

# CUET Accountancy Solved Paper-2023

Held on 28 May 2023 (Shift-III)

1. Other income is ₹ 5,00,000 which is 25% of Revenue from operations. Employees benefit Expenses are 30% of the Revenue from operation. Tax rate is 40%. Net profit after tax will be :

(a) ₹ 10,25,000 (b) ₹ 11,40,000  
(c) ₹ 10,75,000 (d) ₹ 10,35,000

2. Legend can be repositioned on the chart :

(a) anywhere (b) on the corner only  
(c) on the right side only (d) on the bottom of X-axis

3. Match List-I with List-II.

## List - I

(A) Over Subscription

(B) Minimum subscription

(C) Under Subscription

(D) Private Placement

## List - II

(I) Minimum amount that must be raised by issue of shares

(II) Application received is more than shares issued

(III) Allotment of shares without issue of prospectus

(IV) Application received is less than shares issued

Choose the **correct** answer from the options given below:

(a) (A)-(II), (B)-(IV), (C)-(III), (D)-(I)  
(b) (A)-(II), (B)-(I), (C)-(IV), (D)-(III)  
(c) (A)-(I), (B)-(II), (C)-(IV), (D)-(III)  
(d) (A)-(II), (B)-(III), (C)-(IV), (D)-(I)

4. If there appears a Tournament Fund, then the expenses incurred on Tournament activities will be shown :

(a) on the debit side of Income and Expenditure Account  
(b) on the credit side of Income and Expenditure Account  
(c) by way of adding to the Tournament Fund  
(d) by way of subtracting/ deducting from Tournament Fund

5. According to Indian Partnership Act, 1932, when the firm is dissolved, cash received on sale of assets are applied in following order :

(A) Paying to each partner proportionately what is due to him/her on account of capital  
(B) In paying the secured debts of the firm to the third parties  
(C) In paying each partner proportionately what is due to him/her from the firm for advances as distinguished from capital

- (D) The residue, if any shall be divided among the partner's in their profit sharing ratio

(E) In paying unsecured debt of firm to third parties  
Choose the **correct** answer from the options given below:

(a) (C), (B), (D), (A), (E)  
(b) (B), (E), (C), (A), (D)  
(c) (A), (B), (C), (D), (E)  
(d) (D), (C), (B), (A), (E)

6. Find the correct sequence of procedure of issue of shares:

(A) Receipt of Applications  
(B) Issue of prospectus  
(C) Allotment of Shares  
(D) Making call money due  
(E) Receiving Call money

Choose the **correct** answer from the options given below:

(a) (A), (B), (C), (D), (E)  
(b) (B), (A), (C), (D), (E)  
(c) (B), (C), (D), (A), (E)  
(d) (B), (D), (A), (C), (E)

7. If Average Capital Employed in a firm is ₹ 9,00,000; Average Profits ₹ 2,80,000 and Normal rate of return is 20%, then value of goodwill as per capitalisation of super profits is :

(a) ₹ 1,24,000 (b) ₹ 5,00,000  
(c) ₹ 45,00,000 (d) ₹ 3,36,000

8. Debentures issued for consideration other than cash includes, debentures:

(A) Issued to bank as additional security  
(B) Issued to vendor  
(C) Issued to Public  
(D) Issued to creditor  
(E) Issued for cash

Choose the **correct** answer from the options given below:

(a) (C), (B), (A) and (E) only  
(b) (A), (B) and (D) only  
(c) (A), (D) and (C) only  
(d) (B), (D) and (E) only

9. Under which Sub head we show the Security Premium in Balance Sheet?

(a) Reserve and Surplus  
(b) Share Capital  
(c) Equity Share Capital  
(d) Shares and Liabilities



## 10. Match List-I with List-II.

## List - I

(A) The Accounting basis for Cash Flow Statement is

(B) Dividend paid on Equity and Preference capital comes under

(C) It can not be considered as cash and cash equivalents

(D) It can be classified as cash and cash equivalents

## List - II

(I) Investment in shares

(II) Cash Basis

(III) Treasury bills

(IV) Cash outflow from Financing Activities

Choose the **correct** answer from the options given below:

(a) (A)-(IV), (B)-(I), (C)-(II), (D)-(III)

(b) (A)-(II), (B)-(IV), (C)-(I), (D)-(III)

