



B.K. BIRLA CENTRE FOR EDUCATION

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



PRE BOARD III (2025-26)
ACCOUNTANCY (055) SET A
MARKING SCHEME

| | | |
|------|---|-----|
| Q1) | (A) Maximum number of partners is 150 OR (D) Profit and losses are shared equally by partners | (1) |
| Q2) | (B) Capitalised value of business - Capital employed | (1) |
| Q3) | (A) Central location; qualified management and long life span of business. | (1) |
| Q4) | (C) Sharma' Capital A/c Dr 20,000 To Kapil's Capital A/c 20,000 | (1) |
| Q5) | (B) 8:6:3:3 | (1) |
| Q6) | (D) Option (i) and (iv) | (1) |
| Q7) | (D) Option (i) and (iv) | (1) |
| Q8) | (C) 117:93 OR (C) 11:4 | (1) |
| Q9) | (B) Both (A) and (R) are correct but (R) is not the correct explanation of (A) | (1) |
| Q10) | (A) Both statements are correct. | (1) |
| Q11) | (D) Option (iii) and (iv) OR (B) Capital A/c | (1) |
| Q12) | (C) Bank A/c Dr 15,00,000 To Equity Share Capital A/c 15,00,000 | (1) |
| Q13) | (A) Rs.4 | (1) |
| Q14) | (D) Any of them. OR (A) Called up amount on shares. | (1) |
| Q15) | (A) Rs.45,000 OR (A) i) c); ii) a); iii) d); iv) b) | (1) |
| Q16) | (C) Only (A) is correct but (R) is not correct OR (B) Interest on Debenture A/c Dr 12,000 To Debenture holders A/c 12,000 | (1) |
| Q17) | Actual average profit = $1,02,000 + 8,000 = 1,11,000$ Normal profit = $7,50,000 \times 12/100 = \text{Rs.}90,000$ Super profit = Actual Profit – Normal Profit = $1,11,000 - 90,000 = 21,000$ Goodwill at capitalisation of super profit = $21,000 \times 100/12 = \text{Rs.}1,75,000$ | (3) |
| Q18) | Change in PSR = from 4:3:3 to 3:5:2 So Jaggu and Chota Bhim sacrifice equally in 1:1 and Indumati Gains | (3) |

Journal

| Date | Particulars | LF | Amount(Dr) | Amount(Cr) |
|------|---|----|------------|------------|
| | Investment Fluctuation Reserve A/c Dr | | 22,000 | |
| | To Investment A/c | | | 12,000 |
| | To Jaggu's current A/c | | | 4,000 |
| | To Indumati's current A/c | | | 3,000 |
| | To Chota Bhim's current A/c | | | 3,000 |
| | (Being excess of IFR transferred to current a/c in the old PSR) | | | |
| | | | | |
| | Workmen Compensation Reserve A/c Dr | | 1,68,000 | |
| | To Claim for Workmen Compensation A/c | | | 48,000 |
| | To Jaggu's current A/c | | | 48,000 |
| | To Indumati's current A/c | | | 36,000 |
| | To Chota Bhim's current A/c | | | 36,000 |
| | (Being excess of WCR transferred to current a/c in the old PSR) | | | |
| | | | | |
| | Indumati's current A/c Dr | | 36,000 | |
| | To Jaggu's current A/c | | | 18,000 |
| | To Chota Bhim's current A/c | | | 18,000 |
| | (Being goodwill adjusted due to change in PSR) | | | |
| | | | | |

(1 mark for each journal)

OR

Rs.4,50,000 total capital so Rs1,50,000 each.

