



# B.K. BIRLA CENTRE FOR EDUCATION

SARALA BIRLA GROUP OF SCHOOLS  
A CBSE DAY-CUM-BOYS' RESIDENTIAL SCHOOL



## PRE BOARD III EXAMINATION, 2025-26 ACCOUNTANCY 055(SET A)

Class: XII

Date: 15.1.2026

Admission No:

Time: 3hr

Max Marks: 80

Roll No:

### General Instructions:

1. This question paper contains 34 questions. All questions are compulsory.
2. This question paper is divided into two parts, Section A and B.
3. Part – A. Accounting for Partnership and Company Accounts
4. Part – B. Analysis of Financial Statements
5. Question Nos.1 to 16 and 27 to 30 carries 1 mark each.
6. Questions Nos. 17 to 20, 31 and 32 carries 3 marks each
7. Questions Nos. from 21, 22 and 33 carries 4 marks each
8. Questions Nos. from 23 to 26 and 34 carries 6 marks each
9. There is no overall choice. However, an internal choice has been provided in 7 questions of 1 mark, 2 questions of 3 marks, 1 question of 4 marks and 2 questions of 6 marks.

### SECTION A (60 marks)

Q1) Which of the following is NOT a feature of partnership

(1)

(A) Maximum number of partners is 150  
(C) Partnership is formed for doing business

(B) Business can be carried on by all partners  
(D) Partnership business must be lawful

OR

In the absence of a Partnership Deed

(A) Interest on loan to a partner is charged at 6%  
(C) Partners are entitled to salary and commission

(B) Interest on drawings is charged at 12% p.a.  
(D) Profit and losses are shared equally by partners

Q2) In Capitalisation of Average Profit method of goodwill calculation. Goodwill is found by

(1)

(A) Capital employed – Capitalised value of business  
(B) Capitalised value of business - Capital employed  
(C) Capital employed X Normal Rate of return/100  
(D) Capitalised value of business X Normal Rate of return/100

Q3) Rajat A. started a business in the centre of the market, he choose a qualified manager with 12 years experience to run his business. It has been 10 years he is doing his business and has a number of loyal customers. He has a huge number of competitors but still he has managed to maximise his sales.

Identify the factors that affect goodwill of Rajat A.

(1)

(A) Central location; qualified management and long life span of business.  
(B) Central location; qualified management; long life span of business and loyal customers.  
(C) Qualified management; loyal customers and stiff competition  
(D) Long life span of business and loyal customers.

Q4) Alex ; Bret and Carl are equal partners but now they want to change their PSR to 5:3:2. What's TRUE.(1)

(A) Alex and Bret gains      (B) Alex and Carl gains      (C) Bret and Carl gains      (D) Only Alex gain

Q5) Kapil and Sharma are two partners with a PSR of 2:1. They decided to share future profits in 8:7. Goodwill of the firm is Rs.1,50,000. How will goodwill be treated due to the change in PSR. (1)

(A)	Kapil's Capital A/c Dr 20,000 To Sharma's Capital A/c 20,000	(B)	Kapil's Capital A/c Dr 70,000 To Sharma's Capital A/c 70,000
(C)	Sharma' Capital A/c Dr 20,000 To Kapil's Capital A/c 20,000	(D)	Sharma' Capital A/c Dr 80,000 To Kapil's Capital A/c 80,000

Q6) Dipti, Emma and Fara are three partners with a PSR of 3:2:1. They admit Gautam as their new partner. Gautam takes 1/10 from Dipti and 1/10<sup>th</sup> of Emma and Fara's share . Calculate the new profit sharing ratio. (1)  
(A) 24:17:7:12      (B) 8:6:3:3      (C) 9:5:3:3      (D) 24:16:8:11

