(Accountancy) Assignment Class XII

1. Name any five items that can be disclosed under 'other current liabilities'.

2. Name the sub-line items (sub-headings) under which shareholders' funds shall be classified in a company's balance sheet.

3. Name any five items that can be disclosed under tangible assets.

4. Name any five items that can be disclosed under reserves and surplus.

5. Under what heads and sub-heads, will the following items appear in the balance sheet of a company?
   (*i*) Shares in X Ltd
   (*ii*) Securities premium reserve
   (*iii*) Loose tools
   (*iv*) Prepaid insurance
   (*v*) Work-in-progress
   (*vi*) Outstanding repair bill

6. Under what heads and sub-heads, will the following items appear in the balance sheet of a limited company?
   (*i*) Patents
   (*ii*) Proposed dividends
   (*iii*) Provision for tax
   (*iv*) Inventories
   (*v*) Trade receivables
   (*vi*) Interest accrued and due

7. Under what heads and sub-heads, will the following items appear in the balance sheet of a company?
   (*i*) Capital reserve
   (*ii*) Work-in-progress
   (*iii*) Capital redemption reserve
   (*iv*) Brands/Trademarks
   (*v*) Vehicles

8. Under which heads and sub-heads, will the following items appear in the balance sheet of a company?
   (*i*) Authorised capital
   (*ii*) Calls-in-advance
   (*iii*) Contingent liabilities and commitments
   (*iv*) Forfeited shares
   (*v*) Debentures redemption reserve

9. Y Ltd has ₹ 8,00,000, 9% debentures due to be redeemed out of profits on 1st October, 2015 at a premium of 5%. The company had a debenture redemption reserve of ₹ 4,14,000. Pass necessary journal entries at the time of redemption.

10. Pass the necessary journal entries for the issue and redemption of debentures in the following cases

(*i*) 15,000, 9% debentures of ₹ 250 each issued at 5% premium, repayable at 15% premium.

(*ii*) 2,00,000, 12% debentures of ₹ 10 each issued at 8% premium, repayable at par.

11. Tata Ltd issued 5,000, 10% debentures of ₹ 100 each on 1st April, 2017. The issue was fully subscribed. According to the terms of issue, interest on debentures is payable half-yearly on 30th September and 31st March and tax deducted at source is 10%.

Pass the necessary entries related to the debenture interest for the half-yearly ending on 31st March, 2018 and transfer of interest on debentures to statement of profit and loss.

12. Black Spot Ltd took a loan of ₹ 10,00,000 from a bank giving ₹ 12,00,000, 9% debentures as collateral security. Pass journal entries regarding issue of debentures, if any and show this loan in the balance sheet of the company.

13. ABC Ltd purchased assets of the book value of ₹ 8,00,000 and took over the liabilities of ₹ 1,00,000 from XYZ Ltd. It was agreed that the purchase consideration, settled at ₹ 7,60,000, be paid by issuing debentures of ₹ 100 each.

What journal entries will be made in the following three cases if debentures are issued (*i*) at par, (*ii*) at a discount of 10% and (*iii*) at a premium of 10%? It was agreed that any fraction of debentures be paid in cash.

14. A company purchased assets of the book value of ₹ 1,98,000 from another firm. It was agreed that the purchase consideration be paid by issuing 11% debentures of ₹ 100 each. Assume debentures have been issued: (*i*) at par (*ii*) at a discount of 10% (*iii*) at a premium of 10%. Pass the necessary journal entries.

15. Alfa Ltd invited applications for 4,00,000 equity shares of ₹ 10 each on the following terms payable on application ₹ 5 per share, payable on allotment ₹ 3 per share, payable on first and final call ₹ 2 per share.

Applications for 5,00,000 shares were received. It was decided

(*i*) To refuse allotment to the applicants for 20,000 shares.

(*ii*) To allot in full to applicants for 80,000 shares.

(*iii*) To allot the balance of the available shares pro-rata among the other applicants.

(*iv*) To utilise excess application money in part as payment of allotment money.

One applicant, whom shares had been allotted on pro-rata basis, did not pay the amount due on allotment and on the call, and his 400 shares were forfeited. The shares were re-issued @ ₹ 9 per share. Show the journal and prepare cash book to record the above.

16. 'Blue Star Ltd' was registered with an authorised capital of ₹ 2,00,000 divided into 20,000 shares of ₹ 10 each. 6,000 of these shares were issued to the vendor for building purchased. 8,000 shares were issued to the public and ₹ 5 per share were called up as follows

On application – ₹ 2 per share

On allotment – ₹ 1 per share

On first call – Balance of the called-up amount

The amounts received on these shares were as follows

On 6,000 shares – Full amount called

On 1,250 shares – ₹ 3 per share

On 750 shares – ₹ 2 per share

The directors forfeited 750 shares on which ₹ 2 per share were received. Pass necessary journal entries for the above transactions in the books of Blue Star Ltd.