(c) (A)-(III), (B)-(II), (C)-(I), (D)-(IV)

(d) (A)-(II), (B)-(I), (C)-(IV), (D)-(III)

## 11. Match List-I with List-II.

## List - I

(A) Current Ratio

(B) Inventory Turnover Ratio

(C) Return on Investment

(D) Proprietary Ratio

## List - II

(I) Solvency Ratios

(II) Liquidity Ratios

(III) Profitability Ratios

(IV) Activity Ratios

Choose the **correct** answer from the options given below:

(a) (A)-(II), (B)-(IV), (C)-(I), (D)-(III)

(b) (A)-(I), (B)-(II), (C)-(III), (D)-(IV)

(c) (A)-(II), (B)-(IV), (C)-(III), (D)-(I)

(d) (A)-(IV), (B)-(I), (C)-(III), (D)-(II)

## 12. The steps in the Process of Preparing Profit and Loss Appropriation account are :

(A) Transfer the net profit to the credit side of P &amp; L Appropriation A/c

(B) Divide the Profit among partners in the Profit Sharing ratio

(C) Ascertain net profit after providing for all charges

(D) Debit the P &amp; L Appropriation A/c with all appropriations like partners salary etc.

(E) Credit the P &amp; L Appropriation A/c with interest on drawing and deficiency on account of partner's guarantee of earnings to the firm.

Choose the **correct** answer from the options given below:

(a) (A), (B), (C), (D), (E) (b) (C), (A), (D), (E), (B)

(c) (B), (C), (E), (A), (D) (d) (B), (C), (D), (A), (E)

## 13. Pick the odd one out while Calculating Cash Flow from Financing Activities:

(a) Issue of Shares

(b) Repayment of Bank Loan

(c) Redemption of Debentures

(d) Rent received

## 14. Aradya Ltd. had debt equity ratio of 2 : 5 : 1. State which of the following transaction will not effect the Debt Equity Ratio :

(a) Purchase of ₹15,00,000 machinery by taking bank loan of ₹12,00,000

(b) ₹ 2,00,000 paid to creditors

(c) Conversion of ₹ 1,00,000 debentures into Equity shares of ₹100 each

(d) Sale of furniture (book value of ₹ 5,00,000 for ₹ 5,50,000)

## 15. The common fields used in a relationship between tables are called :

(a) Table fields

(b) Joint fields

(c) Main fields

(d) Key fields

## 16. Identify the cash transaction from the following :

(a) Purchase of machinery by issue of preference shares

(b) Redemption of Debentures by issuing equity shares

(c) Issue of Debentures as collateral security

(d) Purchase of land by taking loan

## 17. A, B and C were sharing profits &amp; losses in the ratio of 3 : 2 : 1. They decided to share profits &amp; losses equally in future. General reserve was appearing in their books at ₹ 60,000. Goodwill was valued at ₹1,20,000. The partners do not want to disturb the general reserve.

The adjusting entry will be:

(a) A's capital A/C Dr. 1,80,000

To C's Capital A/C 1,80,000

(b) A's capital A/C Dr. 1,80,000

To B's Capital A/C 1,20,000

To C's Capital A/C 60,000

(c) C's capital A/C Dr. 30,000

To A's Capital A/C 30,000

(d) Cs capital A/C Dr. 1,80,000

To A's Capital A/C 1,20,000

To B's Capital A/C 60,000

## 18. Net Capital Employed is equal to :

(A) Fixed Assets + Current Assets – Long term liabilities

(B) Non current Assets + Current Assets – Current liabilities

(C) Fixed Assets + Current Assets – Equity

(D) Equity + Debt

(E) Current Assets – Current liabilities

Choose the **correct** answer from the options given below:

(a) (A) and (B) only

(b) (B) and (D) only

(c) (C) and (D) only

(d) (A) and (D) only

## 19. On retirement, the retiring partner's capital account will be credited with :

(A) His/ Her Capital Balance

(B) His/Her share of goodwill

(C) Share of goodwill of remaining partners

(D) his/her share of Reserve

(E) his/ her drawings



Choose the **correct** answer from the options given below:

