

SAMPLE QUESTION PAPER
ACCOUNTANCY (055)
CLASS – XII C (2012-13)
BLUE PRINT

PART A - PARTNERSHIP & COMPANY ACCOUNTS

	Form of Questions/Units	Long Answer 6,8	Short Answer 3,4	Very short Answer 1	Total
1.	Accounting for Partnership firms – fundamentals	6 (1)	3(1)	1(1)	10(3)
2.	Accounting for Partnership firms – Reconstitution & Dissolution	8(1), 6(1)	4(2)	1(3)	25(7)
3.	Accounting for Share Capital	8(1)	4(2)	1(2)	18(5)
4.	Accounting for Debentures		3(2)	1(1)	7(3)
	Sub Total (A)	28(4)	25(7)	7(7)	60(18)

PART B – FINANCIAL STATEMENT ANALYSIS

	Form of Questions/Units	Long Answer 6,8	Short Answer 3,4	Very short Answer 1	Total
5.	Analysis of Financial Statements		3(1) 4(2)	1(1)	12(4)
6.	Cash Flow Statement	6(1)		1(2)	8(3)
	Sub Total (B)	6(1)	11(3)	3(3)	20(7)
	Grand Total (A+B)	34(5)	36(10)	10(10)	80(25)

Note: Number of questions are given within brackets and marks outside the brackets.

ACCOUNTANCY (055)
CLASS – XII C (2012-13)

Time Allowed – 3 Hrs.

Max. Marks – 80

General Instructions :-

1. *This question paper contains Two parts A & B.*
2. *Both the parts are compulsory for all.*
3. *All parts of questions should be attempted at one place.*
4. *Marks are given at the end of each question.*

PART 'A'

1. Rita, Sita and Teena are partners in a firm and do not have a partnership agreement. Teena had given a loan of Rs. 10,000 to the firm and expects an interest @ 10% for the loan. The other partners do not agree to this. Should Teena be given interest at the desired rate? Give reason. (1)
2. X, Y & Z are partners. Y retires and the new profit sharing ratio is 2 : 1. Calculate the gaining ratio of X & Z. (1)
3. State any two reasons for Dissolution of a Firm. (1)
4. When is 'Revaluation Account' prepared? (1)
5. State at least one way in which the amount of Securities Premium can be used by the Company. (1)
6. What is meant by 'Over Subscription'? (1)
7. When is 'Debenture Redemption Reserve' created? (1)
8. A, B and C are partners in a firm. When the Accounts were closed on 31st March, 2012, it was found that Interest on Capital was allowed @ 4% instead of 6%p.a. The capitals of partners were: A Rs.1,00,000 B Rs.80,000 C Rs.60,000 (3)
Give the necessary adjusting entry with proper workings.
9. On 1st January, 2009 R Ltd has Rs. 25,00,000 as Debenture Redemption Reserve. The company has to redeem its 12% Debentures at the end of 2009 worth Rs.90,00,000. Pass journal entries to record the redemption of debentures. (3)
10. Pass necessary journal entries of 'Issue of debentures' for the following:
 - (i) S Ltd issued 150, 15% Debentures of Rs 100 each at a discount of 10% redeemable at a premium of 10%.
 - (ii) J Ltd issued 600, 9% Debentures of Rs. 100 each at a premium of Rs 10 per Debenture, redeemable at par. (3)

11. Anand and Sonu were childhood friends and colleagues in a company who were thinking of starting something of their own someday. On 1st Jan, 2011 they thought of starting a stationery depot for the financially backward children of their area. They also admitted Manoj a differently abled educated youth who was unemployed as a partner of their firm without any capital contribution. Sonu also approached Rohit Kaul from Jammu, who was also eager to start something of this sort having lot of funds at his disposal, and persuaded him to join them. The following terms were agreed upon:
- i) Anand, Sonu and Rohit will contribute 30,000; 50,000 and 4,00,000 respectively as capital.
 - ii) Profit will be shared equally.
 - iii) Interest on capital will be allowed @ 5% p.a.
- The Profits of the firm for the year ended 31st Dec 2011 were 50,000.
- a) Identify any two values which according to you motivated them to start the partnership firm. (2)
 - b) Prepare Profit & Loss Appropriation Account of the firm for the year ending 31st Dec 2011. (2)