Journal

| Date | Particulars | LF | Amount(Dr) | Amount(Cr) |
|------|--|----|------------|------------|
| | Baba's Capital A/c | | 65,000 | |
| | To Mama's Capital A/c | | | 15,000 |
| | To Kaka's Capital A/c | | | 50,000 |
| | (Being capital adjusted among partners) | | | |
| | | | | |
| | General Reserve A/c Dr | | 90,000 | |
| | To Baba's Capital A/c | | | 45,000 |
| | To Mama's Capital A/c | | | 30,000 |
| | To Kaka's Capital A/c | | | 15,000 |
| | (Being general reserve distributed in old PSR) | | | |
| | | | | |
| | Baba's Capital A/c Dr | | 15,000 | |
| | Mama's Capital A/c Dr | | 10,000 | |
| | Kaka's Capital A/c Dr | | 5,000 | |
| | To Profit and Loss A/c | | | 30,000 |
| | (Being accumulated loss distributed in old PSR due to change in PSR) | | | |
| | | | | |

| | | |
|------|---|-----|
| Q19) | Calculation of NPSR and SR Aditya = 13/25 - 1/5 = (13 - 5)/25 = 8/25 | (3) |
|------|---|-----|

$Brij = 12/25 \times 1/5 = 12/125 = (12/25 - 12/125) = (60 - 12)/125 = 48/125$
 So new PSR = 40:48:37
 Sacrificing ratio = OPSR – NPSR
 $Aditya = 13/25 - 40/125 = (65 - 40)/125 = 25/125$
 $Brij = 12/25 - 48/125 = (60 - 48)/125 = 12/125$

Capital of the firm = $(1,78,000 + 1,65,200) \times 125/88 = 4,87,500$
 Capital of Chandan = $4,87,500 - (1,78,000 + 1,65,200) = 1,44,300$
 Goodwill of Chandan = $1,20,000 \times 37/125 = 35,520$

Journal

| Date | Particulars | LF | Amount(Dr) | Amount(Cr) |
|------|--|----|------------|------------|
| | Bank A/c Dr | | 1,79,820 | |
| | To Chandan's Capital A/c | | | 1,44,300 |
| | To Premium for goodwill A/c | | | 35,520 |
| | (Being capital and premium for goodwill brought in) | | | |
| | | | | |
| | Premium for Goodwill A/c Dr | | 35,520 | |
| | To Aditya's Capital A/c | | | 24,000 |
| | To Brij's Capital A/c | | | 11,520 |
| | (Being premium for goodwill adjusted among sacrificing partners) | | | |

| | | | | | |
|------|--|--|----|------------|------------|
| Q20) | i) Purchase consideration = $(1,75,000 + 27,55,000 + 4,08,000) - (7,45,000 + 2,50,000) =$ Rs.23,43,000 | (3) | | | |
| | ii) Number of Shares issued = $23,43,000 / 110 = 21,300$ | | | | |
| | Date | Particulars | LF | Amount(Dr) | Amount(Cr) |
| | | Sun & Mars India Ltd A/c Dr | | 23,43,000 | |
| | | To Equity Share Capital A/c | | | 21,30,000 |
| | | To Securities Premium A/c | | | 2,13,000 |
| | | (Being purchase consideration met by issue to 21,300 shares at a premium of 10%) | | | |

(1+1+1)

| | | | | |
|------|---|--------|------------------------|----------|
| Q21) | Capital balance of Rs.70,000; Rs.96,000 and Rs.84,000 to be adjusted in 2:2:1 Rs.2,50,000 in 2:2:1 or 1,00,000 ; 1,00,000 and 50,000 IOC at 8% p.a. = 8,000; 8,000 and 4,000 Commission after charging such commission for both. Qazi = $8/115 \times 1,03,500 = 7,200$ Rabbi = $7/115 \times 1,03,500 = 10,500$ | (4) | | |
| | | | | |
| | Profit and Loss Appropriation A/c | | | |
| | Particulars | Amount | Particulars | Amount |
| | To interest on capital A/c | | By Profit and Loss A/c | 1,03,500 |
| | Pandit's Capital 8,000 | | | |
| | Qazi's Capital 8,000 | | | |
| | Rabbi's Capital 4,000 | 20,000 | | |
| | To Salary A/c (Pandit's Capital) | 24,000 | | |
| | To Commission A/c | | | |
| | Qazi's Capital 7,200 | | | |
| | Rabbi's Capital 6,300 | 13,500 | | |

| | | | | |
|--------------------|----------|--------|--|----------|
| To Share of Profit | | | | |
| Pandit's Capital | 18,000 | | | |
| Qazi's Capital | 18,400 | | | |
| Rabbi's Capital | 9,600 | 46,000 | | |
| | 1,72,500 | | | 1,72,500 |