17. Amit holds 100 shares of ₹ 10 each on which he has paid ₹ 1 per share as application money. Bimal holds 200 shares of ₹ 10 each on which he has paid ₹ 1 and ₹ 2 per share as application and allotment money, respectively. Chetan holds 300 shares of ₹ 10 each and has paid ₹ 1 on application, ₹ 2 on allotment and ₹ 3 for the first call. They all fail to pay their arrears and the second call of ₹ 2 per share and the directors, therefore, forfeited their shares. The shares are re-issued subsequently for ₹ 11 per share as fully paid. Journalise the transactions.

18. Sajag Ltd has an authorised capital of ₹ 30,00,000 divided into equity shares of ₹ 30 each.

The company invited applications for issuing 70,000 shares. Applications for 68,000 shares were received. All calls were made and were duly received except the final call of ₹ 10 per share on 5,000 shares. These shares were forfeited.

(*i*) Present the share capital in the balance sheet of the company as per Schedule III of the Companies Act, 2013.

(*ii*) Also prepare 'notes to accounts' for the same.

19. Petromax Ltd issued 50,000 shares of ₹ 10 each at a premium of ₹ 2 per share payable as ₹ 3 on application, ₹ 5 including premium on allotment and balance in equal instalments over two calls. Applications were received for 92,000 shares and the allotment was done as under

(*i*) Applications of 40,000 shares — Allotted 30,000 shares

(*ii*) Applications of 40,000 shares — Allotted 20,000 shares

(*iii*) Applications of 12,000 shares — Nil

Suresh who had applied for 2,000 shares of category (*i*) did not pay any money other than application money. Chandar who was allotted 800 shares of category (*ii*) paid the call money due alongwith allotment. All other allottees paid their dues as per schedule.

Pass necessary journal entries in the books of Petromax Ltd for the above transactions.

20. Niharika Ltd purchased a running business from Sunehari Ltd for a sum of ₹ 30,00,000 by issuing 25,000 fully paid equity shares of ₹ 100 each at a premium of 20%. The assets and liabilities consisted of the following

Machinery ₹ 9,00,000, debtors ₹ 12,50,000, stock ₹ 8,00,000, building ₹ 10,00,000 and bills payable ₹ 7,50,000.

Pass necessary journal entries in the books of Niharika Ltd for the above transactions.

21. X Ltd purchased machinery for ₹ 5,00,000 from Y Ltd. Half of the amount was paid by accepting a bill of exchange drawn by Y Ltd payable after three months. The balance was paid by issue of equity shares of ₹ 10 each at a premium of 25%.

Pass necessary journal entries in the books of X Ltd for these transactions.

22. Sonu and Ashu sharing profits as 3:1 and they agree upon dissolution. The Balance Sheet as on March 31, 2014 is as under:

Balance Sheet of Sonu and Ashu as on March 31, 2012

Liabilities		*Amount (Rs.)*	*Assets*	*Amount (Rs.)*
Loan		12,000	Cash at bank	25,000
Creditors		18,000	Stock	45,000
Capital			Furniture	16,000
Sonu	1,10,000		Debtors	70,000
Ashu	68,000	1,78,000	Plant and Machinery	52,000
		208,000		**2,08,000**

Sonu took over plant and machinery at an agreed value of Rs.60,000. Stock and Furniture were sold for Rs.42,000 and Rs.13,900 respectively. Debtors were took over by Ashu at Rs.69,000. Creditors were paid subject to discount of Rs.900. Sonu agrees to pay the loans. Realisation expenses were Rs.1,600.

Prepare Realisation Account, Bank Account and Capital Accounts of the Partners.

23. Parul, Payal and Priyanka are partners. They decided to dissolve the firm. Pass the necessary journal entries for the following after the various assets (other than cash and bank) and outside liabilities have been transferred to realisation account.

(i) There were total debtors of ₹ 76,000. A provision for bad and doubtful debts also stood in the books at ₹ 6,000. ₹ 12,000 debtors proved bad and rest paid the amount due.

(ii) Parul agreed to pay off her husband's loan of ₹ 7,000 at a discount of 5%.

(iii) A machine which is not recorded in the books was taken over by Payal at ₹ 3,000 whereas its expected value was ₹ 5,000.

(iv) Priyanka paid realisation expenses of ₹ 15,000 out of her pocket and she was to get remuneration of ₹ 18,000 for completing the dissolution process.

(v) A contingent liability (not provided for) of ₹ 4,000 was also discharged.