- (a) (A), (B) and (C) only  
(b) (A), (B) and (D) only  
(c) (B), (C) and (D) only  
(d) (C), (B) and (D) only
20. On dissolution of partnership, goodwill account is transferred to :  
(a) The debit side of Realisation Account  
(b) The credit side of Realisation Account  
(c) The credit side of Partner's Capital/Current Account  
(d) The debit side of Partner's Capital/Current Account
21. On retirement/ death of a partner, the remaining partners who have gained due to change in profit sharing ratio should compensate the:  
(a) No partner  
(b) Retiring partner only  
(c) Remaining partners only (Who have sacrificed.)  
(d) Remaining partners (who have sacrificed) as well as retiring partner.
22. The need of codification is :  
(a) To secure the account, reports etc.  
(b) Easy to process data, keeping proper records  
(c) The encryption of data  
(d) The generation of mnemonic code
23. Common Size Statements are also known as :  
(a) Dynamic analysis (b) Horizontal analysis  
(c) Vertical analysis (d) External analysis
24. Calculate and state the nature of activity under cash flow statement:  
Acquired Machinery for ₹5,00,000 paying 50% by cheque and executing a bond for the balance payable:  
(a) Inflow operating activity ₹2,50,000  
(b) Outflow Investing activity ₹(5,00,000)  
(c) Inflow Investing activity ₹(5,00,000)  
(d) Outflow Investing activity ₹ (2,50,000)
25. Find out cost of medicine consumed during 2020-21.  
Payment to creditors of ₹ 3,70,000 medicines  
Creditors for medicines purchased :  
On 1.04.2020 ₹ 25,000  
On 31.03.2021 ₹ 17,000  
Stock of Medicines :  
On 1.04.2020 ₹ 62,000  
On 31.03.2021 ₹ 54,000  
Advance to suppliers  
On 1.04.2020 ₹ 11,000  
On 31.03.2021 ₹ 18,000  
(a) ₹ 3,63,000  
(b) ₹ 2,63,000  
(c) ₹ 3,36,000  
(d) ₹ 2,36,000
26. Partnership deed should be drafted and prepared as per:  
(a) Provision of Partnership Act  
(b) Companies Act  
(c) Registrar of Firms  
(d) Provisions of the Stamp Act
27. Amount received from the sale of furniture for ₹7000 (Book value ₹ 10,000). The amount to be shown in receipts and payments account will be  
(a) ₹ 10,000 on the receipts side  
(b) ₹ 7000 on the receipts side  
(c) ₹ 3000 on the payment side  
(d) ₹ 3000 on the receipts side
28. Identify the correct sequence to be followed at the time of Retirement of a Partner :  
(A) New Balance Sheet after Retirement  
(B) Transferring balance to Retiring partner's Loan Account  
(C) Calculation Gaining/Sacrificing Ratio  
(D) Partners' Capital Account  
(E) Preparation of Revaluation Account  
Choose the **correct** answer from the options given below:  
(a) (C), (D), (E), (A), (B)  
(b) (C), (E), (D), (B), (A)  
(c) (A), (B), (C), (D), (E)  
(d) (C), (E), (B), (A), (D)
29. An annual report is furnished by a company to its :  
(a) Directors (b) Auditors  
(c) Shareholders (d) Management
30. Current liabilities include :  
(A) Trade receivables  
(B) Unclaimed dividend  
(C) Interest accrued but not due on loan  
(D) Acceptances  
(E) 12% debentures redeemable after four years  
Choose the **correct** answer from the options given below:  
(a) (A), (B) and (C) only  
(b) (B), (C) and (D) only  
(c) (A), (C) and (D) only  
(d) (A), (B) and (D) only
31. AB & Co. purchased assets worth ₹ 28,80,000 from vendor. It issued debentures of ₹ 100 each at a discount of 4% in full satisfaction of the purchase consideration. The number of debentures issued to vendor is :  
(a) 30,000 (b) 28,800  
(c) 32,000 (d) 27,693
32. Shweta, Shreya and Shaniya were partners sharing profits in the ratio of 3 : 2 : 1. Shaniya retired from the firm and her capital, after making adjustments for reserves and gain of revaluation amounted to ₹ 4,50,000. Shaniya took 25% of the furniture, accepted bill of exchange for ₹ 52,000. Finally ₹ 2,75,000 was transferred to her loan account.