12. Archana, Bindu and Charu were partners sharing profits in the ratio of 3:2:1. Their Balance Sheet as on 1st April 2010 was:

Liabilities		Amount	Assets		Amount
Creditors		20,000	Cash		20,000
General Reserve		30,000	Debtors		18,000
Capitals:			Stock		60,000
Archana	1,00,000		Furniture		52,000
Bindu	70,000		Land & Building		1,40,000
Charu	70,000	2,40,000			
		2,90,000			2,90,000

Bindu Died on the above date and the executors were paid in the following manner:

- a) Bindu's Share of Goodwill was Rs. 6,000;
 - b) A provision for doubtful debts@ 5% was to be made on debtors;
 - c) Land & Building were to be depreciated by 5% and Stock was valued at Rs.61900.
- Pass necessary journal entries for the above transactions on Bindu's Death. (4)

13. R Ltd. purchased a running business from P Ltd for a sum of Rs.12,00,000 payable by issue of equity shares of Rs.10 each at a premium of Rs. 2 per share.

The Assets and liabilities were following:

Plant	4,00,000
Furniture	2,00,000
Building	4,00,000
Stock	3,00,000
Sundry Creditors	1,00,000

Record necessary Journal entries in the books of R Ltd. (4)

14. Janata Ltd. forfeited 1,500 shares of Rs. 10 each at a premium of Rs. 2 each due to non-payment of First call of Rs. 3. The final call of Rs. 2 is not yet made. Out of these 900 shares were re-issued at Rs. 6, Rs. 8 called up.

Pass journal entries to record the above transactions. (4)

15. X, Y and Z were partners in a firm. Their capitals were Rs.1,00,000; Rs.2,00,000 and Rs.2,50,000. Their agreement provided the following:

- (i) The profit sharing ratio will be 1:2:2
- (ii) X is being guaranteed a share of Profit Rs.50,000
- (iii) Y will be allowed a salary of Rs.12,000 p.a.
- (iv) Interest on capital will be allowed @ 12% p.a.

The interest on drawings were Rs.500, Rs.600, and Rs. 800 for X,Y and Z. The firm earned a profit of Rs.2,88,900 during the year.

Prepare profit & loss appropriation account and show the workings. (6)

16. L, M and N were partners sharing profits and losses in the ratio of 5:3:2. On 31st Dec 2011 their Balance Sheet was as under:

Liabilities	Amount	Assets	Amount
Capitals:		Property	1,20,000
L 1,50,000		Patents	30,000
M 1,25,000		Machinery	1,50,000
N <u>75,000</u>	3,50,000	Stock	1,90,000
Workmen's Compensation		Bank	40,000
Fund	30,000		
Creditors	1,50,000		
	5,30,000		5,30,000

N retired on 31st March 2012 and it was agreed that:

- (i) Goodwill of the firm is to be valued at Rs.1,75,000.
- (ii) Machinery be valued at Rs.1,40,000; Patents at Rs.40,000 and Property at Rs.1,50,000 on this date.
- (iii) For the purpose of calculating N's share in the profits of 2012, the profits should be taken to have accrued on the same scale as in 2011, which was Rs.60,000.

Prepare N's Capital Account and Revaluation Account. (6)

17. Riya and Priya are partners, who share profit in the ratio of 3:2. Following is the Balance sheet as on March 31, 2007.

Liabilities	Amount	Assets	Amount
Riya's Capital	32,500	Cash at Bank	40,500
Priya's Capital	11,500	Stock	7,500
Sundry Creditors	48,000	Debtors	21,500
Reserve Fund	13,500	Less: PDD	<u>500</u>
		Fixed Assets	21,000
			36,500
	1,05,500		1,05,500

The firm was dissolved on March 31, 2007.