Q7) Guru and Harshit are two partners with capital balance of Rs.1,80,000 and Rs.1,20,000. They both agree to admit Indu as the new partner and the new PSR becomes 8:7:5. Indu brings Rs.1,00,000 as her capital and the old partners adjust their capital on the basis of new partner. Which of the options below are true. (1)

- i) The total capital of the new firm is Rs.4,00,000
- ii) Both Guru and Harshit have to bring Rs.20,000 to adjust their capital.
- iii) Only Guru have to bring Rs.20,000 to adjust their capital, Harshit capital remain same.
- iv) Guru needs to withdraw Rs.20,000 and Harshit bring in Rs.2,00,000 to adjust their capital

(A) Option (i) and (ii)      (B) Option (i) and (iii)      (C) Option (ii) and (iv)      (D) Option (i) and (iv)

Q8) Jack, Kim and Lara are three partners with PSR of 11:9:10. Lara retire her share is taken by Jack and Kim in 4:3 ratio calculate the new PSR of Jack and Kim. (1)

(A) 4:3      (B) 23:19      (C) 117:93      (D) 123: 67

**OR**

Sandeep, Mandeep and Pradeep are three partners with a PSR of 5:3:2. Sandeep retire and the new PSR is 2:1. Calculate the gaining ratio.

(A) 3:2      (B) 2:1      (C) 11:4      (D) 5:3

Q9) Assertion (A): With the death of a partner, partnership will automatically come to an end.

Reason (R): The payment of deceased partner's share will be received by his heirs or executors

**Choose the correct option from the following:** (1)

- (A) Both (A) and (R) are correct and (R) is the correct explanation of (A)
- (B) Both (A) and (R) are correct but (R) is not the correct explanation of (A)
- (C) Only (A) is correct but (R) is not correct
- (D) Only (R) is correct but (A) is not correct

Q10) Statement I: Amount realised from the sale of unrecorded asset will be debited to Cash A/c

Statement II: Unrecorded bills payable discharged by a partner is shown on the credit side of his Capital A/c

**Choose the correct option from the following:** (1)

- (A) Both statements are correct.
- (B) Both statements are incorrect.
- (C) Statement I is correct but Statement II is incorrect.
- (D) Statement II is correct but Statement I is incorrect.

Q11) Under which of the following cases is a firm dissolved under Section 44. (1)

- i) When all but one partners dies.

ii) When the business of the firm is declared illegal.  
 iii) When a partner becomes mentally disturbed or has unsound mind  
 iv) When the court is satisfied that the firm cannot be carried on except at a loss.  
 (A) Option (i) and (ii)      (B) Option (i) and (iii)      (C) Option (ii) and (iv)      (D) Option (iii) and (iv)

**OR**

The balances of current accounts, on dissolution of a firm are transferred to.

(A) Bank A/c      (B) Capital A/c      (C) Realisation A/c      (D) Revaluation A/c

Q12) Authorised capital of Rs1,00,00,000 is divided in the ratio of 5:3 among equity shares of Rs.10 and preference shares of Rs.100. 80% of it is subscribed, the application money is Rs.3 on equity share and Rs15 on preference share. Pass the journal entry for money received on application of the equity shares. (1)

(A)	Equity Share application A/c Dr 3,00,000 To Equity Share Capital A/c 3,00,000	(B)	Bank A/c Dr 50,00,000 To Equity Share application A/c 50,00,000
(C)	Bank A/c Dr 15,00,000 To Equity Share Capital A/c 15,00,000	(D)	Bank A/c Dr 3,00,000 To Equity Share Capital A/c 3,00,000

Q13) An equity share of Rs.10 is fully called on which Rs.6 has been paid. This share is forfeited. At which of the following minimum price can it be reissued? (1)

(A) Rs.4      (B) Rs.14.      (C) Rs.6      (D) Rs.10

Q14) When a company issues shares at premium, the securities premium can be collected along with (1)

(A) Application money      (B) Allotment money      (C) Call money      (D) Any of them.