(vi) The firm had a debit balance of ₹ 27,000 in the profit and loss account on the date of dissolution.

24. Pass the necessary journal entries for the following transactions on the dissolution of the firm of Sudha and Shiva after the various assets (other than cash) and outside liabilities have been transferred to realisation account.

(i) Sudha agreed to pay off her husband's loan ₹ 19,000.

(ii) A debtor whose debt of ₹ 9,000 was written-off in the books, paid ₹ 7,500 in full settlement.

(iii) Shiva took over all investments at ₹ 13,300.

(iv) Sundry creditors ₹ 10,000 were paid at 9% discount.

(v) Realisation expenses ₹ 3,400 were paid by Sudha for which she was allowed ₹ 3,000.

(vi) Loss on realisation ₹ 9,400 was divided between Sudha and Shiva in 3 : 2 ratio.

25. Amrinder, Mahinder and Joginder are partners in a firm. Mahinder retires from the firm. On his date of retirement, Rs. 60,000 becomes due to him. Amrinder and Joginder promise to pay him in instalments every year at the end of the year. Prepare Mahinder's Loan Account in the following cases:

1. When payment is made four yearly instalments plus interest @ 12% p.a. on the unpaid balance.
2. When they agree to pay three yearly instalments of Rs. 20,000 including interest @ 12% p.a on the outstanding balance during the first three years and the balance including interest in the fourth year.
3. When payment is made in 4 equal yearly instalment's including interest @ 12% p.a. on the unpaid balance.

26. Lalit, Pankaj and Rahul are partners sharing profits in the ratio of 4 : 3 : 3. After all adjustments, on Lalit's retirement with respect to general reserve, goodwill and revaluation etc., the balances in their capital accounts stood at Rs. 70,000, Rs. 60,000 and Rs. 50,000 respectively. It was decided that the amount payable to Lalit will be brought by Pankaj and Rahul in such a way as to make their capitals proportionate to their profit sharing ratio. Calculate the amount to be brought by Pankaj and Rahul and record necessary journal entries for the same. Also record necessary entry for payment to Lalit.

After Lalit's retirement, the new profit sharing ratio between Pankaj and Rahul is 3 : 3, i.e. 1 : 1.

27. Pankaj, Naresh and Saurabh are partners sharing profits in the ratio of 3 : 2 : 1. Naresh retired from the firm due to his illness. On that date the Balance Sheet of the firm was as follows:

Books of Pankaj, Naresh and Saurabh
Balance Sheet as on March 31, 2015

Liabilities		*Amount (Rs.)*	*Assets*		*Amount (Rs.)*
General Reserve		12,000	Bank		7,600
Sundry Creditors		15,000	Debtors	6,000	
Bills Payable		12,000	*Less:* Provision for Doubtful Debt	400	5,600
Outstanding Salary		2,200			
Provision for Legal Damages		6,000	Stock		9,000
Capitals:			Furniture		41,000
Pankaj	46,000		Premises		80,000
Naresh	30,000				
Saurabh	20,000	96,000			
		1,43,200			**1,43,200**

Additional Information

(i) Premises have appreciated by 20%, stock depreciated by 10% and provision for doubtful debts was to be made 5% on debtors. Further, provision for legal damages is to be made for Rs. 1,200 and furniture to be brought up to Rs. 450.

(ii) Goodwill of the firm be valued at Rs. 42,000.

(iii) Rs. 26,000 from Naresh's Capital account be transferred to his loan account and balance be paid through bank; if required, necessary loan may be obtained form Bank.

(iv) New profit sharing ratio of Pankaj and Saurabh is decided to be 5 : 1.

Give the necessary ledger accounts and balance sheet of the firm after Naresh's retirement.

28. Prepare Income and Expenditure Account and Balance Sheet for the year ended December 31, 2015 from the following Receipt and Payment Account and Balance Sheet of culture club:

Receipt and Payment Account
for the year ending March 31, 2015

Receipts		*Amount (Rs.)*	*Payments*	*Amount (Rs.)*
Opening cash balance		12,000	Furniture	4,000
Subscription			Telephone expenses	800
2013-14	2,000		Salary	
2014-15	22,000	24,000	2013-14	1,000
Entrance fees		2,800	2014-15	4,000
Locker rent		1,000	Newspapers	700
Life membership fee		1,200	Sundry expenses	1,000
Government grant		11,000	Defence bonds	18,000
			Land	20,000
			Closing cash balance	2,500
		52,000		**52,000**

Balance Sheet for the year ending March 31, 2014

Liabilities	*Amount (Rs.)*	*Assets*	*Amount (Rs.)*
Advance locker rent	200	Cash in hand	12,000
Subscription received in Advance	1,000	Outstanding expenses	3,000
		Building	35,000
Outstanding salary	2,000		
Loan	10,000		
Capital fund	36,800		
	50,000		**50,000**

29. From the following receipts and payments account of Jan Kalyan Club, prepare income and expenditure account and balance sheet for the year ending 31st March, 2016.