Close the books of the firm with the following:

- Debtors realized at a discount of 10%
- Stock realized at Rs. 7,000
- Fixed assets realized at Rs. 40,000
- Realisation expenses of Rs. 1,500 paid by Riya
- Creditors were paid 10% less. Prepare necessary accounts.

(8)

OR

A & B are partners sharing in the ratio 3:2 and their Balance Sheet is as follows:

Liabilities	Amount	Assets	Amount
Creditors	3600	Cash	1000
Bills Payable	2000	Debtors	3400
General Reserve	2400	Stock	2400
Capital		Machinery	4200
A	15000	Building	20000
B	8000		
	31000		31000

The other terms of agreement on C's admission were as follows:

C will bring Rs. 10000 as Goodwill and Rs.15000 as Capital.

- Building will be valued at Rs. 18500 and Machinery at Rs. 5000.
- A provision of 5% will be credited on Debtors for Bad Debts.

Capital Accounts of A and B will be adjusted as per C's Capital his profit sharing ratio is $\frac{1}{4}$ in the new firm. Prepare Revaluation Account, Partner's Capital Account and the Balance Sheet of A,B & C.

(8)

18. Creative Ltd issued Rs.10,00,000 divided into Rs.10 shares at a premium @ 20% per share, payable as under:

On Application	Rs.3 per share
On Allotment	Rs.5 per share(including premium)
On First and Final Call	Balance

Over payments on application were to be applied towards sums due on allotment. Where no allotment was made, money was to be refunded in full.

The issue was oversubscribed to the extent of 1,20,000 shares. Applicants for 10,000 shares were sent letters of regret. Shares were allotted in full to the remaining applicants.

All the money due was duly received.

(a) Which value has been affected by rejecting the applications of the applicants who had been sent letters of regret? Suggest a better alternative for the same.

(b) Give Journal Entries to record the above transactions in the books of the company. (8)

OR

R Ltd invited application for issuing 70,000 shares of Rs.10 each at par. The amount was payable as follows:

On Application	Rs.2 per share
On Allotment	Rs.3 per share
On First & Final Call	Rs.5 per share

Applications were received for 97,000 shares. Allotment was made on the following basis: (i) To applicants for 45,000 shares – Full

(ii) To applicants for 50,000 shares – 50%

(iii) To applicants for 2,000 shares – nil.

All the money due were received in full except for 300 shares on which First & Final Call money was in arrears.

(a) Which value has been affected by the rejection of application of category (iii) applicants? suggest a better alternative for the same.

(b) Pass journal entries in the books of R Ltd to record the above transactions. (8)

PART ' B'

19. X Ltd has a Current Ratio of 2:1. If the money is collected from debtors, will the ratio increase or decrease or will not change? (1)
20. Payment of dividend to shareholders is what type of activity? (1)
21. Interest received by a Financing company will result in inflow, outflow or no flow. (1)

22. List the items which are shown under the heading, “Non-Current Assets” in the Balance sheet of a company as per provisions of Schedule VI, of the Companies Act 1956. (3)

23. Prepare a Comparative Income Statement with the following information:

Particulars	2010	2011	
Net Sales	20,00,000	25,00,000	
Cost of Goods Sold	60% of Sales	60% of Sales	
Indirect Expenses	10% of Gross Profit		
Income Tax	50% of Net Profit before Tax		(4)

24. Find the value of Opening Stock when Closing Stock is 15,000 more than Opening Stock. Stock Turnover Ratio is 6 times and cost of goods sold is 3,00,000. (4)

25. From the following summarized balance sheet of a company, calculate cash flow from operating activities:

Particulars	31-3-2010	31-3-2011
I. Equity and Liabilities		
Shareholder's Funds		
Equity Share Capital	1,00,000	1,00,000
Reserves and Surplus	30,000	60,000
Non-Current Liabilities		
Debentures	60,000	80,000
Current Liabilities		
Creditors	30,000	35,000
Bills Payable	30,000	10,000
Other Current Liabilities	40,000	45,000
Total	2,90,000	3,30,000
II Assets		
Non-Current Assets: Fixed Assets	1,50,000	1,90,000
Non-Current Investments	40,000	30,000
Current Assets:		
Stock	40,000	55,000
Debtors	40,000	45,000
Cash	20,000	10,000
Total	2,90,000	3,30,000

