

## ACCOUNTANCY

**Time allowed: 3 hours**

**Maximum Marks: 80**

**General Instructions:**

1. This question paper comprises **two** Parts – **A** and **B**. There are **32** questions in the question paper. All questions are compulsory.
2. **Part A** is **compulsory** for all candidates.
3. **Part B** has two options i.e. (1) Analysis of Financial Statements and (2) Computerised Accounting. You have to attempt only one of the given options.
4. Question nos. **1** to **13** and **23** to **29** are very short answer type questions carrying 1 mark each.
5. Question nos. **14** and **30** are short answer type–I questions carrying 3 marks each.
6. Question nos. **15** to **18** and **31** are short answer type–II questions carrying 4 marks each.
7. Question nos. **19**, **20** and **32** are long answer type–I questions carrying 6 marks each.
8. Question nos. **21** and **22** are long answer type–II questions carrying 8 marks each.
9. There is no overall choice. However, an internal choice has been provided in 2 questions of three marks, **2** questions of four marks and **2** questions of eight marks.

Part - A (Accounting for Not-For-Profit-Organisation, Partnership Firm and Companies)							
1	Balance Sheet as on _____					1	
	Capital and Liabilities		Amount (₹)	Assets			Amount (₹)
	Tournament Fund	1,60,000					
	Less: Tournament Expenses	(28,000)	1,32,000				
2	6% p.a.					1	
3	Journal					1	
	Date	Particulars		L.F.	Debit (₹)		Credit (₹)
	(a)	Realisation A/c	Dr.		4,000		4,000
		To Cash A/c					
	(Realisation expenses paid)						
(b)	Realisation A/c	Dr.		6,000	6,000		
	To Vinay's Capital A/c						
	(Realisation expenses paid by Vinay)						

4	₹ 90,000	1										
5	7 1/2 months	1										
6	<p align="center"><b>Journal</b></p> <table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>L.F.</th> <th>Debit (₹)</th> <th>Credit (₹)</th> </tr> </thead> <tbody> <tr> <td>2019 April, 1</td> <td>                     Pankaj's Capital A/c                  Dr.                      Shreya's Capital A/c                 Dr.                      Anand's Capital A/c                  Dr.                          To Profit and Loss A/c                      (Profit and loss debit balance distributed at                      time of change in profit sharing ratio)                 </td> <td></td> <td>                     72,600                      24,200                      24,200                 </td> <td>1,21,000</td> </tr> </tbody> </table>	Date	Particulars	L.F.	Debit (₹)	Credit (₹)	2019 April, 1	Pankaj's Capital A/c                  Dr. Shreya's Capital A/c                 Dr. Anand's Capital A/c                  Dr. To Profit and Loss A/c (Profit and loss debit balance distributed at time of change in profit sharing ratio)		72,600 24,200 24,200	1,21,000	1
Date	Particulars	L.F.	Debit (₹)	Credit (₹)								
2019 April, 1	Pankaj's Capital A/c                  Dr. Shreya's Capital A/c                 Dr. Anand's Capital A/c                  Dr. To Profit and Loss A/c (Profit and loss debit balance distributed at time of change in profit sharing ratio)		72,600 24,200 24,200	1,21,000								
7	<p>Total capital as per R's share (<math>₹8,00,000 \times (5/1)</math>)    40,00,000                      Less: Actual capital of P,Q, and R (<math>₹20,00,000 + ₹8,00,000</math>)                                  <u>(28,00,000)</u>                      Value of Firm's Goodwill    12,00,000</p> <p>R's Share of Goodwill = <math>₹12,00,000 \times (1/5) = ₹2,40,000</math></p>	1										
8	<p align="center"><b>Journal</b></p> <table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>L.F.</th> <th>Debit (₹)</th> <th>Credit (₹)</th> </tr> </thead> <tbody> <tr> <td>2019 Nov. 14</td> <td>                     Profit and Loss Suspense A/c              Dr.                          To Kartik's Capital A/c                      (Kartik's share of profit up to the date of her                      death transferred to her capital account)                 </td> <td></td> <td>10,525</td> <td>10,525</td> </tr> </tbody> </table>	Date	Particulars	L.F.	Debit (₹)	Credit (₹)	2019 Nov. 14	Profit and Loss Suspense A/c              Dr. To Kartik's Capital A/c (Kartik's share of profit up to the date of her death transferred to her capital account)		10,525	10,525	1
Date	Particulars	L.F.	Debit (₹)	Credit (₹)								
2019 Nov. 14	Profit and Loss Suspense A/c              Dr. To Kartik's Capital A/c (Kartik's share of profit up to the date of her death transferred to her capital account)		10,525	10,525								
9	<p align="center"><b>Journal</b></p> <table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>L.F.</th> <th>Debit (₹)</th> <th>Credit (₹)</th> </tr> </thead> <tbody> <tr> <td>2020 April 1</td> <td>                     Investment Fluctuation Reserve A/c Dr.                          To Investment A/c                          To X's capital A/c                          To Y's Capital A/c                      (The transfer of excess investment                      fluctuation reserve to partner's capital account                      in old profit sharing ratio)                 </td> <td></td> <td>1,20,000</td> <td>                     40,000                      48,000                      32,000                 </td> </tr> </tbody> </table>	Date	Particulars	L.F.	Debit (₹)	Credit (₹)	2020 April 1	Investment Fluctuation Reserve A/c Dr. To Investment A/c To X's capital A/c To Y's Capital A/c (The transfer of excess investment fluctuation reserve to partner's capital account in old profit sharing ratio)		1,20,000	40,000 48,000 32,000	1
Date	Particulars	L.F.	Debit (₹)	Credit (₹)								
2020 April 1	Investment Fluctuation Reserve A/c Dr. To Investment A/c To X's capital A/c To Y's Capital A/c (The transfer of excess investment fluctuation reserve to partner's capital account in old profit sharing ratio)		1,20,000	40,000 48,000 32,000								
10	Realisation account	1										
11	<p>R's share acquired from A and B each = <math>1/4 \times 1/2 = 1/8</math>                      P's share = <math>4/6 - 1/8 = 13/24</math>                      Q's share = <math>2/6 - 1/8 = 5/24</math>                      R's share = <math>1/4 \times 6/6 = 6/24</math>                      New profit sharing ratio of P : Q : R is 13 : 5 : 6                      Yes, the accountant is correct.</p>	1										