**OR**

At the time of forfeiture of shares, share capital account is debited with.

(A) Called up amount on shares.      (B) Uncalled amount on shares.  
 (C) Paid up amount on shares.      (D) Unpaid amount on shares.

Q15) Sun Glow Ltd offered to public 12% Debentures of Rs.100 each. It received applications for 7,500 debentures. Calculate the interest payable by the company on 30<sup>th</sup> September if it pays semi annually. (1)

(A) Rs.45,000      (B) Rs.6000      (C) Rs.12,000      (D) Rs.90,000

**OR**

Match the following

i)	Bearer Debenture	a)	Issued as subsidiary security
ii)	Collateral Debentures	b)	Issued at zero coupon rate
iii)	Naked Debentures	c)	Transferable by mere delivery
iv)	Bonds	d)	Have no security

(A) i) c); ii) a); iii) d); iv) b)      (B) i) a); ii) b); iii) c); iv) d)  
 (C) i) b); ii) a); iii) d); iv) c)      (D) i) d); ii) a); iii) c); iv) b)

Q16) Assertion (A): Debenture holders are the creditors of the company.

Reason (R): As creditors of the company they always receive dividend even if there is a loss.

**Choose the correct option from the following:** (1)

(A) Both (A) and (R) are correct and (R) is the correct explanation of (A)  
 (B) Both (A) and (R) are correct but (R) is not the correct explanation of (A)  
 (C) Only (A) is correct but (R) is not correct  
 (D) Only (R) is correct but (A) is not correct

**OR**

XY Ltd. issued 1,500 ; 8% Debentures of 200 each. Pass the necessary journal entry on 30<sup>th</sup> September for the interest due, if interest is payable half yearly. The company closes its books on 31<sup>st</sup> March every year.

(A)	Interest on Debenture A/c Dr 18,000 To Debenture holders A/c 18,000	(B)	Interest on Debenture A/c Dr 12,000 To Debenture holders A/c 12,000
(C)	Debenture holders A/c Dr 18,000 To Bank A/c 18,000	(D)	Debenture holders A/c Dr 12,000 To Bank A/c 12,000

Q17) The average profit of a firm for the last few years was Rs.1,03,000, this has been undervalued by 8,000 on an average basis. This year the capital employed by the firm is Rs.7,50,000. The normal rate of return in such a business is 12%. Calculate goodwill on the basis of capitalisation of super profit. (Show the steps) (3)

Q18) Jaggu, Indumati and Chota Bhim are three partners with a PSR of 4:3:3. Indumati wants a higher share as she is a princess and also wants the capital to become fixed. So now it is decided to change the PSR to 3:5:2. The extract of their balance sheet shows the following apart from other assets and liabilities.

Liabilities		Assets	
Investment Fluctuation Reserve	22,000	Investment	1,32,000
Workmen Compensation Reserve	1,68,000		

- i) Market value of Investment is Rs.1,20,000
- ii) Claim for Workmen Compensation is 48,000
- iii) Goodwill of the firm is Rs.1,80,000.

Show the accounting treatment of the above.

(3)

**OR**

Baba, Mama and Kaka are three partners with a PSR of 3:2:1. Their capital balances were Rs.2,15,000; Rs.1,35,000 and Rs.1,00,000 .They now decide that will share profits and losses equally ,with a combined capital of Rs 4,50,000 of the firm. Capital to be adjusted among the partners so that their capitals become equal. Their balance sheet on the date of change shows apart from other things.