Additional Information:

- (i) Depreciation charged during the year amounted to Rs.22,000.
(ii) Dividend paid during the year amounted to Rs.12,000. (6)

MARKING SCHEME
ACCOUNTANCY
Class – XII

Part A

1. Teena will not get interest @ 10% p.a.
Reason: In the absence of partnership agreement Interest on Partner's Loan to the firm will be 6% p.a. ($\frac{1}{2} + \frac{1}{2} = 1$ mark)
2. Only X is gaining in this case. (1 mark)
3. Partnership dissolves in the following ways: (Any two)
 - i) Compulsory dissolution by court
 - ii) Voluntary dissolution by agreement of all partners
 - iii) Business becomes illegal
 - iv) When the term of the partnership agreement ends (2 x $\frac{1}{2} = 1$ mark)
4. Revaluation Account is prepared at time of Reconstitution of Partnership firm ie., Admission, Retirement or Death of a Partner. (1 mark)
5. The amount of Securities Premium can be used in any of the following (any one)
 - i) Issue fully paid bonus shares
 - ii) Write off preliminary expenses or discount on issue of share / debentures (1 mark)
6. Over Subscription refers to the situation when number of shares applied by the public is more than the number of shares issued. In such an event either pro-rata allotment is done or excess applications are rejected. (1 mark)
7. Debenture Redemption Reserve is mandatory to be created to the extent of 50% of the debentures to be redeemed out of the available profit by SEBI's guidelines. (1 mark)

8. **Journal**

Date	Particulars	L.F	Dr Amt	Cr Amt
	C's Capital A / c Dr. To A's Capital A / c (Being Omission of Interest on Capital now adjusted)		400	400

(2)

Working Note: Statement Showing Adjustment to be made:

Particulars	A	B	C	Total
Interest on Capital Allowed Less (6% - 4%)	2000	1600	1200	4800
Less: Profit wrongly credited	1600	1600	1600	4800
Balance	400 Cr	Nil	(400) Dr	Nil

(1) (2 + 1 = 3 marks)

9.

Journal

Date	Particulars	LF	Dr Amt	Cr Amt
2009 Jan 1	Profit & Appropriation A/c Dr. To Debenture Redemption Reserve A/c (Being DRR created upto 50% of the value of Debentures)		20,00,000	20,00,000
2009 Dec 31	12% Debenture A/c Dr. To Bank A/c (Being the debentures redeemed)		90,00,000	90,00,000
2009 Dec 31	Debenture Redemption Reserve A/c Dr. To General Reserve A/c (Being DRR transferred to General Reserve)		45,00,000	45,00,000

(3 x 1 = 3 marks)

10.

Journal

Date	Particulars	LF	Dr Amt	Cr Amt
i)	Bank A/c Dr. Loss on Issue of Debenture A/c Discount on Issue of Deb A/c To 15% Debenture A/c To Premium on Redemption Of Debenture A/c (Being Loss on Issue of Debenture on Account of Premium payable on Redemption of Debenture)		13,500 1,500 1,500	15,000 1,500
ii)	Bank A/c To 9% Debenture A/c To Securities Premium A/c (Being issue of debentures at 10% Premium and redeemable at par)		66,000	60,000 6,000

(1 ½ x 2 = 3 marks)

11. **a) Values** (any four)

- i) Secularism
- ii) Helping the financially backward children
- iii) Sensitivity towards differently abled individuals.
- iv) Providing entrepreneurial opportunities to people from different areas of the country.
- v) Giving opportunities to the educated unemployed. (4 X ½ = 2 marks)

b) Profit & Loss Appropriation Account

Partiucalars	Amount	Particulars	Amount
To Interest on Capital		By P&L A / c	50,000
Anand 1,500		(net profit	
Sonu 2,500		b/ d)	
Rohit <u>20,000</u>	24,000		
To Capital Accounts			
Anand 6,500			
Sonu 6,500			
Rohit 6,500			
Manoj <u>6,500</u>	26,000		
	50,000		50,000

(1 mark for Int on Capital + ½ mark for Bal b/ d + ½ mark for profit distribution)=2 marks

(2 + 2 = 4 marks)

12.