12	<p>According to companies Act &amp; Rules, 2014, Debenture redemption reserve, the required amount transferred is 25% of debentures. So, the amount transferred to general reserve on 31st March, 2021 is ₹5,00,000 (20,000 debentures of 100 each = ₹20,00,000 x 25%)</p>	1																				
13	Reserve Capital	1																				
14	<p>Statement Showing Expenditure on Medicine consumed during the year ending 31<sup>st</sup> March, 2020:-</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="width:70%;">Particulars</th> <th style="width:30%;">Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>Amount paid for medicines during the year</td> <td style="text-align: right;">4,00,000</td> </tr> <tr> <td>Add: Opening Stock of Medicines</td> <td style="text-align: right;">1,00,000</td> </tr> <tr> <td>Less: Closing stock of Medicines</td> <td style="text-align: right;">(1,90,000)</td> </tr> <tr> <td>Less: Opening Creditors</td> <td style="text-align: right;">(40,000)</td> </tr> <tr> <td>Add: Closing Creditors</td> <td style="text-align: right;">20,000</td> </tr> <tr> <td><b>Medicine consumed during the year</b></td> <td style="text-align: right; border-top: 1px solid black;"><b>2,90,000</b></td> </tr> </tbody> </table>	Particulars	Amount (₹)	Amount paid for medicines during the year	4,00,000	Add: Opening Stock of Medicines	1,00,000	Less: Closing stock of Medicines	(1,90,000)	Less: Opening Creditors	(40,000)	Add: Closing Creditors	20,000	<b>Medicine consumed during the year</b>	<b>2,90,000</b>	3						
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Date	Particulars	L.F.	Debit (₹)	Credit (₹)																		
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16	<p><b>Journal</b></p> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:15%;">Date</th> <th style="width:45%;">Particulars</th> <th style="width:10%;">L.F.</th> <th style="width:15%;">Debit (₹)</th> <th style="width:15%;">Credit (₹)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2020 March 31</td> <td>Mahima's Capital A/c Bhawna's Capital A/c     To Kirti's Capital A/c (The deficiency of Kirti met by Mahima and Bhawna)</td> <td></td> <td style="text-align: right;">4,80,000 3,20,000</td> <td style="text-align: right;">8,00,000</td> </tr> </tbody> </table> <p style="text-align: center;"><b>Profit and Loss Appropriation A/c for the year ended 31<sup>st</sup> March, 2018</b></p> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left;">Dr.</th> <th colspan="2" style="text-align: right;">Cr.</th> </tr> <tr> <th style="width:35%;">Particulars</th> <th style="width:15%;">Amount (₹)</th> <th style="width:35%;">Particulars</th> <th style="width:15%;">Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>Net Loss (profit and loss account)</td> <td style="text-align: right;">44,00,000</td> <td>Loss transferred to: Mahima's Capital A/c Bhawna's Capital A/c Kirti's Capital A/c</td> <td style="text-align: right;">24,00,000 16,00,000 4,00,000</td> </tr> <tr> <td></td> <td style="text-align: right;">44,00,000</td> <td></td> <td style="text-align: right;">44,00,000</td> </tr> </tbody> </table> <p><b>Working note:</b>            Loss of the firm : ₹44,00,000            Kirti's share of loss = ₹44,00,000 X 1/11 = ₹4,00,000            Guaranteed minimum profit = ₹4,00,000</p>	Date	Particulars	L.F.	Debit (₹)	Credit (₹)	2020 March 31	Mahima's Capital A/c Bhawna's Capital A/c To Kirti's Capital A/c (The deficiency of Kirti met by Mahima and Bhawna)		4,80,000 3,20,000	8,00,000	Dr.		Cr.		Particulars	Amount (₹)	Particulars	Amount (₹)	Net Loss (profit and loss account)	44,00,000	Loss transferred to: Mahima's Capital A/c Bhawna's Capital A/c Kirti's Capital A/c	24,00,000 16,00,000 4,00,000		44,00,000		44,00,000	4
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17	<p><b>In the books of Monti Ltd. Journal</b></p> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:15%;">Date</th> <th style="width:45%;">Particulars</th> <th style="width:15%;">Debit (₹)</th> <th style="width:15%;">Credit (₹)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;"><b>On Application</b></td> <td>Bank A/c Dr.     To Equity Share Application A/c (The amount received on application )</td> <td style="text-align: right;">5,00,000</td> <td style="text-align: right;">5,00,000</td> </tr> <tr> <td></td> <td>Equity Share Application A/c Dr.     To Equity Share Capital A/c (Application amount received transferred to share capital account)</td> <td style="text-align: right;">5,00,000</td> <td style="text-align: right;">5,00,000</td> </tr> <tr> <td style="text-align: center;"><b>On Allotment</b></td> <td>Bank A/c Dr.     To Equity Share Allotment A/c     To Securities Premium A/c (The amount received on allotment with securities premium)</td> <td style="text-align: right;">6,00,000</td> <td style="text-align: right;">3,50,000 2,50,000</td> </tr> <tr> <td></td> <td>Equity Share Allotment A/c Dr.     To Equity Share Capital A/c</td> <td style="text-align: right;">3,50,000</td> <td style="text-align: right;">3,50,000</td> </tr> </tbody> </table>	Date	Particulars	Debit (₹)	Credit (₹)	<b>On Application</b>	Bank A/c Dr. To Equity Share Application A/c (The amount received on application )	5,00,000	5,00,000		Equity Share Application A/c Dr. To Equity Share Capital A/c (Application amount received transferred to share capital account)	5,00,000	5,00,000	<b>On Allotment</b>	Bank A/c Dr. To Equity Share Allotment A/c To Securities Premium A/c (The amount received on allotment with securities premium)	6,00,000	3,50,000 2,50,000		Equity Share Allotment A/c Dr. To Equity Share Capital A/c	3,50,000	3,50,000	4						
Date	Particulars	Debit (₹)	Credit (₹)																									
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	Equity Share Allotment A/c Dr. To Equity Share Capital A/c	3,50,000	3,50,000																									