Pandit = $8,000 + 24,000 + 18,400 = 50,400$ so he will give Rs.400 to Rabbi ($10 \times .2 = 2$)

Capital A/c

| Particulars | Pandit | Qazi | Rabbi | Particulars | Pandit | Qazi | Rabbi |
|-------------|----------|----------|----------|-------------|----------|----------|----------|
| To Bank | | | 34,000 | By Bal bd | 70,000 | 96,000 | 84,000 |
| | | | | By Bank | 30,000 | 4,000 | |
| | | | | By IOC | 8,000 | 8,000 | 4,000 |
| | | | | By Salary | 24,000 | | |
| To Bal c/d | 1,50,000 | 1,33,600 | 69,900 | By Comm. | | 7,200 | 6,300 |
| | | | | By PL app | 18,000 | 18,400 | 9,600 |
| | 1,50,000 | 1,33,600 | 1,03,900 | | 1,50,000 | 1,33,600 | 1,03,900 |

Q22) (i) The number of debenture to be issued = $26,25,000/105 = 25,000$
(ii) Pass journal entries for allotment of debentures and also to write off the loss on issue.

Journal

| Date | Particulars | LF | Amount(Dr) | Amount(Cr) |
|------|--|----|------------|------------|
| | Debenture Application& Allotment A/c Dr | | 26,25,000 | |
| | Loss on issue of debenture A/c Dr | | 2,50,000 | |
| | To 8% Debenture A/c | | | 25,00,000 |
| | To Securities Premium Reserve A/c | | | 1,25,000 |
| | To Premium on redemption of debenture | | | 2,50,000 |
| | (Being 25,000 debenture allotted at 5% premium redeemable at 10% premium) | | | |

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

| Date | Particulars | Amount | Date | Particulars | Amount |
|------|--|----------|------|--------------------------------------|----------|
| | To Premium on redemption of debenture | 2,50,000 | | By Securities Premium Reserve A/c | 1,00,000 |
| | | | | By Securities Premium Reserve A/c | 1,25,000 |
| | | | | By Statement of P/L | 25,000 |
| | | 2,50,000 | | | 2,50,000 |

OR

Red Horse Ltd.

| Date | Particulars | LF | Amount (Rs) | Amount(Rs) |
|------|--|----|-------------|------------|
| | Plant and Machinery A/c Dr | | 15,50,000 | |
| | Furniture and Fixture A/c Dr | | 5,85,000 | |
| | Other assets A/c Dr | | 4,25,000 | |
| | Goodwill A/c Dr | | 90,000 | |
| | To Sundry Liabilities | | | 4,00,000 |
| | To Blue Monkey A/c | | | 22,50,000 |
| | (Being assets and liabilities transferred goodwill ascertained and consideration due) | | | |

| | | | | |
|------|--|-----|-----------|--|
| (i) | Blue Monkey A/c | Dr. | 22,50,000 | |
| | Discount on issue of debenture A/c | Dr. | 2,50,000 | |
| | To 12% Debenture A/c | | 25,00,000 | |
| | (Being 25,000 debentures issued at 10% dis.) | | | |
| (ii) | Blue Monkey A/c | Dr. | 22,50,000 | |
| | To 12% Debenture A/c | | 22,50,000 | |
| | (Being 22,500 debentures issued at par) | | | |