Receipts and Payments Account

Dr — for the year ended 31st March, 2016 — Cr

Receipts	Amt (₹)	Payments	Amt (₹)
To Cash in Hand as at 1st April, 2015	6,800	By Salaries	24,000
To Subscriptions	60,200	By Travelling Expenses	6,000
To Donation	3,000	By Stationery	2,300
To Sale of Furniture	4,000	By Rent	16,000
(Book value ₹ 6,000)		By Repair	700
To Entrance Fee	800	By Books Purchased	6,000
To Life Membership Fee	7,000	By Building Purchased	30,000
To Interest on Investment	5,000	By Cash in Hand as at 31st March, 2016	1,800
(@ 5% for full year)			
	86,800		86,800

Additional Information

	Items	As on 1st April, 2015	As on 31st March, 2016
(i)	Subscriptions received in advance	1,000	3,200
(ii)	Outstanding subscriptions	2,000	3,700
(iii)	Stock of stationery	1,200	800
(iv)	Books	13,500	16,500
(v)	Furniture	16,000	8,000
(vi)	Outstanding rent	1,000	2,000

30. From the following Receipts and Payments A/c of a club, and from the information supplied, prepare an Income and Expenditure A/c for the year ended 31st Dec., 2018 and the Balance Sheets as on 1-1-2018 and 31-12-2018.

Receipts and Payments Account

Dr. — *for the year ended 31st December, 2018* — Cr.

Receipts		(₹)	**Payments**	(₹)
To Balance		350	By Salaries	1,400
To Subscriptions:			By General Expenses	200
2017	250		By Electricity Charges	300
2018	1,000		By Books	500
2019	200	1,450	By Newspapers	400
To Hall Rent received		700	By Balance c/d	200
To Profit from entertainment		400		
To Sale of old newspapers		100		
		3,000		3,000

Additional Informations:

(i) The club has 50 members each paying an annual subscription of ₹25. Subscriptions outstanding on 31st December, 2017 were to the value of ₹300.

(ii) On 31st December, 2018 Salaries outstanding amounted to ₹100. Salaries paid in 2018 included ₹300 for the year 2017.

(iii) On 1-1-2018 the club owned Buildings valued at ₹10,000, Furniture worth ₹1,000 and Books ₹1,000.

31. A, B and C were partners in a firm. On 1st April, 2016 their fixed capitals stood at ₹50,000, ₹25,000 and ₹25,000 respectively.

As per the provisions of the partnership Deed:

(i) B was entitled for a salary of ₹5,000 p.a.

(ii) All the partners were entitled to interest on capital @5% p.a.

(iii) Profits were to be shared in the ratio of capitals.

The net profit for the year ended 31st March, 2017 of ₹33,000 and 31st March, 2018 of ₹45,000 was divided equally without providing for the above terms.

Pass an adjustment Journal entry to rectify the above error.

32. **P, Q and R were partners in a firm sharing profits in the ratio of 4:3:3. After division of the profits for the year ended 31st March, 2017, their capitals were ₹4,00,000; ₹3,00,000; and ₹2,50,000 respectively. During the year they withdrew ₹15,000 each. The profit for the year was ₹40,000. The partnership deed provided that interest on capital will be allowed @8% p.a. while preparing the final accounts, interest on capital was not allowed.**

You are required to calculate the capitals of P, Q and R as on 1st April, 2016 and pass the necessary adjustment entry for providing interest on capitals. Show your workings clearly.

33. On 1st April, 2017, three partners had the following amounts at the credit of their capital accounts– A ₹5,000, B ₹3,000 and C ₹2,000.

On 1st April, 2017, they had to the credit of their Current Accounts– A ₹750, B ₹500 and C ₹400.

Profits are divided in the proportion of capital up to ₹2,000. Above that amount A gets 25%, B 35% and C 40%.

A drew during the year 2017-18 ₹500, B drew ₹400 and C drew ₹300.

The profits for the year 2017-18 amounted to ₹3,000.

Show the necessary Account of the partnership on 31st March, 2018.

34. M and K share profits equally. Their drawings for the year ending on 31st March, 2018 were as under:

M		K	
1st June, 2017	500	1st July, 2017	700
1st Oct., 2017	500	1st Nov., 2017	300
1st Dec., 2017	400	1st Dec., 2017	700
1st Feb., 2018	300	31st March, 2018	800

Calculate interest on drawings @6% p.a. for the year ended on 31st March, 2018.