		(Allotment money received transferred to equity share capital account)				
	<b>On First and Final Call</b>	Bank A/c Dr. To Equity Share First and Final Call A/c (Amount received on first and final call)	1,50,000	1,50,000		
		Equity Share First and Final Call A/c Dr. To Equity Share Capital A/c (First and final call money received transferred to share capital account)	1,50,000	1,50,000		
18	<b>Journal</b>					4
	<b>Date</b>	<b>Particulars</b>	<b>L.F.</b>	<b>Debit (₹)</b>	<b>Credit (₹)</b>	
		Realisation A/c Dr. To B's Capital A/c (Wife's loan discharged by the partner)		12,000	12,000	
		Realisation A/c Dr. To Bank A/c (Balance creditors paid at a discount of 10% after part payment through furniture)		54,000	54,000	
		B's Capital Account Dr. To Realisation A/c (Unrecorded machine taken over by a partner)		6,000	6,000	
		A's Capital A/c Dr. B's Capital A/c Dr. C's Capital A/c Dr. To Profit and Loss A/c (Debit balance of Profit and Loss distributed amongst partners equally)		10,000 10,000 10,000	30,000	
19	<b>Income and Expenditure Account for the year ended 31<sup>st</sup> March, 2019</b>					6
	<b>Dr.</b>		<b>Cr.</b>			
	<b>Expenditure</b>	<b>Amount (₹)</b>	<b>Income</b>	<b>Amount (₹)</b>		
	Advertisement	26,200	Donations	40,000		
	Rent, Rates and Taxes	28,000	Proceeds from Charity show	32,400		
	Repairs	30,000	Subscription	1,04,000		
	Printing and Stationery	32,000	Entrance Fees	12,000		
	Telephone Expenses	2,000	Interest on Investments	14,400		
	Depreciation on Furniture (1,40,000x15/100x9/12)	15,750				
	Excess of Income over expenditure	68,850				
		2,02,800		2,02,800		