The total value of furniture was:

- (a) ₹ 2,58,000 (b) ₹ 3,60,000  
(c) ₹ 3,68,000 (d) ₹ 4,92,000

33. Rohit a partner paid the realisation expenses of ₹ 10,000 and he was to get a remuneration of ₹ 12,000 for completing the dissolution process and realisation expenses were borne by Rohit. The amount transferred to his capital A/c will be:

- (a) ₹ 12,000 (b) ₹ 10,000  
(c) ₹ 22,000 (d) ₹ 2,000

34. Lisa, Monika and Nisha are partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. Their capital A/c stood as ₹ 50,000, ₹ 50,000 and ₹ 25,000 respectively. Monika died and balance in the reserve on that date was ₹ 15,000. If goodwill of the firm ₹ 30,000 and profit on revaluation is ₹ 7,050. What amount will be transferred to Monika's Executors Account ?

- (a) ₹ 50,820 (b) ₹ 70,820  
(c) ₹ 8,820 (d) ₹ 60,820

35. Match List-I with List-II.

## List - I

## List - II

- (A) Application money should be at least \_\_\_\_\_ % of the face value of the share  
(B) The amount of Call should not exceed \_\_\_\_\_ % of the face value of the share  
(C) Minimum subscription of capital cannot be less than \_\_\_\_\_ of the issued amount according to SEBI guidelines  
(D) Interest charged on call-in-arrears is @ \_\_\_\_\_ p.a.

(I) 25%

(II) 90%

(III) 10%

(IV) 5%

Choose the **correct** answer from the options given below:

- (a) (A)-(IV), (B)-(I), (C)-(II), (D)-(III)  
(b) (A)-(II), (B)-(III), (C)-(IV), (D)-(I)  
(c) (A)-(IV), (B)-(II), (C)-(I), (D)-(III)  
(d) (A)-(III), (B)-(I), (C)-(IV), (D)-(II)

36. On Dissolution of partnership firm out of total debtors of ₹ 2,50,000, ₹ 10,000 became bad and the rest realised 70%. In the given case Bank A/c will be debited by :

- (a) ₹ 1,75,000 (b) ₹ 1,08,000  
(c) ₹ 1,62,000 (d) ₹ 1,68,000

37. Match List-I with List-II.

## List - I

## List - II

- (A) Authorised Capital (I) A portion of uncalled share capital will be called at the time of winding up  
(B) Reserve Capital (II) Maximum amount of share capital a company could raise during its life time  
(C) Issued Capital (III) Capital issued to public for subscription  
(D) Subscribed but not fully paid capital (IV) Amount called up and received but not fully

Choose the **correct** answer from the options given below:

- (a) (A)-(II), (B)-(I), (C)-(III), (D)-(IV)  
(b) (A)-(II), (B)-(I), (C)-(IV), (D)-(III)  
(c) (A)-(II), (B)-(IV), (C)-(I), (D)-(III)  
(d) (A)-(II), (B)-(III), (C)-(I), (D)-(IV)

38. The key combination which collapses the ribbon is:

- (a) [Ctrl] + [F3]  
(b) [Ctrl] + [F1]  
(c) [Ctrl] + [F7]  
(d) [Ctrl] + [F5]

39. Cash equivalents refers to :

- (A) Demand deposits with Bank  
(B) Bills receivables  
(C) Treasury bill  
(D) Commercial Paper  
(E) Marketable Securities

Choose the **correct** answer from the options given below:

- (a) (A), (C), (D) and (E) only  
(b) (A), (B), (C) and (D) only  
(c) (A), (B), (D) and (E) only  
(d) (B), (C), (D) and (E) only

40. While calculating Goodwill under super profit method, the sequence followed is :

- (A) Calculation of Super profit  
(B) Calculation of Capital Employed  
(C) Calculation of Normal profit  
(D) Calculation of Average profit  
(E) Calculation of Goodwill

Choose the **correct** answer from the options given below:

- (a) (D), (C), (A), (B), (E)  
(b) (D), (B), (C), (A), (E)  
(c) (D), (A), (C), (B), (E)  
(d) (D), (C), (B), (A), (E)



41. Amrita and Kalyani are partners sharing profits in the ratio of 3 : 2. They decided to expand the business by admitting Suraj as new partner for 1/4th share. Suraj's share of goodwill is valued at ₹ 90,000 for which he compensated Amrita and Kalyani in the ratio 1 : 4. Following information is also provided

