

**INSTRUCTIONS:**

- 1) All questions are compulsory except Q26 there is a choice.
- 2) Q1 to Q20 is of 1 mark each
- 3) Q21 to Q25 is of 4 marks each
- 4) Q26 to Q29 is of 10 marks each
- 5) Use of phone, smart watches or any other electronic gadgets are prohibited
- 6) Simple calculator is allowed

Q1) Where are the adjustments of partners recorded under Fixed Capital Method?

- a) Realisation Account
- b) Partners Current Account
- c) Revaluation Account
- d) Profit & loss Account

Q2) Under the Fluctuating Capital Method, the partner's capital account show \_\_\_\_\_ balance.

- a) Credit balance
- b) Debit balance
- c) Debit or Credit balance
- d) No balance

Q3) If the new partners bring his share of goodwill in cash, it will be share by the old partners in \_\_\_\_\_.

- a) Sacrificing Ratio
- b) Old Profit Sharing Ratio
- c) Capital Ratio
- d) New Profit Sharing ratio

Q4) Rizwan & Sejal are partners sharing profits and losses equally. Ranjit is admitted for  $\frac{1}{5}$ th share.

Then the new profit sharing ratio will be \_\_\_\_\_.

- a) 3:3:2
- b) 3:3:1
- c) 2:2:1
- d) 2:3:1

5) On 1<sup>st</sup> April, 2023, A, B & C were partners sharing profits and losses in the ratio of 5:3:2 respectively. On this date 'B' retires. The new profit sharing ratio of A and C will be 3:2. Gaining ratio will be \_\_\_\_\_.

- a) 1:2
- b) 2:1
- c) 1:1
- d) 5:2

6) On the death of a partner, his executor is paid the profits of the deceased partner for the relevant period. This payment is recorded in Profit and Loss \_\_\_\_\_ A/c.

- a) Adjustment A/c
- b) Appropriation
- c) Suspense
- d) Reserve

Q7) In dissolution of partnership in the absence of any information in the adjustment regarding external liabilities, such liabilities are treated as \_\_\_\_\_.

- a) Never paid
- b) Fully paid
- c) Partly paid
- d) Paid at discount

Q8) On dissolution of partnership, the balance of partners Capital account appearing on the asset side of Balance Sheet is transferred to \_\_\_\_\_.

- a) Debit side of Partners capital Account
- b) Credit side of Partners capital Account
- c) Debit side of Realisation Account
- d) Credit side Realisation Account

Q9) Upon Forfeiture of shares, Share Capital Account is debited by \_\_\_\_\_.

- a) Paid-up amount
- b) Called-up amount
- c) Calls in arrears amount
- d) Face value of forfeited shares

Q10) Debenture holders are called \_\_\_\_\_.

- a) Owners of the Company
- b) Debtors of the Company
- c) Directors of the Company
- d) Creditors of the company

Q11) Nestle Ltd forfeited 500 shares of Rs. 10 each on which Rs. 6 per share were paid. The company re-issued these shares @ Rs. 9 per share as fully paid. Calculate the amount to be transferred to Capital Reserve Account.

Q12) Subway Ltd purchased assets of Rs. 22,20,000/- and liabilities of Rs. 2,60,000/- from Quickway Ltd at an agreed purchase consideration of Rs. 18,00,000 payable by the issue of 10% Debentures of Rs. 100 each at 20% premium. Calculate the number of debentures to be issued.

Q13) Identify the items and calculate Cash & Cash Equivalent amount from the following information:

- a) Trade Receivables Rs. 6,00,000
- b) Marketable Securities Rs. 1,00,000
- c) Cash in Hand Rs. 20,000
- d) Cheques in Hand Rs. 80,000

Q14) Give examples of any two items under the Sub Head 'Short Term Borrowing'.

Q15) Identify the items shown under the Sub Head 'Other Expenses' from the following information:

- a) Factory Expenses
- b) Salaries & Wages
- c) Audit Fees
- d) Bonus

Q16) Under which heading of the Statement of Profit & loss of a Company the following items will be shown?

- a) Interest on Public deposits
- b) Entertainment Expenses

Q17) What is meant by Analysis of financial Statement?

Q18) State any two limitations of Analysis of Financial Statement.

Q19) What is a Cashflow Statement?

Q20) Under which type of activity will you classify 'Proceeds from sale of Investments' while preparing Cashflow Statement?