2 marks for 1st journal and 1 each for the next two. (2+1+1)

| | | | | | | |
|------|--|-----|----|------------|------------|--|
| Q23) | Jack, Kevin and Laurel PSR of 12:7:6 Laurel's share is taken 4:1. 6/25 in 4:1 so 6/25 X 4/5 = 24/125 and 6/25 X 1/5 = 6/125 Jack = 12/25 + 24/125 = (60 + 24)/125 = 84/125; Kevin = 7/25 + 6/125 = (35 + 6)/125 = 41/125 NPSR = 84:41 Goodwill of Laurel = 1,75,000 X 6/25 = 42,000 in 4:1 (33,600 and 8,400) Journal | (6) | | | | |
| | Particulars | Dr | LF | Amount(Dr) | Amount(Cr) | |
| | Jack's Capital A/c | Dr | | 33,600 | | |
| | Kevin's Capital A/c | Dr | | 8,400 | | |
| | To Laurel's A/c | | | | 42,000 | |
| | (Being share of goodwill of retiring partner adjusted among gaining partners) | | | | | |
| | Building A/c | Dr | | 50,000 | | |
| | To Revaluation A/c | | | | 50,000 | |
| | (Being building appreciated) | | | | | |
| | Revaluation A/c | Dr | | 10,000 | | |
| | To Plant and Machinery A/c | | | | 10,000 | |
| | (Being Plant and Machinery depreciated) | | | | | |
| | Creditors A/c | Dr | | 10,000 | | |
| | To Revaluation A/c | | | | 10,000 | |
| | (Being decrease in the value of creditors recorded) | | | | | |
| | Revaluation A/c | Dr | | 50,000 | | |
| | To Jack's Capital A/c | | | | 24,000 | |
| | To Kevin's Capital A/c | | | | 14,000 | |
| | To Laurel's Capital A/c | | | | 12,000 | |
| | (Being profit on revaluation transferred) | | | | | |

| Capital Account (Working) | | | | | | | |
|---------------------------|----------|----------|----------|------------|----------|----------|----------|
| Particular | Jack | Kevin | Laurel | Particular | Jack | Kevin | Laurel |
| To Laurel | 33,600 | 8,400 | | By Bal | 85,000 | 80,000 | 75,000 |
| To inventory | | | 21,000 | By Rev. | 24,000 | 14,000 | 12,000 |
| | | | | By GR | 24,000 | 14,000 | 12,000 |
| To L's Loan | | | 1,20,000 | By Jack | | | 33,600 |
| To Bal | 99,400 | 99,600 | | By Kevin | | | 8,400 |
| | 1,33,000 | 1,08,000 | 1,41,000 | | 1,33,000 | 1,08,000 | 1,41,000 |

Balance Sheet of Jack and Kevin As at 1st April 2025

| Liabilities | Rs. | Assets | Rs. |
|-----------------------|----------|----------------------|----------|
| Capital A/c | | Building | 1,25,000 |
| Jack 99,400 | | Add: Appreciation | 50,000 |
| Kevin 99,600 | 1,99,000 | Plant and Machinery | 1,00,000 |
| | | Less: Depreciation | 10,000 |
| Laurel's Loan | 1,20,000 | | 90,000 |
| Creditors 35,000 | | Inventory | 45,000 |
| Less: Decrease 10,000 | 25,000 | Less: paid to laurel | 21,000 |
| | | Debtors | 30,000 |
| | | Cash at Bank | 25,000 |
| | 3,44,000 | | 3,44,000 |

.5 for NPSR and .5 for calculation and distribution of goodwill, .4 for each journal