	Book Value (₹)	Revalued figure (₹)
Machinery	25,00,000	27,00,000
Land	10,00,000	50,00,000
Computers	2,50,000	50,000
Workmen	5,00,000	
Compensation Fund		

Claim against workmen compensation is ₹ 2,00,000 and goodwill appeared in the books at ₹ 60,000

Goodwill brought by Suraj will be distributed as :

- (a) ₹ 54,000 ; ₹ 36,000  
(b) ₹ 2,16,000 ; ₹ 1,44,000  
(c) ₹ 18,000 ; ₹ 72,000  
(d) ₹ 72,000 ; ₹ 18,000
42. Share of revaluation profit of Amrita and Kalyani is :  
(a) ₹ 24,00,000 and ₹ 16,00,000  
(b) ₹ 16,00,000 and ₹ 24,00,000  
(c) ₹ 8,00,000 and ₹ 32,00,000  
(d) ₹ 20,00,000 and ₹ 20,00,000
43. What is Amrita's share in workmen compensation fund?  
(a) ₹ 3,00,000 (b) ₹ 1,80,000  
(c) ₹ 1,20,000 (d) ₹ 1,00,000
44. What journal entry will be passed for goodwill appearing in the books ?  
(a) Dr. Goodwill A/c ₹ 60,000  
Cr. Amrita's Capital A/c ₹ 36,000  
Cr. Kalyani's Capital A/c ₹ 24,000  
(b) Dr. Amrita's Capital A/c ₹ 36,000  
Dr. Kalyani's Capital A/c ₹ 24,000  
Cr. Goodwill A/c ₹ 60,000  
(c) Dr. Amrita's Capital A/c ₹ 12,000  
Dr. Kalyani's Capital A/c ₹ 48,000  
Cr. Good will A/c ₹ 60,000  
(d) Dr. Goodwill A/c ₹ 60,000  
Cr. All partner's Capital A/c ₹ 60,000
45. A new partner can be admitted :  
(a) If all the existing partners agree  
(b) If Majority of the existing partner agree  
(c) If any one of the existing partner agree  
(d) If 4/5<sup>th</sup> of the existing partner agree

46. XYZ Ltd. has been operating in the field of FMCG products in South Indian market. However to expand its operation in northern part of India, it needs additional capital ₹ 20,00,000 which is raised by issuing 10% Debenture of ₹ 12,00,000 of ₹ 100 issued at a discount of 10% to be repayable after 6 years. The rest of the funds is raised by issuing 5% debenture of ₹ 8,00,000 of ₹ 100 issued at 15% premium. These debentures are perpetual in nature. After six years of successful operation in northern India, company took a loan of ₹ 5,00,000 from PNB against 5% debenture off ₹ 8,00,000 of ₹ 100 each as a collateral security. The company successfully ran its operation and managed to pay off its loan with in two years.

XYZ Ltd. issues 10% debentures off ₹ 12,00,000 of ₹ 100 each at a discount of 10% which will be repayable after 6 years. What type of debenture it is?

- (a) Zero Coupon Rate Bonds/Debenture  
(b) Redeemable Debentures  
(c) Convertible Debenture  
(d) Irredeemable Debenture
47. XYZ Ltd. issued another category of debenture which are perpetual in nature. What type of debentures they are called:  
(a) Irredeemable Debentures  
(b) Convertible Debenture  
(c) Redeemable Debentures  
(d) Bearer Debentures
48. While issuing 10% debenture of ₹ 12,00,000 at 10% discount. What amount should be transferred to "Discount on issue of debenture A/c" if all amount is received in one instalment ?  
(a) ₹ 10,000 (b) ₹ 12,000  
(c) ₹ 1,20,000 (d) ₹ 1,00,000
49. If 5% debenture of ₹ 8,00,000 off ₹ 100 were issued at 15% premium. Amount is payable as ₹ 25 on applications, ₹ 50 on allotment and ₹ 40 on 1st and final call. How much amount should be credited to "Security Premium Reserve A/c".  
(a) ₹ 1,20,000 (b) ₹ 8,00,000  
(c) ₹ 9,20,000 (d) ₹ 1,00,000
50. Company raised a loan of ₹ 5,00,000 from PNB against 5 % debenture of ₹ 8,00,000 of ₹ 100 each as a collateral security. The "Debenture suspense A/c" will be debited with:  
(a) ₹ 5,00,000  
(b) ₹ 3,00,000  
(c) ₹ 8,00,000  
(d) ₹ 13,00,000