General Reserve 90,000  
Profit and Loss (Dr) 30,000

Pass journal entries to show the change. (Show the workings)

Q19) Aditya and Brij are two partners with a PSR of 13:12. They admit Chandan in their firm. Chandan takes 1/5 from Aditya and 1/5 of Brij's share.Chandan brings his share of capital and goodwill. The goodwill of the firm is Rs.1,20,000 and the capital of Aditya and Brij were Rs.1,78,000 and Rs.1,65,200 respectively. Calculate the new profit sharing ratio and the sacrificing ratio also pass the required journal entries. (3)

Q20) Moon & Star India Ltd is a six year old company. It wants to acquire the running business of Sun & Mars India Ltd. The assets and liability position of Sun & Mars India Ltd. is Goodwill Rs.1,75,000; Tangible Assets 27,55,000; Current Assets Rs.4,08,000; Long term borrowings Rs.7,45,000 and Current Liabilities 2,50,000.The purchase consideration of Sun Mars will be paid through issue of equity shares of Rs.100 at 10% premium.

- i) Calculate the total purchase consideration.
- ii) Calculate the number of shares to be issued.
- iii) Pass the required journal (only for the payment of purchase consideration). (3)

Q21) Pundit, Qazi and Rabbi are three partners with a capital balance of Rs.70,000; Rs.96,000 and Rs.84,000 as on 31<sup>st</sup> March 2024. They decide that from 1<sup>st</sup> April 2024 they will alter their capital in their PSR which is 2:2:1 Qazi and Rabbi both are entitled to a commission of 8% and 7% respectively after charging both their commission on the net profit of the firm which is Rs.1,72,500 as on 31<sup>st</sup> March 2025. Pundit is entitled to a salary of Rs.2000 p.m. It is also decided by the partners that the maximum amount payable to Pundit including his salary and interest on capital will be Rs.50,000. Any excess will be given to Rabbi.

Q22) Samudra Resorts Ltd is planning to expand their business and wants to issue debentures for the first time. They decided to raise Rs.26,25,000 by issue of 8% debentures issued at a premium of 5% redeemable after five years at 10% premium. The company has a securities premium reserve of Rs.1,00,000.

Calculate: (i) The number of debenture to be issued

(ii) Pass journal entries for allotment of debentures and also to write off the loss on issue.

(iii) Prepare Loss on Issue of debenture A/c

**OR**

Red Horse Ltd purchased the running business of Bule Money for Rs.22,50,000. Blue Monkey had the following assets and liabilities Plant and Machinery Rs.15,50,000; Furniture and Fixture Rs.5,85,000; Other assets Rs.4,25,000 and Liabilities worth Rs.4,00,000. It was agreed that the purchase consideration was to be paid by issue of 12% Debentures of Rs.100 each. Record the required journal entries if the debentures were  
 (i) Issued at 10% discount (ii) Issued at par.

Q23) Jack, Kevin and Laurel are three partners with a PSR of 12:7:6. Laurel retires on 31<sup>st</sup> March 2025 and the remaining partners decided to take his share in 4:1 ratio. The goodwill of the firm was Rs.1,75,000

**Balance Sheet of Jack, Kevin and Laurel  
 As at 31<sup>st</sup> March 2025**

Liabilities	Rs.	Assets	Rs.
Capital A/c		Building	1,25,000
Jack 85,000		Plant and Machinery	1,00,000
Kevin 80,000			
Livon 75,000	2,40,000	Inventory	45,000
General Reserve 50,000		Debtors	30,000
Creditors 35,000		Cash at Bank	25,000
	3,25,000		3,25,000

The following revaluation was agreed upon.

i) Building was valued at Rs.1,75,000 and Plant and Machinery was to be depreciated by 10%.

ii) Creditors were to be revalued to Rs.25,000.

iii) A part of inventory valued at 21,000 was given to Laurel as part payment and rest was transferred to loan  
 Calculate the new PSR after retirement

Prepare the journal entries and also the balance sheet of the new firm.

**OR**

Mahesh, Nilesh and Omesh were three partners with a PSR of 5:3:2. The firm closes its books on 31<sup>st</sup> March. On 30<sup>th</sup> September 2023, Omesh died. The partnership deed provided that on the death of a partner the executors are entitled to the following.

(i) Balance of his capital and interest at 12% p.a.