Dr.		Subscription Account		Cr.	
Particulars		Amount (₹)	Particulars		Amount (₹)
Subscription in arrears in the beginning		12,000	Subscription in advance at end		8,000
Income and Expenditure A/c (Bal. fig)		1,04,000	Receipts and Payments A/c		1,04,000
Subscription in advance at end		10,000	Subscription in arrears at end		14,000
		1,26,000			1,26,000

In the Books of Sachin Ltd. Journal					
Date	Particulars		J.F	Debit (₹)	Credit (₹)
2018 Sept. 30	Debenture Interest A/c	Dr.		1,05,000	
	To TDS Payable A/c				5,250
	To Debentureholders' A/c				99,750
	(Interest made due for half yearly period ending 30th September)				
2018 Sept. 30	Debentureholders A/c	Dr.		99,750	
	To Bank A/c				99,750
	(Interest paid to debentureholders)				
2018 Sept. 30	TDS Payable A/c	Dr.		5,250	
	To Bank A/c				5,250
	(Payment of tax on interest on debentures)				
2019 March 31	Debenture Interest A/c	Dr.		1,05,000	
	To TDS Payable A/c				5,250
	To Debentureholders' A/c				99,750
	(Interest made due for half yearly period ending 31st March)				
2019 March 31	Debentureholders A/c	Dr.		99,750	
	To Bank A/c				99,750
	(Interest paid to debentureholders)				
2019	TDS Payable A/c	Dr.		5,250	

March 31	To Bank A/c (Payment of tax on interest on debentures)			5,250
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Or

**In the Books of Anjali Ltd.  
Journal**

Date	Particulars	J.F.	Debit (₹)	Credit (₹)
	Profit and Loss A/c Dr. To Debenture Redemption Reserve A/c (25% amount of face value of debentures transferred to DRR)		20,00,000	20,00,000
	Debenture Redemption Investment A/c Dr. To Bank A/c (Investment made @ 15% of the face value of debentures)		12,00,000	12,00,000
	Bank A/c Dr. To Debenture Redemption Investment A/c (Investment encashed for redemption)		12,00,000	12,00,000
	10% Debenture A/c Dr. Premium on redemption of Debentures A/c Dr. To Debentureholders A/c (Redemption of Debentures)		80,00,000 6,40,000	86,40,000
	Debentureholders A/c Dr. To Bank A/c (Payment made to debentureholders)		86,40,000	86,40,000
	Debenture Redemption Reserve A/c Dr. To General Reserve A/c (DRR transferred to General reserve after the redemption of all the debentures)		20,00,000	20,00,000

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Dr.		Revaluation A/c		Cr.	
Particulars		Amount (₹)	Particulars		Amount (₹)
Creditors A/c		5,000	Land and Building A/c		1,20,000
Computers A/c		7,500			
Provision for Bad Debts A/c		7,500			
Claim for Damages A/c		20,000			
Partners' Capital A/c:					
Anup	48,000				
Bharat	<u>32,000</u>	80,000			
		1,20,000			1,20,000

Dr.				Partners' Capital Account				Cr.					
Particulars				Anup	Bharat	Chandan	Particulars				Anup	Bharat	Chandan
Anup's Capital				-	-	48,000	Balance b/d				3,60,00	3,60,00	-
Bharat's Capital				24,000	16,000	-	Bank A/c				0	0	6,80,00
Bank A/c				4,43,400	4,15,600	6,00,000	Chandan's Capital A/c				-	-	0
Balance c/d							General Reserve A/c				11,400	7,600	-
							Revaluation A/c (Profit)				48,000	32,000	-
				<b>4,67,400</b>	<b>4,31,600</b>	<b>6,80,000</b>					<b>4,67,400</b>	<b>4,31,600</b>	<b>6,80,000</b>
											<b>0</b>	<b>0</b>	<b>0</b>

**Working Note:**

a.

