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

(ii)
5) (A) ₹ 8000

) (D) 14,000

) ~~₹~~ (C) ₹ 6,00,000

(i)
8) (B) ₹ 30

9) (B) ₹ 3,00,000

10) (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)

(ii)
13) 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)			

$1,\overset{2}{\cancel{20}},000 \times \frac{3}{\cancel{6}}$

$\overset{8}{4\cancel{0}},000 \times \frac{3}{8}$

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)		

4,00,

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 (2400x100)			2,40,000
	To Securities Premium A/c (2400x10)			24,000
	(Purchase Consideration met)			

12
528
642
540
108

264
~~528~~

264000
110

24
11)264
22
44
44
0

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

= 2400 Debentures

20) Goodwill = 4,00,000

4,00,000 = 5 × Super Profits

Super Profit = $\frac{\overset{8}{\cancel{4}}\cancel{,}00,000}{\cancel{5}}$

= ₹80,000

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

= $9,00,0\cancel{00} \times \frac{8}{1\cancel{00}}$

= ₹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	₹	
		By Balance b/d	3,00,000	
To Varsha's Executors A/c	6,41,000	By General Reserve	50,000	$\cancel{4}^{5}00{,}000 \times \frac{\cancel{8}^{1}}{\cancel{10}_{2}}$
		By Interest on Capital (~~P&L Suspense~~)	6000	
				$\cancel{1{,}35}^{27}{,}000 \times \frac{3}{8}$
		By Aditi Capital A/c	81,000	
		By Renu Capital A/c	54,000	
		By Profit & Loss Suspense A/c	1,50,000	$3{,}00{,}000 \times \frac{5}{10}$ 150,000
	6,41,000		641000	

W.N :

1) Interest on Capital

$3{,}00{,}000 \times \frac{\cancel{6}^{2}}{100} \times \frac{\cancel{4}^{1}}{\cancel{12}_{3}} = 6000$

2) Goodwill : $3 \times 90{,}000 \Rightarrow \cancel{2{,}70}^{135}{,}000 \times \frac{\cancel{8}^{1}}{\cancel{10}_{2}} = 1{,}35000$

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.

(Extract) Balance Sheet as at . . .

Particulars	Note No.	Current year	Previous Year
I EQUITY AND LIABILITIES			
1) Shareholders 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 x90)	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.	1,50,000	
	To 11% Debentures A/c (10,000 x100)			10,00,000
	To Premium on Redemption of Debentures A/c (10,000x 5)			50,000
	(Debentures were alloted)			

(ii)

Mudit Ltd.

JOURNAL

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

(ii)	Debenture Application & Allotment A/c Dr.	21,00,000	
	Loss on Issue of Debentures A/c (20,000×10) Dr.	2,00,000	
	To 9% Debentures A/c (20,000 × 100)		20,00,000
	To Securities Premium A/c (20,000 × 5)		1,00,000
	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)			

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

3000
600
2400

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

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. Particulars		₹	Particulars	₹ Cr.
To Furniture		6000	By Investments	12000
To Profit transferred to:				
Sanju Capital	3600			
Manju Capital	2400	6000		
		12,000		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	-
				By General Reserve	24,000	16,000	
To Balance c/d	1,25600	1,10,400	78,667				
				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	1,42400	78,667

WN:

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

Capital of Uday = $\overset{9}{2},36,000 \times \frac{\cancel{4}}{3} \times \frac{1}{\cancel{4}}$

= ₹ 78667

78667
× 3
236001

78666
3) 236000
21
26
24
20
18
200

26) (a)

i) Star Ltd.

JOURNAL

S.NO	Particulars	Debit ₹	Credit ₹
i)	Share Capital A/c (8000x 80) Dr.	6,40000	
	Securities Premium A/c (8000x10) Dr.	80,000	
	To Share Allotment A/c (8000x 40)		32,0000
	To Share First Call A/c (8000x30)		2,40,000
	To Forfeited Shares A/c (8000x20)		1,60,000
	(8000 shares were forfeited)		
ii)	Bank A/c (6000x 70) Dr.	4,20,000	
	Forfeited Shares A/c (6000x10) Dr.	60,000	
	To Share Capital A/c (6000x80)		480,000
	(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

Share

8000

6000

=) 6000x

120

(-) 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	Gain
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

28) (i) (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 = ~~Gro~~ 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 = $\frac{5,70,\cancel{000}}{10,\cancel{00,000}} \times 1\cancel{0}0$

= 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

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	35,60,000	89	89
(-) Tax	8,90,000	17,80,000	44.5	44.5
IV Profit after Tax	8,90000	1780000	44.5	44.5

2/20 × 10

20/2000 × 1

220/2000 × 10

1780/2000 × 100

890/2000 × 100

3560/4000 ×

17,80/4,000 ×

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

56
20
36

102000
89500
12500

645
605
040

88000
71500
13500

1235
385
850

385
35

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

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

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