(ii) Pay back his drawings together with an interest at 12% p.a.

(iii) His proportionate profit till the date of death.

(iv) His share of goodwill.

(v) His share of any accumulated profits or reserves in the firm.

On 1<sup>st</sup> April 2023 the capital balance of Omesh was Rs.1,00,000; He used to withdraw Rs.2,500 p.m. at the middle of each month. The value of investment fluctuation fund was 45,000 and the market value of investment fell down by 15,000 till his date of death.

His share of proportionate profit was based on the rate of net profit on sales of the previous year, which was 25%. The sales till the date of death was Rs.6,40,000. Goodwill of the firm on Omesh's death was valued at Rs.4,00,000.

Prepare Omesh's Capital A/c and also the executors a/c till it is fully paid. The executors are paid Rs.28,550 on the date of death and the outstanding amount in two equal instalments together with an interest of 10% p.a. First instalment was paid on 31<sup>st</sup> March 204.

Q24) Mike and Noel were partners with a PSR of 3:2, due to some dispute they have now decided to dissolve their firm. Fill in the missing figures from the additional information provided below. (6)

Realisation A/c

To Sundry Assets		Assets	Rs.
Land	5,00,000	By Sundry Liabilities	
Machinery	2,40,000	Provision for Doubtful debt	3,000
Office Equipment (A)		Bank Loan	1,20,000
Furniture (B)		Creditors	50,000
Inventory	1,00,000	Noel's Wife Loan	1,80,000
Debtors (C)	(D)	By Bank	
		Land (F)	
To Bank		Machinery (G)	
Bank Loan	1,26,000	Office Equipment (H)	
Creditors	47,000	Debtors	40,000
To Noel's Capital (W's Loan)	(E)		9,40,000
		By Mike's Capital (Inventory) (I)	
		By Noel's Capital (Inventory) (J)	
		By Noel's Capital (Furniture)	30,000
		By Loss on realisation	
		Mike's Capital A/c (K)	
		Noel's Capital A/c (L)	8,000
	14,13,000		14,03,000

Capital A/c

Particulars	Mike	Noel	Particulars	Mike	Noel
To Realisation (Loss)	4,800	3,200	By Balance b/d	3,30,000	2,75,000
To Realisation			By General Reserve	60,000	60,000
(Assets taken over) (M)	(N)		By Realisation (W.Loan)		(O)
To Bank (P)	(Q)				
	3,90,000	5,05,000		3,90,000	5,05,000

Bank A/c

Particulars	Amount	Particulars	Amount
To Balance b/d	10,000	By Realisation (Liabilities)	1,73,000
To Realisation (Assets)	9,40,000	By Mike's Capital 3,43,000 (R)	
		By Noel's Capital 4,44,000 (S)	
	(T)		(T)

(i) Land realised 120% of its value while Machinery could only realise 3/4<sup>th</sup> of its book value.

(ii) Debtors paid 1/6 less than their outstanding amount.

(iii) Inventory was taken at 80% of its value by the partners in their PSR.

- (iv) Furniture was taken at 50% of its value by Noel
- (v) Office equipment was sold at its book value. Office equipment is twice the value of furniture
- (vi) Bank Loan was paid off together with 5% interest. Creditors offered a discount of 6%.
- (vi) Noel's wife's loan was paid off by Noel at Rs.10,000 discount.