12. (b)

## Profit &amp; Loss Appropriation Account

		Step.1 Net profit from P & L A/c	
Particulars	Amount	Particulars	Amount
To Interest on capital	xx	By Net Profit	xx
To Partner's Salary	xx	(Profit & Loss A/c)	
To Partner's Commission	xx		
(ALL APPROPRIATIONS)		By Interest on drawings	xx
To Net Profit transferred to:			
Partner A	xx		
Partner B	xx		
Partner C	xx		
	xx		

13. (d) All activities are financial activities except rent received which is investing activity. Hence Rent received is odd one out.

14. (d) Paid to creditors result decrease in current liabilities as well as in current assets, hence no impact on neither on debt nor on equity.

15. (d) A table relationship works by matching data in key fields — often a field with the same name in both

17. (c) Gain/Sacrifice = Old share – New share

$$A = \frac{3}{6} - \frac{1}{3} = \frac{1}{6} \text{ (Sacrifice)} \quad B = \frac{2}{6} - \frac{1}{3} = \frac{0}{6} = 0/6$$

$$C = \frac{3}{6} - \frac{1}{3} = \frac{-1}{6} \text{ (Gain)}$$

$$\text{Net amount to be adjusted} = 60,000 + 1,20,000 \\ = \text{Rs. } 1,80,000$$

Particulars	L.f.	Dr. (Rs.)	Cr. (Rs.)
C's Capital A/c (1/6 x 1,80,000) Dr.		30,000	30,000
To A's Capital A/c			

18. (d) Capital Employed = Total Assets – Current Liabilities  
= (Fixed Assets + Current Assets) – Current Liabilities  
OR

$$\text{Capital Employed} = \text{Equity} + \text{Debt}$$

19. (d) On retirement, the retiring partner is entitled to his/her capital balance, his/her share in goodwill/Revaluation profit or loss and reserves.

20. (a) In case of dissolution of firm, all assets those are saleable/realisable, are to be transferred to debit side of Realisation Account.

21. (d)

22. (c) The codification process is vital to encrypt the computerized accounting data.

23. (c) Comparative statements are known as horizontal analysis, whereas common-size statements are known as vertical analysis.

tables. In most cases, these matching fields are the primary key from one table, which provides a unique identifier for each record, and a foreign key in the other table.

16. (b) Redemption of Debentures by issuing equity shares involves two transactions. First, Issue of shares which results inflow of cash and Second, Redemption of Debenture which results outflow of cash.

24. (d) Purchase of Machine is Investing activity. Only 50% payment was made. Hence, in cash flow statement; there will be outflow of 50% of Rs.5,00,000, i.e. Rs.2,50,000.

25. (a) Calculation of Medicines consumed

Payment to creditors of medicines	3,70,000
Add : Closing balance of creditors of medicines	17,000
Less: Opening balance of creditors of medicines	(25,000)
Add : Opening balance of medicines	62,000
Less : Closing balance of medicines	(54,000)
Add : Opening balance of Advance to Suppliers	11,000
Less : Closing balance of Advance to Suppliers	(18,000)
	<b>3,63,000</b>