Journal

Date	Particulars	LF	Dr Amt	Cr Amt
a)	Archana Capital A / c Dr Charu Capital A / c Dr To Bindu Capital A / c (Being Bindu's share of goodwill Adjusted in their gaining ratio)		4,500 1,500	6,000
b)	Revaluation A / c Dr To Provision for Doubtful Debt A / c To Land & Building A / c (Being PDD created and reduction In the value of L&B accounted)		7,900	900 7,000
c)	Stock A / c Dr To Revaluation A / c (Being value of stock increased)		1,900	1,900
d)	Archana Capital A / c Dr Bindu Capital A / c Dr Charu Capital A / c Dr To Revaluation A / c (Being loss on revaluation transferred To capital accounts of partners)		3,000 2,000 1,000	6,000

e)	General Reserve A / c Dr	30,000	
	To Archana Capital A / c		15,000
	To Bindu Capital A / c		10,000
	To Charu Capital A / c		5,000
	(Being the balance in General Reserve Account transferred to Capital A / c)		

Working Note: Amount payable to Bindu's Executors.

Bindu's Capital A / c = Opening Balance	70,000
+Share of Goodwill	+ 6,000
-Loss on Revaluation	- 2,000
+Share of Gen Reserve	<u>+10,000</u>
	<u>84,000</u>

(1 + ½ + ½ +1+1=4 marks)

13.

Journal

Date	Particulars	LF	Dr Amt	Cr Amt
	Plant A / c Dr.		4,00,000	
	Furniture A / c Dr.		2,00,000	
	Building A / c Dr.		4,00,000	
	Stock A / c Dr.		3,00,000	
	To Sundry Creditors A / c			1,00,000
	To P Ltd. A / c			12,00,000
	(Being purchased running business From P Ltd for Rs.12,00,000)			
	P Ltd A / c Dr.		12,00,000	
	To Equity Share Capital A / c			10,00,000
	To Securities Premium A / c			2,00,000
	(Being purchase consideration paid Issue of Equity Shares of Rs.10 at Premium of Rs.2 per share)			

(2 + 2=4 marks)

14.

Journal

Date	Particulars	L F	Dr Amt	Cr Amt
(a)	Share Capital A / c Dr.		12,000	
	To Forfeited Shares A / c			7,500
	To Calls in arrears A / c			4,500
	(Being 1500 shares forfeited Due to non-payment of First Call of Rs.3)			

(b)	Bank A / c	Dr.	5,400	
	Forfeited Shares A / c	Dr.	1,800	
	To Share Capital A / c			7,200
	(Being Reissue of 900 shares @Rs6, Rs.8 called up)			
(c)	Forfeited Shares A / c	Dr.	2,700	
	To Capital Reserve A / c			2,700
	(Being balance in Forfeited Shares Account transferred to Capital Reserve)			

Calculation of Forfeited Share Account to be transferred to Capital Reserve:

Forfeited Shares for 1500 shares = 7,500

Forfeited shares for 900 shares = $7,500 / 1,500 \times 900 = \text{Rs.}4,500$

Amount utilized towards difference in called up and received

= $7,200 - 5,400 = \text{Rs.}1,800$

Therefore amount to be transferred to capital reserve = $4,500 - 1,800 = \text{Rs.}2,700$

(1 + 1 + 1 + 1 = 4 marks)

15.