Q21) Raj & Sahil are partners in a firm sharing profits & losses equally with Capitals of Rs. 6,80,000/- & Rs. 4,60,000/- respectively as on 1st April 2023. During the year Raj had withdrawn 18,000/- and Sahil had withdrawn Rs. 9,800/- from the business for their personal use. The Net Profit of the firm for the yearended 31st March 2024 before making any adjustment was Rs. 4,62,000/-.

The Partnership Deed provided the following:

- i) Interest on Capital @ 8% p.a.
- ii) Interest on Drawings is charged @ 6% p.a.
- iii) Salary to Sahil Rs. 2,800 per month.
- iv) Raj is entitled to an annual Rent of Rs. 8,400.

Prepare Profit & Loss appropriation Account

Q22) Royal Co. Ltd forfeited 3000 Equity shares of Rs. 10 each fully Called-Up for non-payment of Final Call money of Rs. 4 per share. The shares were Re-issued @ Rs. 9 each as fully paid. Pass necessary Journal Entries in the Books of Royal Co. Ltd.

Q23) Apex Ltd issued 10,000, 9% Debentures of Rs. 100 each at a premium of 20 % payable as Rs. 40 on Application & Rs. 80 on allotment (with premium). All the debentures were subscribed and the money was duly received except Mr. Bhushan the holder of 200 debentures failed to pay Allotment money.

Pass necessary Journal Entries in the Books of Apex Ltd.

Q24) Following is the Statement of the Profit & Loss of Bright India Ltd for the year ending 31st March 2024:

PARTICULARS	NOTE No.	AMOUNT
I) Revenue from Operations		26,00,000
II) Other Income		60,000
III) Total Income		26,60,000
IV) Expenses:		
a) Cost of Material Consumed		8,00,000
b) Purchase of Stock in Trade		12,00,000
c) Changes in Inventories		(4,00,000)
d) Employees Benefit Expenses		1,60,000
e) Finance Cost		96,000
f) Depreciation & Amortization		1,25,000
g) Other Expenses		4,75,000
Total Expenses		24,56,000
V) Profit Before Tax		2,04,000
VI) Provision for Tax		(82,000)
VII) Profit After Tax		1,22,000

Calculate Common Size Statement of Profit & Loss Kendra Bharat Ltd. for the year ending 31st March 2023.

Q25) i) From the following information, Calculate Quick Ratio:

PARTICULARS	AMOUNT (Rs)
Current Assets	26,00,000
Inventories	6,50,000
Prepaid Expenses	70,000
Current Liabilities	9,00,000
Advance Tax	1,20,000
Reserves & Surplus	5,00,000

ii) From the following information, Calculate Working Capital Turnover Ratio:

PARTICULARS	AMOUNT (Rs.)
Cash Revenue from Operations	5,60,000
Credit Revenue from operations	16,80,000
Working Capital	8,06,000
Returns Inward	80,000
Share Capital	10,00,000

Q26) Sourav and Sanjay are partners sharing profits and losses in the ratio of 3:2. Their Balance Sheet as on 31st March 2023 was as under:

Balance sheet as on 31st March 2023

LIABILITIES	AMOUNT	ASSETS	AMOUNT
Capital Balance:		Building	80,000
Sourav	1,00,000	Machinery	65,000
Sanjay	80,000	Furniture	70,000
General Reserves	10,000	Debtors 35,000	
Creditors	50,000	less: RDD 5,000	30,000
Bills Payable	30,000	Cash in Hand	25,000
	2,70,000		2,70,000

They agreed to admit Siddhu as new partner on 01-04-2023 on following terms:

- 1) He should bring Rs. 60,000/- as his Capital and Rs. 15,000/- as his share of Goodwill for 1/5th share in future profits which will be credited to New Partners Capital Account.
- 2) Building is revalued to Rs. 1,00,000/- and Machinery reduced by Rs. 8,000/-
- 3) RDD is to be maintained at 10% of the Debtors.