26. (a)
27. (b) Receipt and payment account is prepared on cash basis of accounting. Hence, sale value of Rs.7,000 will be recorded in receipt side of Receipt and payment account.
28. (b) At the time of retirement of a partner, firstly calculate gain/sacrifice, then revaluation account and partner's capital accounts are prepared. Afterwards, transferring the balance to retiring partner's loan account. Lastly, a new balance sheet is made for the reconstituted firm.
29. (c) An annual report is furnished by board of directors on behalf of a company to its shareholders.
30. (b) Current liabilities are all those short-term liabilities which are repayable within 12 months.  
Unclaimed Dividend and Interest accrued but not due falls under other current liabilities sub-head, while acceptance (bill payable) falls under trade payable sub head under current liabilities.
31. (a) Number of Debenture =  $28,80,000/96 = 30,000$  Debentures
32. (a) Shaniya's Capital balance after all adjustments = Rs.4,50,000  
Shaniya balance was by adjusted by furniture value, bill of exchange and balance Rs.2,75,000 was transferred to Loan account. Let Total furniture be 'x'.  
 $4,50,000 = 25\% \text{ of } x + 52,000 + 2,75,000$   
 $4,50,000 = x/4 + 3,27,000$   
 $x/4 = 4,50,000 - 3,27,000$   
 $x = 1,23,000 \times 4 = 4,92,000$
33. (d) Amount transferred to Rohit's Capital account will equal to remuneration given to him, irrespective of amount of realisation expenses.
34. (b) Calculation of Monika's Executor account
- |                                   |               |
|-----------------------------------|---------------|
| Monika's Capital                  | 50,000        |
| Share in reserve (2/5 of 15,000)  | 6,000         |
| Share in Goodwill (2/5 of 30,000) | 12,000        |
| Revaluation Profit (2/5 of 7050)  | 2,820         |
|                                   | <b>70,820</b> |
- Or  
Monika's Executor account =  $50,000 + 2/5 \text{ of } (15,000 + 30,000 + 7050) = 70,820$
35. (a) Application money should be at least 5% of the face value of the share.  
The amount of call should not exceed 25% of the face value of the share.  
Minimum subscription of capital cannot be less than 90% of the face value of the share.  
Interest charged on calls-in-arrears is @10% p.a.
36. (d) Amount realised =  $70\% \text{ of } (2,50,000 - 10,000) = \text{Rs.}1,68,000$
37. (a) Learn the meaning of each type of share capital.
38. (b)
39. (a) Cash equivalents are interest-earning financial vehicles/investments that are widely traded, highly liquid, and easy to convert to cash. Cash equivalents are Demand deposits with Bank, Treasury bills, Commercial Paper and Other marketable securities. Bill receivable don't qualify for cash and cash equivalents, these falls under the category of Trade receivable.
40. (a) **Step1.** Calculation of Average Profit  
**Step2.** Calculation of Capital employed  
**Step3.** Calculation of Normal Profit = Capital x Normal rate of return  
**Step4.** Calculation of Super Profit = Average Profit - Normal Profit  
**Step5.** Calculation of Goodwill = Number of year purchase x Super profit
41. (a) Amrita's share in brought goodwill =  $1/5 \text{ of Rs.}90,000 = \text{Rs.}18,000$   
Kalyani's share in brought goodwill =  $4/5 \text{ of Rs.}90,000 = \text{Rs.}72,000$
42. (a) Calculation of Revaluation Gain
- |                                |                  |
|--------------------------------|------------------|
| Increase in value of machine   | 2,00,000         |
| Increase in value of Land      | 40,00,000        |
| Decrease in value of Computers | (2,00,000)       |
| <b>Net Revaluation Gain</b>    | <b>40,00,000</b> |
- Amrita's share in revaluation gain =  $3/5 \text{ of } 40,00,000 = \text{Rs.}24,00,000$   
Kalyani's share in revaluation gain =  $2/5 \text{ of } 40,00,000 = \text{Rs.}16,00,000$
43. (b) Amrita's share in workmen compensation fund =  $3/5 \text{ of } (5,00,000 - 2,00,000) = \text{Rs.}1,80,000$
44. (b) If Goodwill is already existed in the books of account; it is to be written off by doing the following entry:  
Old Partner's Capital A/cs (in Old profit-sharing ratio Dr....  
To Goodwill A/c
45. (a)
46. (b) Redeemable Debentures are those which are to be repaid by the company after expiry of fixed tenure. In this question 10% Debenture were issue for tenure of 6 years.
47. (a) Irredeemable Debentures are those debentures that are not repayable or redeemable by a company during its life time. These are repayable only at the time of winding up of the company. These are also known as Perpetual Debentures that means debentures having indefinite life.
48. (c) Discount on issue of debenture =  $10\% \text{ of } 12,00,000 = \text{Rs.}1,20,000$
49. (a) Securities Premium =  $15\% \text{ of Rs.}100 = \text{Rs.}15 \text{ per debenture}$   
Number of Debenture =  $8,00,000/100 = 8,000 \text{ debenture}$   
Amount in Securities Premium Reserve A/c =  $8000 \times 15 = \text{Rs.}1,20,000$
50. (a) In case of issue of debenture as collateral security, Debenture Suspense A/c is debited.  
Accordingly, Debenture Suspense A/c will be debited with Rs.8,00,000.