Balance Sheet 15 x.2 = 3

OR

Proportionate profit = 6,40,000 X 25/100 X 2/10 = 32,000

Goodwill = 4,00,000 X 2/10 = 80,000 in 5:3 = 50,000 and 30,000

IFF = 30,000 X 2/10 = 6,000

Interest on drawings = 15,000 X 12/100 X 3/12 = 450

Omesh's Capital A/c

| Date | Particulars | Amount | Date | Particulars | Amount |
|---------|------------------------|----------|---------|-------------------------|----------|
| 30/9/23 | To Drawings a/c | 15,000 | 1/4/23 | By Balance b/d | 1,00,000 |
| | To interest on drawing | 450 | 30/9/23 | By interest on capital | 6,000 |
| | | | | By P/L suspense a/c | 32,000 |
| | To Balance b/d | 2,08,550 | | By IFF a/c | 6,000 |
| | | | | By Mahesh's Capital a | 50,000 |
| | | | | By Nilesh's Capital a/c | 30,000 |
| | | 2,24,000 | | | 2,24,000 |

Omesh's Executors A/c

| Date | Particulars | Amount | Date | Particulars | Amount |
|---------|------------------|----------|---------|------------------------|----------|
| 30/9/23 | To Bank a/c | 28,550 | 30/9/23 | By Omesh's capital a/c | 2,08,550 |
| 31/3/24 | To Bank | | 31/3/24 | By interest | 9,000 |
| | (90,000 + 9,000) | 99,000 | | | |
| | To Balance c/d | 90,000 | | | |
| | | 2,17,550 | | | 2,17,550 |
| 31/3/25 | To Bank | | 1/4/24 | By Balance b/d | 90,000 |
| | (90,000 + 9,000) | 99,000 | 31/3/25 | By interest | 9,000 |
| | | 99,000 | | | 99,000 |

4 marks for capital a/c and 2 for executors a/c

Q24)

Realisation A/c

(6)

| To Sundry Assets | | Assets | Rs. |
|------------------------------|-----------------|---|-----------|
| Land | 5,00,000 | By Sundry Liabilities | |
| Machinery | 2,40,000 | Provision for Doubtful debt | 3,000 |
| Office Equipment | 1,20,000 | Bank Loan | 1,20,000 |
| Furniture | 60,000 | Creditors | 50,000 |
| Inventory | 1,00,000 | Noel's Wife Loan | 1,80,000 |
| Debtors | 48,000 | By Bank | |
| | | Land 6,00,000 | |
| To Bank | | Machinery 1,80,000 | |
| Bank Loan | 1,26,000 | Office Equipment 1,20,000 | |
| Creditors | 47,000 | Debtors | 40,000 |
| To Noel's Capital (W's Loan) | 1,70,000 | | |
| | | By Mike's Capital (Inventory) 48,000 | |
| | | By Noel's Capital (Inventory) 32,000 | |
| | | By Noel's Capital (Furniture) 30,000 | |
| | | By Loss on realisation | |
| | | Mike's Capital A/c 4,800 | |
| | | Noel's Capital A/c 3,200 | 8,000 |
| | | | 14,11,000 |

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) | 48,000 | 62,000 | By Realisation W.L. Loan | | 1,70,000 |
| To Bank | 3,37,200 | 4,39,800 | | | |
| | 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 | 3,37,200 |
| | | By Noel's Capital 4,42,000 | 4,39,800 |
| | 9,50,000 | | 9,50,000 |

Marks for missing figures. .3 X 20 = 6

Q25)

Journal

(6)

| Date | Particulars | LF | Amount(Dr) | Amount(Cr) |
|------|--|----|------------|------------|
| | Bank A/c Dr. | | 2,11,000 | |
| | To Share Application A/c (20,000 X 8) | | | 1,60,000 |
| | To Calls in advance A/c (36,000 + 15,000) | | | 51,000 |
| | (Being application money received along with advance on 3,000 shares) | | | |
| | | | | |
| | Share Application A/c Dr. | | 1,60,000 | |
| | To Share Capital A/c | | | 80,000 |
| | To Securities Premium A/c | | | 80,000 |
| | (Being application money transferred) | | | |
| | | | | |