Profit and Loss Appropriation Account

Particulars	Amount	Particulars	Amount
To Interest on Capital (5% of Capital balance)		By P & L A / c (Net profit)	2,88,900
X 12,000		By Interest on Drawings	
Y 24,000		X 500	
Z <u>30,000</u>	66,000	Y 600	
To Salary to Y	12,000	Z <u>800</u>	1,900
To Capital A / c			
X $42560 + 3720 + 3720 = 50,000$			
Y $85120 - 3720 = 81,400$			
Z $85120 - 3720 = \underline{81,400}$	2,12,800		
	2,90,800		2,90,800

Calculation of Each item 1 mark each

Calculation of Share of Profit 3 marks

(3 x 1 + 3 = 6 marks)

16.

Revaluation Account

Particulars	Amount	Particulars	Amount
To Machinery	10,000	By Patent	10,000
To Capital A / c		By Property	30,000
L 15,000			
M 9,000			
N <u>6,000</u>	30,000		
	40,000		40,000

(2)

N's Capital Account

Particulars	Amount	Particulars	Amount
To N's Loan A/c	1,25,000	By Balance B / d	75,000
		By L's Capital	21,875
		By M's Capital	13,125
		(1,75,000 x 2/10 and gaining Ratio of L & M)	
		By Revaluation A / c	6,000
		By Workmen's Compensation Fund	
		(30,000 x 2/10)	6,000
		By P & L Suspense A / c	
		(60,000 x 3/12 x 2/10)	3,000
	1,25,000		1,25,000

(4)

(2+4=6marks)

17.

Realisation A/c

Particulars	Amount	Particulars	Amount
To Stock	7,500	By S / Crs	48,000
To Debtors	21,500	By PDD	500
To Fixed Assets	36,500	By Bank	
To Bank (Crs)	43,200	(Stock = 7,000)	
To Riya's Capital	1,500	(F A = 40,000)	
To Capital A / c		(Drs = 19,350)	66,350
Riya 2,790			
Priya <u>1,860</u>	4,650		
	1,14,850		1,14,850

(3)

Partner's Capital A/c

Particulars	Riya	Priya	Particulars	Riya	Priya
			By Balance b / d	32,500	11,500
			By Reserve Fund	8,100	5,400
To Bank	44,890	18,760	By Realisation A / c	2,790	1,860
			By Realisation A / c	1,500	----
	44,890	18,760		44,890	18,760

(3)

Bank A/c

Particulars	Amount	Particulars	Amount
To Balance b/ d	40,500	By Realisation A / c	43,200
To Realisation A / c	66,350	By Riya's Capital	44,890
		By Priya's Capital	18,760
	1,06,850		1,06,850

(2)

(3+3+2=8 marks)

OR

Revaluation A/c

Particulars	Amount	Particulars	Amount
To Building	1,500	By Machinery	800
To PDD	170	By Capital A / c	
		A 522	
		B <u>348</u>	870
	1,670		1,670

(1)

Partner's Capital Account

Particulars	A	B	C	Particulars	A	B	C
To Revaluation A / c	522	348	-	By Balance b/ d	15,000	8,000	-
				By Cash A / c	-	-	15,000
To Balance c / d	27,000	18,000	15,000	By Premium	6,000	4,000	-
				By General Reserve	1,440	960	-
				By Cash (b / f)	5,082	5,388	-
	27,522	18,348	15,000		27,522	18,348	15,000

(2)

Balance Sheet

Liabilities	Amount	Assets	Amount
Creditors	3,600	Cash(1,000+10,000+	
Bills Payable	2,000	15,000+5082+5388)	36,470
Capital		Debtors	3,400
A 27,000		Less: PDD	<u>170</u>
B 18,000		Stock	2,400
C <u>15,000</u>	60,000	Machinery	5,000
		Building	18,500
	65,600		65,600

(2)

Calculation of New Profit Sharing Ratio ie., 9:6:5 1 mark

Calculation of Capital according to C's Capital

C's Capital 15,000 for $\frac{1}{4}$ Share

Therefore Total capital of the firm = $15,000 \times 4 = 60,000$

A's New Capital will be = $60,000 \times \frac{9}{20} = 27,000$

B's New Capital will be = $60,000 \times \frac{6}{20} = 18,000$ 2 marks

(1+2+2+1+2=8marks)