Old profit sharing ratio = 3:2  
 Chandan admitted for  $\frac{1}{3}$  share  
*(to be acquired from Anup and Bharat in ratio 3:2)*  
 Anup's sacrifice =  $\frac{1}{3} \times \frac{3}{5} = \frac{3}{15}$   
 Bharat's sacrifice =  $\frac{1}{3} \times \frac{2}{5} = \frac{2}{15}$   
 Anup's new share =  $\frac{3}{5} - \frac{3}{15} = \frac{6}{15}$   
 Bharat's new share =  $\frac{2}{5} - \frac{2}{15} = \frac{4}{15}$   
 Chandan's share =  $\frac{1}{3} = \frac{5}{15}$   
**New profit sharing ratio = 6:4:5**

b. **Calculation of Total Goodwill:**

Goodwill brought in by Chandan for  $\frac{1}{3}$ rd share = ₹80,000  
 $\therefore$  Total goodwill of the firm = ₹80,000  $\times$   $(\frac{3}{1})$  = ₹2,40,00

c. **Goodwill distribution table**

Particulars	Anup	Bharat	Chandan
I. Before admission (3:2)	1,44,000	96,000	--
II. After admission (6:4:5)	96,000	64,000	80,000
Gain/(Loss) II - I	(48,000)	(32,000)	80,000



Or

Dr.		Revaluation Account		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
Land and Building	37,100	Stock	50,900		
Provision for doubtful debts	5,200	Sundry Creditors	3,100		
Motor Vans	2,500				
Profit transferred to:					
A's Capital A/c	4,600				
B's Capital A/c	2,760				
C's Capital A/c	<u>1,840</u>				
	9,200				
	54,000			54,000	

Dr.		Partner's Capital Account				Cr.		
Particulars	A (₹)	B (₹)	C (₹)	Particulars	A (₹)	B (₹)	C (₹)	
C's Capital A/c (Goodwill)	•	60,000	•	Balance b/d	1,20,000	1,00,000	80,000	
Balance c/d (Bal.fig.)	1,84,600	78,760		Investment	15,000	9,000	6,000	
Cash A/c (Bal. fig.)				Fluctuation Fund				
				Profit and Loss A/c	45,000	27,000	18,000	
				Revaluation A/c (Profit)	4,600	2,760	1,840	
				B's Capital A/c (Goodwill)	•	•	60,000	
			1,65,840					
	1,84,600	1,38,760	1,65,840		1,84,600	1,38,760	1,65,840	

**Balance sheet of A and B  
as at 31<sup>st</sup> March, 2019**

Capital and Liabilities		Amount (₹)	Assets		Amount (₹)
Sundry Creditors		1,48,900	Land and Building		96,900
Capital Accounts:			Motor Vans		47,500
A	1,84,600		Investments		38,000
B	<u>78,760</u>	2,63,360	Machinery		30,000
			Stock		82,900
			Debtors	1,04,000	
			Less: Provision for doubtful debts	<u>(5,200)</u>	98,800
			Cash		18,160
		4,12,260			4,12,260

Working note:-

Goodwill Distribution Table

Particulars	A	B	C
I. Before Retirement (5:3:2)	1,50,000	90,000	60,000
II. After Retirement (1:1)	1,50,000	1,50,000	-
III. Profit/(Loss) [II - I]	-	60,000	(60,000)



Date	Particulars	J.F	Debit (₹)	Credit (₹)
	Bank A/c Dr. To Equity Share Application A/c (Application money received on 7,00,000 equity shares @ ₹20 each)		1,40,00,000	1,40,00,000
	Equity Share Application A/c Dr. To Equity Share Capital (Application money transferred to share capital account)		1,00,00,000	1,00,00,000
	Bank A/c Dr. Calls in Arrears A/c Dr. Equity Share Application A/c Dr. To Equity Share Allotment A/c (Allotment money received)		59,25,000 75,000 40,00,000	1,00,00,000
	Equity Share Allotment A/c Dr. To Equity Share Capital A/c (Allotment money transferred to share capital account)		1,00,00,000	1,00,00,000
	Equity Share Capital A/c Dr. To Calls in Arrears A/c To Share Forfeiture A/c (5,000 shares forfeited)		2,00,000	75,000 1,25,000
	Bank A/c Dr. Share Forfeiture A/c Dr. To Equity Share Capital A/c (5,000 shares reissued)		2,00,000 50,000	2,50,000
	Bank A/c Dr. Calls in Arrears A/c Dr. To Equity Share First and Final Call A/c (Shares first and final call money received)		49,35,000 15,000	49,50,000
	Equity Share First and Final Call A/c Dr. To Equity Share Capital A/c (First and final call money transferred to share capital account)		49,50,000	49,50,000
	Equity Share Capital A/c Dr. To Share Forfeiture A/c To Calls in Arrears A/c (1,500 shares forfeited)		75,000	60,000 15,000
	Bank A/c Dr. To Equity Share Capital A/c		1,05,000	75,000