Prepare:

- 1) Revaluation Account
- 2) Partners Capital Account
- 3) Balance Sheet as on 01-04-2023

OR

Q26) Aditya, Komal & Kishen were partners sharing profits & losses in the ratio of 3:2:1. On March 31st 2023. Their Balance Sheet was as under:

Balance Sheet as on 31st March 2023

LIABILITIES	AMOUNT	ASSETS	AMOUNT
Capital Accounts:		Land & Building	20,00,000
Aditya	12,00,000	Machinery	4,50,000
Komal	7,60,000	Debtors	2,20,000
Kishen	5,00,000	Cash at Bank	3,00,000
Creditors	2,70,000		
Profit & Loss A/c	2,40,000		
	29,70,000		29,70,000

Aditya died on 1st July 2023. The following was agreed upon:

- 1) Aditya was given his share of profits up to the date of death based on the profits of 2023.
- 2) Land & Building appreciated by 10% and Machinery depreciated by 5%.
- 3) Goodwill of the firm be valued at Rs. 90,000/-.
- 4) Komal & Kishen agreed to pay Rs. 2,83,750 to the Executors and balance in four equal half yearly Installments with interest @ 12% p.a. on outstanding balance.

Prepare:

- i) Revaluation Account
- ii) Partners Capital Account
- iii) Executor's Loan Account

Q27) Nishil and Niharika were partners in a firm sharing profits & losses in the ratio of 3:2. On 31st March 2023, their Balance Sheet was as follows:

Balance Sheet as on 31st March 2023

LIABILITIES	AMOUNT	ASSETS	AMOUNT
Capital Accounts:		Land & Building	4,00,000
Nishil	5,00,000	Machinery	3,00,000
Niharika	3,00,000	Sundry Debtors	2,24,000
General Reserves	5,000	Less: PBDD	<u>2,000</u>
Bank Loan	26,000	Cash at Bank	68,000
Sundry Creditors	1,69,000	Profit & Loss A/c	10,000
	10,00,000		10,00,000

The firm was dissolved on 1st April 2023 and the Assets and Liabilities were settled as follows:

- 1) Land & Building realised Rs. 4,30,000/-; Bad Debts and discount allowed on debtors amounted to Rs. 4,000/- and Machinery was taken over by Nishil at Rs. 2,80,000/-
- 2) There was an unrecorded investment which was sold for Rs. 25,000
- 3) 50% of the creditors were paid Rs. 4,000 less in full settlement and the remaining creditors were paid in full.
- 4) The expenses of Realisation amounted to Rs. 2,625 which were paid by Niharika.

Prepare:

- i) Realisation Account
- ii) Partners Capital Account
- iii) Bank Account

Q28) From the following Ledger Balances of Akshar Co. Ltd, Prepare a Balance Sheet of the Company as on 31st March 2024 as per Schedule III of the Companies Act, 2013:

PARTICULARS	AMOUNT(Rs.)	PARTICULARS	AMOUNT(Rs.)
Equity Share Capital	26,00,000	Advances to Employees	1,50,000
General Reserve	30,000	Commission Receivable	12,500
12% Debentures	4,00,000	Tools & Equipment	3,75,000
Land & Building	15,54,970	Gratuity Fund	3,00,000
Goodwill	10,00,000	Debtors	1,38,520
Bank overdraft	2,45,100	Cash at Bank	1,57,160
Proposed Dividend	82,000	Stores & Spares	1,77,800
Prepaid Insurance	25,000	Profit & Loss A/c (Cr)	21,490
Mutual Funds	1,68,000	Bills Receivables	44,600
Interest Payable	32,400	Sundry Creditors	92,560

Q29) You are given the following information:

LIABILITIES	31/03/23	31/03/24	ASSETS	31/03/23	31/03/24
Equity Share Capital	2,45,000	3,60,000	Machinery	4,80,000	5,20,000
Profit & Loss A/c	1,70,000	2,65,000	Copyrights	80,000	70,000
Reserves	90,000	1,20,000	Sundry Debtors	2,80,000	1,18,000
8% p.a. Debentures	3,60,000	2,28,000	Closing Stock	80,000	1,52,000
Bills Payable	90,000	20,000	Prepaid Insurance	3,000	2,000
Provision for Tax	5,000	9,000	Cash at Bank	37,000	1,40,000
	9,60,000	10,02,000		9,60,000	10,02,000

ADDITIONAL INFORMATION:

- i) Income tax paid during the year was Rs. 8,000/-
- ii) Depreciation Rs. 28,000/- was charged to Profit & Loss account.

Prepare:

- 1) Cash flow Statement as per Revised accounting standard -3
- 2) Provision for Tax account

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