18. a) Value of Equality has been affected by rejecting the applications of the retail investors from getting shares of the company. (1 mark)
- The better alternative could have been to allot the shares proportionately to all the applicants so that such applicants may not be demotivated from investing in the capital of big companies in future. (1 mark)

b) Each Journal Entry carry 1 mark each 6 marks
(1+1+6=8 marks)

OR

- a) Value of Equality has been affected by rejecting the applications of the retail investors from getting shares of the company. (1 mark)
- The better alternative could have been to allot the shares proportionately to all the applicants so that such applicants may not be demotivated from investing in the capital of big companies in future. (1 mark)

b) Each Journal Entry carry 1 mark each 6 marks
(1+1+6=8 marks)

Part B

19. The current ratio will remain the same as there is no change in the current assets. (1 mark)
20. Financing Activity (1 mark)
21. Inflow of cash (1 mark)
22. **Non-Current Assets**
- a) Fixed Assets
 - i) Tangible Assets
 - ii) Intangible Assets
 - iii) Capital work in progress
 - b) Non-current Investments
 - c) Deferred tax assets (net)
 - d) Long term loans and advances
 - e) Other Non-current assets (any three) (3x1=3mark)

23.

Comparative Income Statement

Particulars	2010	2011	Absolute change	% Change
Net Sales	20,00,000	25,00,000	5,00,000	25%
Less: Cost of Goods Sold	12,00,000	15,00,000	3,00,000	25%
Gross Profit	8,00,000	10,00,000	2,00,000	25%
Less: Indirect Expenses	80,000	1,00,000	20,000	25%
Profit Before Tax (PBT)	7,20,000	9,00,000	1,80,000	25%
Less: Tax	3,60,000	4,50,000	90,000	25%
Profit After Tax (PAT)	3,60,000	4,50,000	90,000	25%

(1mark for each correct row 4 x 1=4 marks)

24. Stock Turnover Ratio = $\frac{\text{Cost of Goods Sold}}{\text{Average Stock}}$ 1/2

$$6 = \frac{3,00,000}{\text{Average Stock}}$$

$$\text{Therefore, Average Stock} = 3,00,000 / 6$$

$$= \text{Rs. } 50,000$$

1/2

$$\text{Average Stock} = \frac{\text{Opening Stock} + \text{Closing Stock}}{2}$$

1/2

Let Opening Stock be Rs. X

1/2

$$\text{Average Stock} = \frac{X + X + 15,000}{2} \quad \text{or}$$

$$50,000 = \frac{2X + 15,000}{2}$$

$$X = \frac{50,000 \times 2 - 15,000}{2}$$

$$X = \text{Rs. } 42,500 = \text{Opening Stock}$$

1

$$\text{Therefore, Closing Stock} = \text{Opening Stock} + 15,000$$

$$= 42,500 + 15,000$$

$$= \text{Rs. } 57,500$$

1

$$\text{Opening Stock} = \text{Rs. } 42,500 \text{ \& Closing Stock} = \text{Rs. } 57,500$$

($\frac{1}{2} + \frac{1}{2} + \frac{1}{2} + \frac{1}{2} + 1 + 1 = 4$ marks)

25.

Cash Flow Statement

Cash flow from Operating Activities	Rs	Rs
Net Profit before Tax and Extra-ordinary items (Working Note – 1)		30,000
Adjustments for:		
Depreciation	22,000	
Dividend Paid	12,000	34,000
Operating profit before working capital changes		64,000
Add: Increase in Current Liabilities		
Increase in Creditors	5,000	
Increase in Other Current Liabilities	5,000	10,000
Less: Decrease in Current Liabilities		74,000
Bills Payable	20,000	
Increase in Current Assets		
Stock	15,000	
Debtors	5,000	(40,000)
Net Cash Flow from operating activities		34,000

Working Note – 1 Closing Balance of Profit & Loss A / c = Rs.60,000
Less: Opening Balance of P & L A / c = Rs.30,000
Net Profit for the year =Rs. 30,000

(1 + 1 + 1 + 1 + 1 + 1 = 6 marks)