To Securities Premium A/c (1,500 shares reissued)			30,000
Share Forfeiture A/c      Dr. To Capital Reserve A/c (Gain on reissue of forfeited shares transferred to capital reserve)		1,35,000	1,35,000

**Working Notes:**

**a. Calculation of Money not Paid by Sachin:**

$$\text{No. of shares applied by Sachin} = 5,000 \times \frac{5,00,000}{4,00,000} = 6,250 \text{ shares}$$

$$\text{Money paid by Sachin on application } (6,250 \times 20) = 1,25,000$$

$$(-) \text{ Amount adjusted with application } (5,000 \times 20) = \underline{1,00,000}$$

$$\text{Excess money adjusted on allotment} = \underline{25,000}$$

$$\text{Money due on allotment } (5,000 \times 20) = 1,00,000$$

$$(-) \text{ Excess application money adjusted} = \underline{25,000}$$

$$\text{Money not paid by Sachin on allotment} = \underline{75,000}$$

**b. For 5,000 shares forfeited of Sachin:**

	Amount Received	Amount Not Received
Share Capital	$(5,000 \times 20) + 25,000 = \mathbf{1,25,000}$	$(5,000 \times 20) - 25,000 = \mathbf{75,000}$

**c.** No. of shares allotted to Varun =  $3,000 \times \frac{1,00,000}{2,00,000} = 1,500 \text{ shares}$

**d. For 1,500 shares forfeited of Varun:**

	Amount Received	Amount Not Received
Share Capital	$1,500 \times 40 = \mathbf{60,000}$	$1,500 \times 10 = \mathbf{15,000}$

Or

**In the books of Deepak Ltd.  
Journal**

Date	Particulars	J.F	Debit (₹)	Credit (₹)
	Bank A/c Dr. To Equity Share Application A/c (Application money @ ₹30 received on 1,40,000 shares)		42,00,000	42,00,000
	Equity Share Application A/c Dr. To Equity Share Capital A/c (Application money transferred)		30,00,000	30,00,000
	Bank A/c Dr. Equity Share Application A/c Dr. Calls in Arrears A/c Dr. To Equity Share Allotment A/c To Securities Premium A/c (Amount received on allotment)		36,10,000 12,00,000 1,90,000	30,00,000 20,00,000
	Equity Share Allotment A/c Dr. To Equity Share Capital A/c (Allotment money transferred)		30,00,000	30,00,000
	Bank A/c Dr. Calls in Arrears A/c Dr. To Equity Share First and Final Call A/c (Amount received on First and Final Call on 94,000 shares)		37,60,000 2,40,000	40,00,000
	Equity Share First and Final Call A/c Dr. To Equity Share Capital A/c (First and Final Call money transferred)		40,00,000	40,00,000
	Equity Share Capital A/c Dr. Securities Premium A/c Dr. To Share Forfeiture A/c To Calls in Arrears [Share forfeited (after removing the premium amount of ₹20,000)]		6,00,000 1,00,000	2,70,000 4,30,000
	Bank A/c Dr. To Equity Share Capital (Forfeited shares reissued)		5,40,000	5,40,000
	Share Forfeiture A/c Dr. To Capital Reserve (Gain on reissue of forfeited shares transferred to capital reserve)		2,44,800	2,44,800

**Working Note:**

a. **Calculation of premium amount per share at allotment stage:**

Price at which share issued	120
(-) Face value of share	<u>100</u>
Securities Premium _____	<u>20</u>

b. **Calculation of money not paid by Rohit:**

i. **No. of shares allotted to Rohit =  $\frac{1,00,000}{1,40,000} \times 7,000 = 5,000 \text{ shares}$**

ii. **Money not paid on allotment by Rohit:**

Money paid on application (7,000 x 30)	2,10,000
(-) Amount transferred to share capital (5,000 x 30)	<u>1,50,000</u>
Excess application adjusted on allotment	<u>60,000</u>
Money due on allotment (5,000 x 50)	2,50,000
Excess application money adjusted	<u>60,000</u>
Money not paid by Rohit on Allotment	<u>1,90,000</u>

c. **Calculation money not paid on first and final call**

= (5,000 + 1,000) x 40 = 2,40,000

d.

