1,05,000	[2]
	Debenture Application and Allotment A/c Loss on Issue of Debenture A/c To 12% Debenture A/c To Security Premium Reserve To Premium on Redemption A/c (Being 1,000 debentures issued at a premium of 5% and redeemable at 2% premium)	Dr Dr	1,05,000 2,000	100000 5000 2000	[2]
	Vendor A/c Discount on issue of Debenture A/c To 12% Debenture (Being Debentures issued to vendors at a	Dr	9,00,000 1,00,000	10,00,000	[2]

b)	discount of 10% )		1000000	1000000	[2]	
	Debenture Suspense A/c                      Dr To 11% Debenture A/c (Being 10,000 11% debentures of ₹ 100 issued as collateral security)					
<b>Or</b>						
c)	<b>Date</b>	<b>Particulars</b>	<b>L.F</b>	<b>Amount (₹)</b>	<b>Amount (₹)</b>	
		Debenture Redemption Investment A/c Dr To Bank A/c (being specified investments purchased)		30,000	30,000	[1 ½]
		10% Debenture A/c                                      Dr To Debenture Holder A/c (being debenture due for redemption)		2,00,000	2,00,000	[1 ½]
		Debenture Holder A/c                                      Dr To Bank A/c (Being payment made to debenture holders)		2,00,000	2,00,000	[1 ½]
		Debenture Redemption Reserve A/c                      Dr To General Reserve A/c (Being the transfer of Debenture Redemption Reserve to General Reserve on the redemption of debentures)		50,000	50,000	[1 ½]

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**Balance sheet of Gautam, Yashica and Asma  
As at 31.3.2018**

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditors	50,000	Cash	3,50,000
Bills Payable	30,000	Debtors	80,000
Capital Accounts:-		(-) Provision for doubtful debts	8,000
Gautam- 2,10,000		Stock	2,10,000
Yashica- 1,40,000		Furniture	60,000
Asma <u>2,10,000</u>	5,60,000	(-) Depreciation	5,000
Gautam's current A/c	2,67,000	Machinery	2,10,000
		(-) Depreciation	21,000
		Yashica's current A/c	31,000
	<u>9,07,000</u>		<u>9,07,000</u>

[2]

**Working Note:-** Total Capital of the firm =  $2,10,000 \times \frac{8}{3}$   
 $= 5,60,000$   
 Gautam's capital in the firm =  $5,60,000 \times \frac{3}{8}$   
 $= 2,10,000$   
 Yashica's capital in the firm =  $5,60,000 \times \frac{2}{8}$   
 $= 1,40,000$

OR

Dr.		Revaluation Account		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
To Provision for doubtful debts	700	By Creditors A/c	2,500		
To Partner's Capital A/c – Gain on Revaluation					
X	900				
Y	600				
Z	<u>300</u>				
	1,800				
	<u>2,500</u>		<u>2,500</u>		

[3]

Dr.				Partner's Capital Account				Cr.			
Particulars	X (₹)	Y (₹)	Z (₹)	Particulars	X (₹)	Y (₹)	Z (₹)				
To Z's capital A/c	9,000	----	3,000	By balance b/d	90,000	60,000	30,000				
To Cash a/c	---	9,000	----	By Reserve A/c	3,000	2,000	1,000				
To Y's Loan A/c	----	68,600	----	By Revaluation A/c	900	600	300				
To balance c/d	90,000		30,000	By Workmen compensation Fund A/c	4,500	3,000	1,500				
				By X's Capital A/c	---	9,000	----				
				By Y's Capital A/c	----	3,000	----				
				By Cash A/c	600	----	200				
	<u>99,000</u>	<u>77,600</u>	<u>33,000</u>		<u>99,000</u>	<u>77,600</u>	<u>33,000</u>				

[3]

**Balance sheet of X and Z**  
As at 31st March, 2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditors	14,100	Cash	6,800
Y's Loan A/c	68,600	Debtors <span style="float: right;">21,000</span>	
Capital Accounts:-		(-) Provision for <span style="float: right;"><u>2,100</u></span>	18,900
X- 90,000		doubtful debts	
Y- <u>30,000</u>	1,20,000	Stock	19,000
		Machinery	58,000
		Building	1,00,000
	<u>2,02,700</u>		
			<u>2,02,700</u>

[2]