35. A business has earned average profits of ₹1,00,000 during the last few years and the normal rate of return in similar business is 10%. Find out the value of goodwill by:

(*i*) Capitalisation of Super Profit Method and

(*ii*) Super Profit Method if the goodwill is valued at three years' purchase of super profit.

The assets of the business were ₹10,00,000 and its external liabilities ₹1,80,000.

36. A, B and C were partners in a firm sharing profits in the ratio of 3:2:1. On 31st March, 2015 their Balance Sheet was as follows:

Balance Sheet of A, B and C
as at 31st March, 2015

Liabilities		(₹)	Assets	(₹)
Creditors		84,000	Bank	17,000
General Reserve		21,000	Debtors	23,000
			Stock	1,10,000
Capitals:			Investments	30,000
A	60,000		Furniture and Fittings	10,000
B	40,000		Machinery	35,000
C	20,000	1,20,000		
		2,25,000		2,25,000

On the above date D was admitted as a new partner and it was decided that:

(*i*) The new profit sharing ratio between A, B, C and D will be 2:2:1:1.

(*ii*) Goodwill of the firm was valued at ₹90,000 and D brought his share of goodwill premium in cash.

(*iii*) The market value of investments was ₹24,000.

(*iv*) Machinery will be reduced to ₹29,000.

(*v*) A creditor of ₹3,000 was not likely to claim the amount and hence to be written off.

(*vi*) D will bring proportionate capital so as to give him 1/6th share in the profits of the firm.

Prepare Revaluation Account, Partners' Capital Accounts and the Balance Sheet of the reconstituted firm.

37. Parul and Karanvir were partners in a firm sharing profits in the ratio of 7:3. Their Balance Sheet on 31st March, 2018 was as follows:

Liabilities		(₹)	Assets		(₹)
Creditors		40,000	Bank		36,000
Bank Overdraft		20,000	Debtors	46,000	
General Reserve		10,000	*Less:* Provision	2,000	44,000
Capital Accounts:			Stock		50,000
Parul	50,000		Machinery		30,000
Karanvir	40,000	90,000			
		1,60,000			1,60,000

On 1st April, 2018, they admitted Rishi, a retired army officer who had lost his legs while servicing in army, as a new partner for 1/4th share in profits on the following terms:

(*i*) Rishi will bring ₹30,000 for his capital and ₹10,000 for goodwill premium.

(*ii*) 20% of General Reserve will be transferred to provision for bad and doubtful debts.

(*iii*) Stock and Machinery will be depreciated by 40%.

(*iv*) Capital accounts of Parul and Karanvir will be adjusted on the basis of Rishi's Capital, for this purpose actual cash will be brought in or paid off to Parul and Karanvir as the case may be.

Prepare Revaluation Account, Partners' Capital Accounts and Balance Sheet of the firm.

38. M, N and O were partners in a firm sharing profits and losses equally. Their Balance Sheet on 31st December, 2017 was as follows:

Liabilities		(₹)	Assets	(₹)
Capital A/cs:			Plant and Machinery	60,000
M	70,000		Stock	30,000
N	70,000		Sundry Debtors	95,000
O	70,000	2,10,000	Cash at Bank	40,000
General Reserve		30,000	Cash in Hand	35,000
Creditors		20,000		
		2,60,000		2,60,000

N died on 14th March, 2018. According to the Partnership Deed, Executors of the deceased partner are entitled to:

(*i*) Balance of partner's capital account.

(*ii*) Interest on Capital @5% p.a.

(*iii*) Share of goodwill calculated on the basis of twice the average of past three years' profits and

(*iv*) Share of profits from the closure of the last accounting year till the date of death on the basis of twice the average of three completed years' profits before death.

Profits for 2015, 2016 and 2017 were ₹80,000, ₹90,000, ₹1,00,000 respectively. Show the working for deceased partner's share of goodwill and profits till the date of his death. Pass the necessary journal entries and prepare N's Capital Account to be rendered to his executors.

39. X, Y and Z were partners in a firm sharing profits in the ratio of 5 : 3 : 2. On 31st March, 2015 their Balance Sheet was as follows:

Balance Sheet of X, Y and Z as at 31st March, 2015

Liabilities		(₹)	Assets		(₹)
Creditors		21,000	Land and Building		62,000
Investment Fluctuation Reserve		10,000	Motor Vans		20,000
Profit and Loss A/c		40,000	Investments		19,000
Capitals:			Machinery		12,000
X	50,000		Stock		15,000
Y	40,000		Debtors	40,000	
Z	20,000	1,10,000	*Less:* Provision	3,000	37,000
			Cash		16,000
		1,81,000			1,81,000

On the above date, Y retired and X and Z agreed to continue the business on the following terms:

(*i*) Goodwill of the firm was valued at ₹51,000.