	Amount Received	Amount Not Received
Share Capital	Rohit: (5,000 x 30) + 60,000 = 2,10,000 Sunil: (1,000 x 60) = __ <u>60,000</u>  2,70,000	Rohit: (5,000 x 70) - 60,000 = 2,90,000 Sunil: 1,000 x 40 = __ <u>40,000</u>  3,30,000
Securities Premium	Sunil: 1,000 x 20 = <u>20,000</u> _	Rohit: 5,000 x 20 = <u>1,00,000</u> = _
<b>Total</b>	<b>2,90,000</b>	<b>4,30,000</b>

e. **Calculation of profit on reissue to be transferred to capital reserve:**

Amount forfeited on reissue of Rohit's 4,400 shares =  $2,10,000 \times \frac{4,400}{5,000} = 1,84,800$

Sunil's 1,000 shares = 60,000  
= **2,44,800**

PART - B (Analysis of Financial statements) OPTION - I																
23	The simultaneous decrease in both current assets and current liabilities by the same amount will leave the ratio unaffected.	1														
24	Inventory turnover ratio and working capital turnover ratio	1														
25	Increase	1														
26	Labor unions analyse the financial statements: (i) To assess whether an enterprise can increase their pay. (ii) To check whether an enterprise can increase productivity or raise the prices of products/services to absorb a wage increase.	1														
27	<p align="center"><b>Cash flow from investing activities</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th align="right">Amount (₹)</th> </tr> </thead> <tbody> <tr> <td><b>Inflows</b></td> <td></td> </tr> <tr> <td>Dividend Received</td> <td align="right">1,40,000</td> </tr> <tr> <td>Sale of Old Machinery</td> <td align="right">1,38,000</td> </tr> <tr> <td><b>Outflows</b></td> <td></td> </tr> <tr> <td>Purchase of Machinery</td> <td align="right">(18,00,000)</td> </tr> <tr> <td><b>Net Cash Outflow from Investing Activities</b></td> <td align="right"><b>(15,22,000)</b></td> </tr> </tbody> </table>		Amount (₹)	<b>Inflows</b>		Dividend Received	1,40,000	Sale of Old Machinery	1,38,000	<b>Outflows</b>		Purchase of Machinery	(18,00,000)	<b>Net Cash Outflow from Investing Activities</b>	<b>(15,22,000)</b>	1
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28	Vertical analysis	1														
29	₹19,00,000	1														
30	<p>Net Profit Before Tax – Tax paid = Net Profit After Tax  <math>x - (0.3x) = ₹14,00,000</math>  <math>0.7x = ₹14,00,000</math>  <math>x = ₹14,00,000 / 0.70</math>  <math>x = ₹20,00,000</math></p> <p>Net Profit Before Tax = ₹20,00,000  Interest Payment = 6% of ₹40,00,000 = ₹2,40,000  Earning Before Interest and Tax  = Net Profit Before Tax + Interest Payment  = ₹20,00,000 + ₹2,40,000  = ₹22,40,000</p> <p>Interest Coverage ratio = <math>\frac{\text{Earning Before Interest and Tax}}{\text{Interest Payment}}</math></p>	3														

Interest Expense  
Interest Coverage Ratio = ₹ 22,40,000/ ₹2,40,000  
Interest Coverage Ratio = 9.33 times

Or

S.no	Items	Major Head	Sub-Head
(i)	Debentures with maturity period in current financial year	Current Liabilities	Other current liabilities
(ii)	Securities Premium Reserve	Shareholders' funds	Reserves and Surplus
(iii)	Provident Fund	Non-current liabilities	Long-term provision

31

**Comparative Statement of Profit and Loss  
for the years ended 31st March 2017 and 31st March 2018**

4

Particulars	2017-18 (₹)	2018-19 (₹)	Absolute Increase/ Decrease (₹)	Percentage Increase/ Decrease (%)
Revenue from Operations	20,00,000	24,00,000	4,00,000	20%
Add: Other Income	1,00,000	1,20,000	20,000	20%
<b>Total Revenue</b>	<b>21,00,000</b>	<b>25,20,000</b>	<b>4,20,000</b>	<b>20%</b>
Less: Employee Benefit Expenses	1,00,000	1,20,000	20,000	20%
Profit before tax	<b>20,00,000</b>	<b>24,00,000</b>	<b>4,00,000</b>	<b>20%</b>
Less: Tax (50%)	10,00,000	12,00,000	2,00,000	20%
Profit after tax	<b>10,00,000</b>	<b>12,00,000</b>	<b>2,00,000</b>	<b>20%</b>