Q25) Sunday & Monday Ltd offered to public 20,000 shares of Rs.10 each at a premium of Rs.15 payable as follows. Rs.8 on application including Rs.4 premium. Rs.12 on allotment including Rs.7 premium and the rest in the first and final call. All money was received except for two shareholders Rahul and Priyanka. Rahul had 3,000 shares and he paid the entire money due together with application. Priyanka had 2,000 shares and she failed to pay the allotment and call money. Prepare the journal in the books of Sunday & Monday Ltd. (6)

**OR**

- (a) Draw the format of the Asset side of Balance Sheet of a Company . (2)
- (b) Wednesday Flowers Ltd offered to public 50,000 shares payable as Rs 6 on application including Rs.2 premium. Rs.7 on allotment including Rs.3 premium and Rs.2 on first and final call. All money were received except Amit who had 4,000 shares could only pay application money and Sumit who had 6,000 shares paid the application and allotment. Both their shares were forfeited and later 5,000 shares were reissued at Rs.7 each. The reissued shares included all the shares of Amit. Pass the journal entries to show forfeiture and reissue only. (4)

Q26) Pass journal entries for issue of 12% Debenture in the books of Pokemon Ltd in the following cases

- i) Issued 2,000;12% Debenture at Rs.110 redeemable at Rs.105
- ii) Issued 3,000; 12% Debenture at Rs.110 redeemable at Rs.100
- iii) Issued 4,000; 12% Debenture at Rs.90 redeemable at Rs.105

(6)

**SECTION B (20 marks)**

Q27) Which of the following is not a tool of financial analysis. (1)

- (A) Comparative Income Statement (B) Comparative Position Statement
- (C) Statement of Profit and Loss (D) Cash Flow Statement

**OR**

Which of the following will be recorded under Current Assets?

- i) Creditors ii) Provision for taxation iii) Pre paid rent iv) Loose tools v) Cash in hand
- (A) Option i),ii) and ii) (B) Option ii), iii) and iv) (C) Option ii), iv) and v) (D) Option iii),iv) and v)

Q28) Assertion (A): Liquidity ratios are the ratios meant for testing short-term solvency position of the firm.

Reason (R): Interest Coverage ratio is a type of liquidity ratio.

**Choose the correct option from the following:**

(1)

- (A) Both (A) and (R) are correct and (R) is the correct explanation of (A)
- (B) Both (A) and (R) are correct but (R) is not the correct explanation of (A)
- (C) Only (A) is correct but (R) is not correct
- (D) Only (R) is correct but (A) is not correct

Q29) Average inventory is Rs.60,000 and Inventory turnover ratio is 8 times. The value of Cost of Revenue from operations will be. (1)

- (A) Rs.7,20,000 (B) Rs.4,80,000 (C) Rs.9,60,000 (D) Rs.7,50,000

Q30) Which of the following transactions will result into "Inflow of Cash" (1)

- (A) Sold machinery valued at Rs.75,000 for Rs.60,000 (B) Deposited Rs.60,000 into bank
- (C) Withdrawn from bank Rs.5,000 to pay school fee (D) Converted Rs.15,00,000 debenture into shares

Q31) Prepare a Common Size Balance Sheet (Liability Side) from the information below. (3)

Particulars	N.No	31 <sup>st</sup> March 2025
<b>EQUITY AND LIABILITIES</b>		
Shareholders' Funds		
Share Capital		
Equity Share		5,62,500
Preference Share		3,10,000
Reserve and Surplus		4,27,500
Non-Current Liabilities		
Long term borrowings		5,82,500
Long term provisions		3,17,500
Current Liabilities		
Short-term borrowings		1,25,000
Trade Payable		1,00,000
Other Current Liabilities		75,000
<b>TOTAL</b>		<b>25,00,000</b>

**OR**

Prepare a Common Size Revenue Statement

Particulars	N.No	31 <sup>st</sup> March 2025
Revenue from Operation		20,00,000
Other income		60,000
<b>TOTAL Revenue</b>		<b>20,60,000</b>
Cost of materials consumed		7,80,000
Purchase of stock in trade		3,25,000
Employee benefit expenses		6,75,000
Finance Cost		1,00,000
Depreciation and Amortization		75,000
<b>TOTAL Expenses</b>		
Tax (40%)		

Q32) Calculate cash flow from operating activities from the information below.