(*ii*) There was a claim of ₹4,000 for Workmen's Compensation.

(*iii*) Provision for bad debts was to be reduced by ₹1,000.

(*iv*) Y will be paid ₹8,200 in cash and the balance will be transferred in his loan account which will be paid in four equal yearly instalments together with interest @ 10% p.a.

(*v*) The new profit sharing ratio between X and Z will be 3:2 and their capitals will be in their new profit sharing ratio. The capital adjustments will be done by opening current accounts.

Prepare Revaluation Account, Partners' Capital Accounts and the Balance Sheet of the reconstituted firm.

40. Sandeep, Praveen and Tara are partners sharing profits in the ratio of 3:2:1. On 1st April, 2012 Sandeep gave a notice to retire from the firm. Praveen and Tara decided to share future profits, in the ratio of 2:3. The capital accounts of Praveen and Tara after all adjustments showed a balance of ₹64,000 and ₹1,00,000 respectively. The total amount to be paid to Sandeep was ₹1,23,000. This amount was to be paid by Praveen and Tara in such a way that their capitals become proportionate to their new profit-sharing ratio.

Pass necessary Journal entries for the above transactions in the books of the firm. Show your workings clearly.

41. M, N and O were partners in a firm sharing profits and losses in the ratio of 1/2:1/3:1/6 respectively. They agreed to dissolve their firm on 31st March, 2017 on which date their Balance Sheet was as under:

Balance Sheet

Liabilities	(₹)	Assets		(₹)
Capital Accounts:		Machinery		1,21,500
M	1,17,000	Investments		44,490
N	58,000	Stock		22,650
Mrs. M's loan	30,000	Debtors	27,900	
Trade Creditors	49,500	*Less:* Provision for Doubtful Debts	1,800	26,100
Workmen Comp. Reserve (WCR)	6,000	Cash at Bank		16,260
Employees Provident Fund	6,000	O's Capital		35,500
	2,66,500			2,66,500

The unrecorded furniture of the firm realised ₹36,000. The investments are taken over by M for ₹52,500. M agrees to discharge the loan of his wife. N takes over all the stock at ₹21,000 and debtors amounting to ₹15,000 at ₹12,000. Machinery is sold for ₹1,65,000. The remaining debtors realised 50% of the book value. The expenses of realisation amounted to ₹1,800.

The investments of the value of ₹9,000 were not recorded in the books. These were taken over by the trade creditors.

Prepare the Realisation Account, Bank Account and the Capital Accounts of the partners closing the books of the firm.

42. **(With GST)** Pass the necessary journal entries for the following transactions on the dissolution of the firm of Nushrat and Queen after the various assets (other than cash) and outside liabilities have been transferred to Realisation Account:

(*i*) Bank Loan ₹24,000 was paid.

(*ii*) Stock worth ₹32,000 was taken over by partner Queen.

(*iii*) Partner Nushrat paid a creditor ₹8,000.

(*iv*) Furniture not appearing in the books of accounts realised ₹2,400.

(*v*) Expenses of realisation ₹4,000 were paid by partner Queen.

(*vi*) Profit on realisation ₹72,000 was distributed between Nushrat and Queen in 5:4 ratio.

Sale or realisation of the assets and the realisation expenses are subjected to levy CGST and SGST @9% each.

43. P and Q started a partnership business on 1st April, 2015 by contributing ₹30,000 and ₹20,000 respectively. They share profits in the ratio 3:2. They earned a profit for two years 2015-16 ₹30,000 and 2016-17 ₹22,000 before charging interest on capital. Interest on capital was allowed @10% p.a. Each partner withdrew ₹4,000 p.a.

On 31st March, 2017, they decided to dissolve the partnership. Creditors were ₹16,400, assets realised ₹75,000 and realisation expenses were ₹550 on the date of dissolution. Prepare Partners' Capital Accounts for the two years till the books are finally closed and prepare the Realisation Account and Cash Account also.