| | | | |
|---|-------------------|----------|----------|
| Share Allotment A/c | Dr. (20,000 X 12) | 2,40,000 | |
| To Share Capital A/c | (20,000 X 5) | | 1,00,000 |
| To Securities Premium A/c | (20,000 X 7) | | 1,40,000 |
| (Being allotment money due including premium) | | | |
| Bank A/c | Dr. | 1,80,000 | |
| Calls in advance A/c | Dr. | 36,000 | |
| Calls in arrears A/c | Dr. (2,000 X 12) | 24,000 | |
| To Share Allotment A/c | (20,000 X 12) | | 2,40,000 |
| (Being allotment money received on all but 2,000 shares including premium of Rs.7 and advance adjusted) | | | |
| Share First and Final Call A/c | Dr (20,000 X 5) | 1,00,000 | |
| To Share Capital A/c | | | 20,000 |
| To Securities Premium A/c | (20,000 X 4) | | 80,000 |
| (Being call money due including premium) | | | |
| Bank A/c | Dr. | 75,000 | |
| Calls in arrears A/c | Dr. (2,000 X 5) | 10,000 | |
| Calls in advance A/c | Dr. | 15,000 | |
| To Share First and Final Call A/c | | | 1,00,000 |
| (Being call money received on all but 2000 shares including premium of Rs.4 and advance adjusted) | | | |

OR

| | | |
|--|--|--|
| ASSETS | | |
| Non-current Assets | | |
| (a) Property,Plant and Equipment and Intangible Assets | | |
| Property, Plant and Equipment | | |
| Intangibles | | |
| Capital Work in Progress | | |
| Intangible Assets under development | | |
| (b) Non-current Investment | | |
| (c) Deferred Tax Assets | | |
| Current Assets | | |
| (a) Current Investment | | |
| (b) Inventories | | |
| (c) Trade Receivables | | |
| (d) Cash and Cash equivalents | | |
| (e) Short term loans and advances | | |
| (f) Other current Assets | | |

Sunday & Monday Ltd
Journal

| | | | |
|------------------------|------------------|----------|--|
| Share Capital A/c | Dr (10,000 X 10) | 1,00,000 | |
| Securities Premium A/c | Dr (4,000 X 3) | 12,000 | |

| | | | | |
|--|--|--|--------|--|
| | To Calls in arrears A/c | | 48,000 | |
| | To Share forfeiture A/c | | 64,000 | |
| | (Being 10,000 shares forfeited for non payment of allotment including premium & first and final call | | | |
| | | | | |
| | Bank A/c Dr | | 35,000 | |
| | Share Forfeiture A/c Dr | | 15,000 | |
| | To Share Capital A/c | | 50,000 | |
| | (Being 5,000 shares reissued at Rs.7 each) | | | |
| | | | | |
| | Share Forfeiture A/c Dr | | 9,000 | |
| | To Capital Reserve A/c | | 9,000 | |
| | (Being profit on reissue of 5,000 out of 10,000 forfeited shares transferred) | | | |

| Q26) | Journal | | | | | (6) |
|-------|--|----|------------|------------|--|-----|
| Date | Particulars | LF | Amount(Dr) | Amount(Cr) | | |
| (i) | Bank A/c Dr | | 2,20,000 | | | |
| | To Debenture application and allotment A/c | | | 2,20,000 | | |
| | (Being application money received on 2,000 debenture at Rs.110 each) | | | | | |
| | | | | | | |
| | Debenture application and allotment A/c Dr | | 2,20,000 | | | |
| | Loss on issue of debenture A/c Dr | | 10,000 | | | |
| | To 12% Debenture | | | 2,00,000 | | |
| | To Premium on redemption of debenture A/c | | | 10,000 | | |
| | To Securities premium A/c | | | 20,000 | | |
| | (Being debenture issued at 10% premium and redeemable at 5% premium) | | | | | |
| | | | | | | |
| (ii) | Bank A/c Dr | | 3,30,000 | | | |
| | To Debenture application and allotment A/c | | | 3,30,000 | | |
| | (Being application money received on 3,000 debentures at 110 each) | | | | | |
| | | | | | | |
| | Debenture application and allotment A/c Dr | | 3,30,000 | | | |
| | To 12 % Debenture | | | 3,00,000 | | |
| | To Securities Premium A/c | | | 30,000 | | |
| | (Being debenture issued at 10% premium redeemable at par) | | | | | |
| | | | | | | |
| (iii) | Bank A/c Dr | | 3,60,000 | | | |
| | To Debenture application and allotment A/c | | | 3,60,000 | | |
| | (Being application money received on 4,000 debenture at Rs.90 each) | | | | | |
| | | | | | | |
| | Debenture application and allotment A/c Dr | | 3,60,000 | | | |
| | Loss on issue of debenture A/c Dr | | 60,000 | | | |