Working note:-

1. Calculation of Gaining Ratio:

	X	Y	Z
Old Ratio	3/6	2/6	1/6
New Ratio	3/4	--	1/4
Gaining Ratio	3/12	---	1/12

2. Y's share of Goodwill  $36,000 \times \frac{2}{6} = 12,000$

22

Date	Particulars	L.F	Amount (₹)	Amount (₹)
	Bank A/c <span style="float: right;">Dr</span>		36,00,000	
	To Share Application A/c			36,00,000
	(Being application money received)			
	Share Application A/c <span style="float: right;">Dr</span>		36,00,000	
	To Share Capital A/c			24,00,000
	To Call in Advance A/c			12,00,000
	(being application money transferred to share capital, securities premium reserve, calls)			
	Share Allotment A/c <span style="float: right;">Dr</span>		24,00,000	
	To Share Capital A/c			16,00,000
	To Security Premium Reserve A/c			8,00,000
	(Being allotment money due)			
	Bank A/c <span style="float: right;">Dr</span>		11,76,000	
	Call in Advance A/c <span style="float: right;">Dr</span>		12,00,000	
	Call in arrear A/c <span style="float: right;">Dr</span>		24,000	
	To Share Allotment A/c			24,00,000
	(Being first call money received)			
	Share First Call A/c <span style="float: right;">DR</span>		24,00,000	
	To Share Capital A/c			24,00,000
	(Being first call money due)			
	Bank A/c <span style="float: right;">Dr</span>		22,32,000	
	Call in Arrears A/c <span style="float: right;">Dr</span>		1,68,000	
	To Share First Call			24,00,000
	(Being first call money received)			
	Share Capital A/c <span style="float: right;">Dr</span>		4,48,000	
	Security Premium Reserve A/c <span style="float: right;">Dr</span>		16,000	
	To Call in Arrear A/c DR			2,72,000
	To Share Forfeited A/c			1,92,000
	(Being Dhvani and Sargam's share's forfeited for non- payment of allotment and/or call money)			
	Bank A/c <span style="float: right;">Dr</span>		19,00,000	
	To Share Capital A/c			1,60,000

[ ½ ]

[1]

[ ½ ]

[1]

[ ½ ]

[1]

To Security Premium Reserve A/c (Being forfeited share's reissued for 95 per share ₹ 80 paid up)			30,000	[1½]
Share Forfeited A/c Dr To Capital Reserve A/c (Being balance in share forfeiture account transferred to capital reserve)		92,000	92,000	[1]

**Or**

a)

Date	Particulars	L.F	Amount (₹)	Amount (₹)
	Equity Share Capital A/c Dr To Equity Share Forfeited A/c To Calls in Arrears A/c ( Being forfeiture of 10 shares executed)		70	50 20
	Bank A/c Dr To Share Capital A/c (Being eight shares reissued to Y as ₹ 8 per share paid up for ₹ 8 per share)		64	64
	Equity Share Forfeited A/c Dr. To Capital Reserve A/c (Being gain on reissue of forfeited shares transferred to Capital Reserve)		40	40

b)

Date	Particulars	L.F	Amount (₹)	Amount (₹)
	Equity Share Capital A/c Dr Security Premium A/c Dr To Equity Share Forfeited A/c To Calls in Arrears A/c ( Being Mr. M's shares forfeited)		1,600 800	1,200 1,200

c)

Date	Particulars	L.F	Amount (₹)	Amount (₹)
	Equity Share Capital A/c Dr To Share Forfeited A/c To Calls in Arrears A/c ( Being 50 shares forfeited for non-payment of calls)		500	350 150
	Bank A/c Dr Share Forfeited A/c Dr To Share Capital A/c (Being 20 shares reissued for ₹ 8 per share)		160 40	200
	Share Forfeited A/c Dr. To Capital Reserve A/c (Being gain on reissue of forfeited shares transferred to Capital Reserve)		100	100

23	The current ratio will increase	1
24	a) Inventory Turnover Ratio and Working Capital Turnover Ratio	[1]
25	Increased	[1]
26	Labor unions analyze the financial statements: a) To assess whether an enterprise can increase their pay. b) To check whether an enterprise can increase productivity or raise the prices of products/ services to absorb a wage increase.	[½] [½]