44. From the following Balance Sheets, prepare a Comparative Balance Sheet.

Particulars	Note No.	31.03.19 (₹)	31.03.18 (₹)
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital		25,00,000	25,00,000
(b) Reserves and Surplus		5,00,000	4,00,000
2. Non-Current Liabilities			
Long-term Borrowings		12,00,000	10,00,000
3. Current Liabilities			
(a) Trade Payables		2,94,000	2,45,000
(b) Other-Current Liabilities		55,000	50,000
Total		45,49,000	41,95,000
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets		33,00,000	30,50,000
(ii) Intangible Assets		50,000	50,000
2. Current Assets			
(a) Inventories		6,50,000	5,50,000
(b) Trade Receivables		3,00,000	3,25,000
(c) Cash and Cash-Equivalents		2,49,000	2,20,000
Total		45,49,000	41,95,000

45. Prepare Comparative Statement of Profit and Loss from the following:

Particulars	Note No.	31st March, 2019	31st March, 2018
Revenue from Operations		₹ 15,00,000	₹ 12,00,000
Other Income		₹ 3,00,000	₹ 2,00,000
Cost of Materials Consumed		₹ 5,00,000	₹ 4,00,000
Change in Inventories of Finished Goods, Work-in-Progress		₹ 1,00,000	₹ 50,000
Other Expenses *{% of Cost of Revenue from Operations}*		20%	20%
Tax Rate		40%	40%

46. From the following Statement of Profit and Loss of Earth Ltd. for the years ended 31st March, 2019 and 2018, prepare Common Size Statement of Profit and Loss.

Particulars	Note No.	31.03.19 (₹)	31.03.18 (₹)
I. Revenue from Operation		40,00,000	35,00,000
II. Other Income		2,00,000	1,00,000
III. Total Revenue *{I + II}*		42,00,000	36,00,000
IV. Expenses:			
Cost of Materials Consumed		15,00,000	12,00,000
Changes in Inventories of Finished Goods and Work-in-Progress			
Employees Benefit Expenses		2,00,000	1,00,000
Other Expenses		5,00,000	4,00,000
		3,00,000	2,10,000
Total Expenses		25,00,000	19,10,000
V. **Profit before Tax *{III – IV}***		17,00,000	16,90,000

Additional Information: Other Expenses include Provision for Tax of ₹ 1,10,000 for the year ending 31st March, 2018 and ₹ 1,50,000 for the year ending 31st March, 2019.

47. From the following Balance Sheets, prepare a Common Size Balance Sheet.

Particulars	Note No.	31.03.2019 (₹)	31.03.2018 (₹)
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital		10,00,000	9,00,000
(b) Reserves and Surplus		6,00,000	3,00,000
2. Non-Current Liabilities			
Long-term Borrowings		8,00,000	6,00,000
3. Current Liabilities			
(a) Trade Payables		3,00,000	4,00,000
(b) Short-term Provisions		5,00,000	2,00,000
Total		32,00,000	24,00,000
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets			
Tangible Assets		9,00,000	8,00,000
(b) Non-Current Investments		4,00,000	3,00,000
2. Current Assets			
(a) Inventories		5,00,000	4,00,000
(b) Trade Receivables		8,00,000	6,00,000
(c) Cash and Cash-Equivalents		6,00,000	3,00,000
Total		32,00,000	24,00,000

48. Current Liabilities of a Company were ₹ 60,000 and its Current Ratio was 2.5:1. After this, it paid ₹ 20,000 to trade payables. Calculate the Current Ratio after the payment.

49. The current ratio is 2:1. State giving reasons which of the following transactions would improve, reduce and not change the current ratio: *{NCERT}*

(a) Repayment of current liability;
(b) Purchased goods on credit;
(c) Sale of an office typewriter (Book value – ₹ 4,000) for ₹ 3,000 only;
(d) Sale of merchandise (goods) costing ₹ 10,000 for ₹ 11,000;
(e) Payment of dividend.

50. X Ltd. has a current ratio of 3.5:1 and quick ratio of 2:1. If excess of current assets over quick assets represented by stock is ₹ 24,000, calculate current assets and current liabilities. *{NCERT}*

51. The Current Ratio of A Ltd. is 4.5:1 and Liquid Ratio is 3:1. Inventories are ₹ 3,00,000. Calculate Current Liabilities. *{CBSE, Circular Acad. 43}*

52. X Ltd. has a current ratio of 3:1 and quick ratio of 2:1. If the excess of current assets over quick assets as represented by stock is ₹ 40,000, calculate current assets and current liabilities. *{CBSE, All India 2012}*

53. Z Ltd. has a current ratio of 3.5:1 and quick ratio of 1.5:1. If the excess of current assets over quick assets as represented by stock is ₹ 60,000, calculate current assets and current liabilities. *{CBSE, Foreign 2012}*

54. The Quick Ratio of a Company is 2:1. State giving reasons which of the following transactions would improve, reduce or not change the Quick Ratio:

(i) Cash paid to Trade Payables.
(ii) Purchase of goods for Cash.
(iii) Purchase of goods on Credit of 2 months.
(iv) Sale of goods costing ₹ 20,000 for ₹ 18,000.
(v) B/R endorsed in favour of a Trade Payable.
(vi) B/R dishonoured at maturity.
(vii) B/R accepted for 2 months

55. Hariom Ltd. has a Current Ratio of 1.5:1. Its Net Working Capital is ₹ 2,00,000, Total Assets are of ₹ 8,00,000 and Total Debt of ₹ 7,00,000. Calculate Debt to Equity Ratio.