Cash Flow Statement as per AS 3

| Cash Flow from operating activities | | | |
|--|--|-----------------|-----------------|
| Net profit before tax (Note 1) | | 1,15,000 | |
| Adjustment for non-cash/non-operating items | | | |
| Add: Depreciation of Machinery | | 30,000 | |
| Loss on sale of machinery | | 10,000 | |
| Amortisation of Goodwill | | 10,000 | |
| Operating profit before working capital changes | | 1,65,000 | |
| Adjustment for working capital changes | | | |
| Add: Increasing in current liabilities/Decrease in current assets | | | |
| Sundry Debtors | | 5,000 | |
| Inventory | | 30,000 | |
| Outstanding Rent | | 2,000 | |
| Less: Increase in current assets / Decrease in current liabilities | | | |
| Creditors | | (20,000) | |
| Cash flow from operations | | 1,82,000 | |
| Less: Income Tax | | 50,000 | |
| Net cash from operating activities | | | 1,32,000 |

15 X .2 = 3

OR

Plant and Machinery A/c

| Date | Particulars | Amount | Date | Particulars | Amount |
|--------|----------------|----------|---------|---------------------|-----------------|
| 1/4/24 | To Balance b/d | 5,80,000 | | By Accumulated Dep | 60,000 |
| | | | | By Statement of P&L | 25,000 |
| | | | | By Bank A/c | 3,15,000 |
| | | | 31/3/25 | By Balance c/d | 1,80,000 |
| | | 5,80,000 | | | 5,80,000 |

Accumulated Depreciation A/c

| Date | Particulars | Amount | Date | Particulars | Amount |
|---------|----------------------|----------|--------|---------------------|---------------|
| | To Plant & Machinery | 60,000 | 1/4/24 | By Balance b/d | 1,05,000 |
| | | | | By Statement of P&L | 30,000 |
| 31/3/25 | To Balance c/d | 75,000 | | | |
| | | 1,35,000 | | | 1,35,000 |

Motor Vehicle A/c

| Date | Particulars | Amount | Date | Particulars | Amount |
|--------|----------------|----------|------|---------------------|-----------------|
| 1/4/24 | To Balance b/d | 7,50,000 | | By Accumulated Dep | 55,000 |
| | | | | By Statement of P&L | 5,000 |
| | | | | By Bank A/c | 2,20,000 |
| | | | | By Balance b/d | 4,70,000 |
| | | 7,50,000 | | | 7,50,000 |

Accumulated Depreciation A/c

| Date | Particulars | Amount | Date | Particulars | Amount |
|---------|----------------------|---------------|--------|---------------------|----------|
| | To Plant & Machinery | 55,000 | 1/4/24 | By Balance b/d | 1,70,000 |
| 31/3/25 | To Balance c/d | 1,95,000 | | By Statement of P&L | 80,000 |
| | | 2,50,000 | | | 2,50,000 |