32	<p><b>Cash Flow Statement (As per AS-3 Revised)</b></p> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Particulars</th> <th style="width: 20%;"></th> <th style="width: 20%;">Amount (₹)</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>I. Cash from Operating Activities</b></td> </tr> <tr> <td>Net Profit Before Tax during the year</td> <td></td> <td align="right">3,00,000</td> </tr> <tr> <td>Adjustment for Non-operating expenses</td> <td></td> <td></td> </tr> <tr> <td>Add: Loss on Sale of Assets</td> <td></td> <td align="right">36,000</td> </tr> <tr> <td>Adjustment for Non-cash items</td> <td></td> <td></td> </tr> <tr> <td>Add: Depreciation provided</td> <td></td> <td align="right">80,000</td> </tr> <tr> <td>    Goodwill Amortised</td> <td></td> <td align="right"><u>10,000</u></td> </tr> <tr> <td>Operating Profit before Working Capital</td> <td></td> <td align="right">4,26,000</td> </tr> <tr> <td>Add: Increase in Trade Payables</td> <td align="right">34,000</td> <td></td> </tr> <tr> <td>Less : Increase in Inventory</td> <td align="right">(1,50,000)</td> <td></td> </tr> <tr> <td>    Increase in Trade Receivable</td> <td align="right"><u>(1,34,000)</u></td> <td align="right"><u>(2,50,000)</u></td> </tr> <tr> <td>Cash From Operating Activities before Tax</td> <td></td> <td align="right">1,76,000</td> </tr> <tr> <td>Less: Tax Paid</td> <td></td> <td align="right"><u>(60,000)</u></td> </tr> <tr> <td>Net Cash From Operating Activities</td> <td></td> <td align="right"><u>1,16,000</u></td> </tr> </tbody> </table>	Particulars		Amount (₹)	<b>I. Cash from Operating Activities</b>			Net Profit Before Tax during the year		3,00,000	Adjustment for Non-operating expenses			Add: Loss on Sale of Assets		36,000	Adjustment for Non-cash items			Add: Depreciation provided		80,000	Goodwill Amortised		<u>10,000</u>	Operating Profit before Working Capital		4,26,000	Add: Increase in Trade Payables	34,000		Less : Increase in Inventory	(1,50,000)		Increase in Trade Receivable	<u>(1,34,000)</u>	<u>(2,50,000)</u>	Cash From Operating Activities before Tax		1,76,000	Less: Tax Paid		<u>(60,000)</u>	Net Cash From Operating Activities		<u>1,16,000</u>	6
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Part – B (Computerised Accounting) OPTION - II		
23	Attributes of information to be stored in Payroll database: (Any two) (i) Name (ii) ID (iii) Designation (iv) Location (v) Basic Pay	1
24	Following are the security features of CAS software: (a) Password Security (b) Data Audit and (c) Data Vault	1
25	Management Information System (MIS) deals with generation and processing of reports that are vital for management decision-making. The Information system should be so flexible as to provide customised reports to support various managerial functions such as planning, organising, staffing, oversight, control and decision-making.	1
26	(a) – (ii); (b) - (i); (c) – (iii)	1
27	The activity sequence of the basic information mode is to collect data, organise and process it and then communicate the information extracted.	1
28	Collect data, organise and process data, and communicate information	1
29	Pressing [Tab]	1
30	Following are the advantages of Computerised Accounting System (CAS): (a) Timely generation of reports and information in desired format. (b) Efficient record keeping. (c) Ensures effective control over the system. (d) Economy in the processing of accounting data. (e) Confidentiality of data is maintained.	3
31	<p><b>(a) Password Security:</b> Password is a mechanism, which enables a user to access a system including data. The system facilitates defining the user rights according to organisation policy.</p> <p><b>(b) Data Audit:</b> This feature enables one to know as to who and what changes have been made in the original data thereby helping and fixing the responsibility of the person who has manipulated the data and also ensures data integrity.</p> <p><b>(c) Data Vault:</b> Software provides additional security through data encryption. Encryption essentially scrambles the information so as to make its interpretation extremely difficult. Thus, encryption ensures security of data even if it lands in wrong hands, because the receiver of data will not be able to decode and interpret it.</p>	4
32	<b>(a) Simple and Integrated:</b> CAS is designed to automate and integrate all the business operations, such as sales, finance, purchase, inventory and manufacturing. CAS is integrated to provide accurate, up-to-date business information rapidly.	6

- |  |  |
|--|--|
| <p>(b) <b>Transparency and control:</b> CAS provides sufficient time to plan, increases data accessibility and enhances user satisfaction. With computerised accounting, the organisation will have greater transparency for day-to-day business operations and access to the vital information.</p> <p>(c) <b>Accuracy and speed:</b> CAS provides user-definable templates (data entry screens or forms) for fast, accurate data entry of the transactions. It also helps in generalising desired documents and reports.</p> <p>(d) <b>Scalability:</b> CAS enables changing the volume of data processing in tune with the change in the size of the business.</p> <p>(e) <b>Reliability:</b> CAS makes sure that the generalised critical financial information is accurate, controlled and secured.</p> |  |
|--|--|