(any other relevant point to be marked)							
27	Cash flow from Investing Activities					[ ½ ]  [ ½ ] ]	
	<b>Inflows</b>	<b>Amount (₹)</b>					
	Dividend Received	70,000					
	Sale of Old Machinery	69,000					
	<b>Outflows</b>						
	Purchase of Machinery	(9,00,000)					
	Net Cash outflow from Investing Activities	(7,61,000)					
28	False.				[1]		
29	Answer – I-c; II- b; III- a				[1]		
30	Net Profit Before Tax – Tax paid = Net Profit After Tax				[1]  [1]  [1]  [1]  [1]  [1]		
	$x - 30/100 (x) = ₹ 7,00,000$						
	$x = ₹ 7,00,000 (100/70)$						
	$x = ₹ 10,00,000$						
	Net Profit Before Tax = ₹ 10,00,000						
	Interest Payment = $6/100 (₹ 20,00,000) = ₹ 1,20,000$						
	Earning Before Interest and Tax = Net Profit Before Tax + Interest Payment						
	= ₹ 10,00,000 + ₹ 1,20,000						
	= ₹ 11,20,000						
	Interest Coverage ratio = $\frac{\text{Earning Before Interest and Tax}}{\text{Interest Expense}}$						
Interest Coverage Ratio = ₹ 11,20,000/ ₹ 1,20,000							
Interest Coverage Ratio = 9.33 times							
<b>Or</b>							
	S. No	Item	Major Head	Sub Head	[1]		
	i.	Debentures with maturity period in current financial year	Current Liabilities	Other Current Liabilities	[1]		
	ii)	Securities Premium Reserve	Shareholder's Fund	Reserves and Surplus	[1]		
	iii)	Provident Fund	Non-Current Liabilities	Long Term Provision	[1]		
31	<b>Particulars</b>	<b>2016-17 (₹)</b>	<b>2017-18 (₹)</b>	<b>Absolute Increase/ Decrease (₹)</b>	<b>Percentage Increase/ Decrease (%)</b>	[ ½ X 8 ]	
	Revenue from Operations	10,00,000	12,00,000	2,00,000	20%		
	Add other Income	50,000	60,000	10,000	20%		
	Total Revenue	10,50,000	12,60,000	210,000	20%		
	Less Employee Benefit Expenses	50,000	60,000	10,000	20%		
	Profit before tax	10,00,000	12,00,000	2,00,000	20%		
	Less Tax (50%)	5,00,000	6,00,000	1,00,000	20%		
	Profit after tax	5,00,000	6,00,000	1,00,000	20%		
	<b>Or</b>						

Common Size Balance Sheet of R Ltd.  
As at 31<sup>st</sup> March, 2018 and 2019

Particulars	Note no.	Absolute Amounts		Percentage of Balance sheet Total	
		31.3.2018 (₹)	31.3.2019 (₹)	31.3.2018 (%)	31.3.2019 (%)
<b>I EQUITY AND LIABILITIES</b>					
1. Shareholder's Funds:					
a. Share Capital		4,00,000	5,00,000	66.7	62.5
b. Reserve and Surplus		1,20,000	1,60,000	20	20
2. Current Liabilities:					
a. Trade Payable		80,000	1,40,000	13.3	17.5
<b>Total</b>		<b>6,00,000</b>	<b>8,00,000</b>	<b>100</b>	<b>100</b>
<b>II ASSETS</b>					
1. Non-Current Assets:					
a. Fixed Assets:					
i. Tangible Assets		2,40,000	3,20,000	40	40
ii. Intangible Assets		60,000	40,000	10	5
2. Current Assets					
a. Inventories		60,000	1,60,000	10	20
b. Trade Receivables		2,00,000	2,40,000	33.3	30
c. Cash and Cash Equivalents		40,000	40,000	6.7	5
<b>Total</b>		<b>6,00,000</b>	<b>8,00,000</b>	<b>100</b>	<b>100</b>

32

**Cash Flow Statement As per AS 3 (Revised)**

Particulars		
<b>I Cash from Operating Activity</b>		
Net Profit Before Tax		
Profit during the year	1,50,000	
Add transfer to Reserve	<u>50,000</u>	
		2,00,000
Add:- Non Cash Non-Operating Expenses		
Depreciation provided	40,000	
Loss on Sale of Assets	18,000	
Goodwill Amortised	<u>5,000</u>	63,000
Less Non-Operating Income	--	-----
Operating Profit before Working Capital		<u>2,63,000</u>
Add Increase in Trade Payable	17,000	<u>17,000</u>
		2,80,000
Less : Increase in Inventory	(75,000)	
Increase in Trade Receivable	(67,000)	<u>(1,42,000)</u>
Cash From Operating Activities before Tax		1,38,000
Less Tax Paid		<u>(30,000)</u>
Cash From Operating Activities After tax		<u>1,08,000</u>

[4]



31	<p>PMT :- The PMT function calculates the periodic payment for an annuity assuming equal payments and a constant rate of interest. The syntax of PMT function is as follows: <b>= PMT (rate, nper, pv, [fv], [type])</b></p> <p>where Rate is the interest rate per period, Nper is the number of periods, Pv is the present value or the amount the future payments are worth presently, future value or cash balance that after the last payment is made (a future value of zero when we omit this optional argument)</p> <p>Type is the value 0 for payments made at the end of the period or the value 1 for payments made at the beginning of the period. The PMT function is often used to calculate the payment for mortgage loans that have a fixed rate of interest</p>	[4]
32	<p>A format change, such as background cell shading or font colour that is applied to a cell when a specified condition for the data in the cell is true. Conditional formatting is often applied to worksheets to find:</p> <ol style="list-style-type: none"><li>Data that is above or below a certain value. Duplicate data values.</li><li>Cells containing specific text. Data that is above or below average.</li><li>Data that falls in the top ten or bottom ten values.</li></ol> <p>Benefits of using conditional formatting:</p> <ol style="list-style-type: none"><li>Helps in answering questions which are important for taking decisions.</li><li>Guides with help of using visuals.</li><li>Helps in understanding distribution and variation of critical data.</li></ol>	[6]