| CASH FLOW STATEMENT | | | (4) | |
|--|---|------------|-------------------|-----|
| A. Cash Flow from operating activities | | | | |
| Net profit before tax | | 1,25,000 | | |
| Adjustment for non cash/non operating items | | | | |
| Add: Depreciation on Non-current assets | | 80,000 | | |
| Interest on Debenture | | 42,000 | | |
| Dividend on Equity Shares | | 40,000 | | |
| Less: Profit on sale of Non-current assets | | (25,000) | | |
| Operating profit before working capital changes | | 2,62,000 | | |
| Add: Increasing in current liabilities/ Decrease in current assets | | | | |
| Other Current Assets | | 10,000 | | |
| Trade Payable | | 20,000 | | |
| Less: Increase in current assets/Decrease in current liabilities | | | | |
| Inventory | | (60,000) | | |
| Trade Receivables | | (20,000) | | |
| Net cash from operating activities | | | 2,12,000 | |
| B. Cash flow from investing activities | | | | |
| Purchase of Non-current assets | | (7,25,000) | | |
| Sale of Non-current assets | | 5,50,000 | | |
| Net cash used in investing activities | | | (1,75,000) | |
| C. Cash flow from financing activities | | | | |
| Proceeds from issue of shares | | 2,00,000 | | |
| Redemption of Debentures | | (2,00,000) | | |
| Interest paid on debentures | | (42,000) | | |
| Dividend paid on Equity shares | | (20,000) | | |
| Net Cash used in financing activities | | | (62,000) | |
| Net increase (decrease) in cash and cash equivalents (A +B + C) | | | (25,000) | |
| Cash and cash equivalent at the beginning of the year | | | 1,00,000 | |
| Cash and cash equivalent at the end of the year | | | 75,000 | |
| 20 X .2 = 4 (No marks for opening and closing balance) | | | | |
| Interest on Debenture = 4,50,000 X 12/100 X 6/12 = 27,000 | | | | |
| 2,50,000 X 12/100 X 6/12 = 15,000 | | | | |
| Q33) | <p>a) i) Gross Profit Ratio = (Gross Profit/Net Revenue from Operations) X 100 Where Gross Profit = Revenue from Operations – Cost of Revenue from Operations (CRO) and CRO = Opening Inventory + Purchase + Direct Expenses – Closing Inventory or Revenue from Operations – Gross Profit.</p> <p>ii) Net Profit ratio = (Net Profit/Net Revenue from Operations) X 100 Net Profit = Gross Profit + Other Income – Indirect Expenses</p> <p>iii) Operating Ratio = <u>(Cost of Revenue from Operations + Operating Expenses)</u> X 100 Net Revenue from Operations Operating Expenses = Office and Adminisritative expenses + Selling and Distribution expenses + Employee benefit expenses + Depreciation and Amortisation</p> <p>iv) Operating Profit Ratio = (Operating Profit / Net Revenue from Operations) X 100 Operating Profit = Net Profit + Non-operating Expenses – Non-operating income.</p> | | | (6) |

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. Calculate Debt Equity Ratio

Debt Equity Ratio = Debt/Equity

Equity = Total Assets - Current Liabilities - Non-Current Liabilities

$$16,00,000 - 3,20,000 - 5,60,000 = 7,20,000$$

Debt = Non Current Liabilities = 5,60,000

Debt Equity Ratio = 5,60,000/7,20,000 = **.78:1**

OR

Current Ratio = Current Assets/Current Liabilities

Current Assets = Total Assets - Non-Current Assets = 14,50,000 – 11,50,000 = 3,00,000

Current Liabilities = Trade payables + Other Current Liabilities = 50,000 + 25,000 = 75,000

3,00,000/75,000 = **4:1**

Proprietary Ratio = Proprietor's Fund/Total Assets

Proprietor's Fund = Share Capital + Reserve and Surplus = 7,00,000 + 2,00,000 = 9,00,000

9,00,000/14,50,000 = **.62:1**

Inventory Turnover Ratio = Cost of Revenue from Operations / Average Inventory

Average Inventory = (Opening Inventory + Closing Inventory) / 2

1,50,000 + 90,000 = 2,40,000/2 = 1,20,000

7,20,000/1,20,000 = **6 times.**