(3)

	31-3- 2025	31-3-2024
Balance in Statement of profit and loss	1,50,000	1,80,000
General Reserve	2,80,000	2,00,000
Goodwill	50,000	60,000
Sundry Debtors	45,000	50,000
Inventory	1,50,000	1,80,000
Outstanding Rent	5,000	3,000
Creditors	40,000	60,000
Machinery	2,00,000	3,00,000
Provision for taxation	75,000	60,000

i) Tax paid during the year was Rs.50,000

ii) Machinery valued at Rs.70,000 was sold for Rs.60,000

**OR**

Xylem Ltd had a balance of Plant and Machinery and Motor Vehicle as on 1<sup>st</sup> April 2024 – Rs.5,80,000 and Rs.7,50,000 respectively. Accumulated depreciation balance on the assets were Rs.1,05,000 and Rs.1,70,000. During the year the company sold a Machinery valued at Rs.4,00,000 accumulated depreciation on it was Rs.60,000 at a loss of Rs.25,000. Motor Vehicle valued at Rs.2,80,000 was sold for Rs.2,20,000. As on 31<sup>st</sup>

March 2025 Accumulated depreciation balance were Rs.75,000 and Rs.1,95,000. The depreciation on motor vehicle for the year was Rs.80,000. Prepare the required ledgers and calculate (i) Selling Price of the Machine (ii) Closing Balance of Plant and Machinery (iii) Depreciation of Plant and Machinery for the year. (iv) Accumulated depreciation on Motor Vehicle sold (v) Profit/Loss on Motor Vehicle sold (vi) Closing Balance of Motor Vehicle.

Q33) Yamuna Ltd wants you to prepare a cash flow statement they have already Purchased Non-current assets worth Rs. 7,25,000 during the year and also sold Non-current assets at a profit of Rs.25,000 at Rs.5,70,000. The depreciation on Non-current assets during the year was Rs.80,000. There has been an increase in the value of inventory by Rs.60,000 and decrease in value of other current assets Rs.10,000. Trade receivable and Trade payable both has increased by Rs.20,000 each. In the beginning of the year the balance of 12% Debenture was Rs.4,50,000 and debenture valued at Rs.2,00,000 was redeemed in the middle of the year. The company had issued equity shares worth Rs.2,00,000 during the year and paid divided of Rs.40,000. The opening and closing cash and cash equivalent balance were Rs.1,00,000 and Rs. 75,000 .The profit for the year was Rs.1,25,000 (4)

Q34) a) Name any four Profitability ratio and show how they are calculated. (4)

b) Total Assets is Rs.16,00,000; Current Liabilities is Rs.3,20,000 and Non-Current Liabilities are 75% more than current liabilities (Non-Current liabilities consists only of Long term borrowing).

Calculate Debt Equity Ratio (2)

**OR**

Balance sheets of 2025 and 2024

Particulars	31/03/2025	31/03/2024
<b>EQUITY and LIABILITIES</b>		
Shareholder's Fund		
Share Capital	7,00,000	5,00,000
Reserve and Surplus	2,00,000	1,60,000
Non-Current Liabilities		
Long term Borrowings	4,75,000	2,90,000
Current Liabilities		
Trade payables	50,000	40,000
Other Current Liabilities	25,000	10,000
	14,50,000	10,00,000
<b>ASSETS</b>		
Non-Current Assets		
Property, Plant and Equipment and Intangibles	11,50,000	8,00,000
Current Assets		
Inventories	1,50,000	90,000
Trade receivables	90,000	60,000
Cash and bank balance	60,000	50,000
	14,50,000	10,00,000

From the balance sheet provided above calculate for year ended 31<sup>st</sup> Mach 2025 the following ratios

i) Current Ratio      ii) Proprietary Ratio      iii) Inventory Turnover Ratio

Cost of revenue from operations for the year ended 31<sup>st</sup> Mach 2025 is Rs.7,20,000.

**ALL THE BEST**