56. The Debt Equity Ratio of Reliance Furniture Ltd. is 1:2. Which of the following would lead to: (i) increase, (ii) decrease (iii) no change in the Debt equity ratio:

(a) Issue of debentures.

(b) Redemption of debentures for cash.

(c) Purchased goods on credit.

(d) Cash received from trade receivables.

(e) Conversion of debentures in to preference shares.

57. From the following, calculate Inventory Turnover Ratio:

Particulars	*Amt. (₹)*
Cost of Revenue from Operations *{i.e. Cost of Goods Sold}*	8,40,000
Inventories in the beginning of the year	1,25,000
Inventories at the close of the year	1,55,000

58. Calculate Inventory Turnover Ratio, if: Cost of Revenue from Operations = ₹ 4,40,000; Purchases = ₹ 5,20,000; Opening Inventory = ₹ 70,000

59. Calculate Current Ratio of a company from the following information: Inventory (Stock) Turnover Ratio: 4 Times; Inventory (Stock) in the beginning was ₹ 20,000 less than Inventory at the end. Revenue from Operations (Net Sales) ₹ 6,00,000; Gross Profit Ratio 25%. Current Liabilities ₹ 60,000 and Quick Ratio is 0.75:1. *{CBSE, Foreign 2011}*

60. Calculate Current Assets from the following information:

(a) Inventory (Stock) Turnover Ratio: 4 Times.

(b) Inventory (Stock) at the end is ₹ 20,000 more than the Inventory in the beginning.

(c) Revenue from Operations (Net Sales) ₹ 3,00,000.

(d) Gross Profit Ratio 25%.

(e) Current Liabilities ₹ 40,000.

(f) Quick Ratio 0.75.

61. Calculate "Cash Flows from Operating Activities" from the following information:

Particulars	*31.03.2015* (₹)	*31.03.2014* (₹)
Surplus, i.e., Balance in the Statement of Profit and Loss	80,000	1,00,000
Trade Receivables	2,50,000	2,40,000
Goodwill	15,000	20,000
Outstanding Expenses	8,000	—
General Reserve	80,000	50,000
Provision for Depreciation on Plant	1,00,000	82,000
Prepaid Expenses	—	6,000
Trade Payables	84,000	60,000

Additional Information:

(i) Plant costing ₹ 60,000 having book value of ₹ 36,000, was sold for ₹ 40,000 during the year.

(ii) Income tax paid during the year was ₹ 30,000.

(iii) Interim Dividend paid during the year was ₹ 18,000. *{CBSE, All India Comptt. 2016}*

62. From the following information, calculate the amount of cash flows from Investing Activities.

Particulars	*Amt. (₹)*
Purchase of Machinery	6,00,000
Purchase of Non-Current Investment	4,00,000
Sale of Machinery	70,000
Sale of Non-Current Investments	1,00,000
Interest Income on debentures held as Investments	38,000
Dividend received on Shares held as Investments	50,000
Rental Income from property let out	12,000

{Cash used in Investing Activities = ₹ 7,30,000}

63. From the following information, calculate Cash Flow from Investing Activities.

Particulars	*31.03.2019 (₹)*	*31.03.2018 (₹)*
Plant and Machinery	5,00,000	3,00,000
Investments in shares of Sun Ltd.	2,00,000	2,00,000
Patents	60,000	90,000
Goodwill	70,000	55,000
12% Investments	4,00,000	3,50,000
Land	5,00,000	5,00,000

64. From the following extract of Balance Sheets of a company, calculate Cash Flow from financing Activities.

Particulars	*31.03.2019 (₹)*	*31.03.2018 (₹)*
Equity Share Capital	8,00,000	6,00,000
12% Preference Share Capital	1,50,000	2,00,000
Securities Premium Reserve	10,000	—

Additional Information:

(i) Equity Shares were issued at a premium of 5% on 31st March, 2019. 12% Preference Shares were redeemed on 31st March, 2019.

(ii) Proposed Equity Dividends for the years ended 31st March, 2018 and 2019 were ₹ 48,000 and ₹ 56,000 respectively.

(iii) Dividend @ 12% was proposed on Preference Shares of ₹ 2,00,000 for the year ended 31st March, 2018 and on ₹ 1,50,000 for the year ended 31st March, 2019.

65. From the following Balance Sheets of J. N. Ltd. as at 31.03.2011 and 31.03.2010, prepare a Cash Flow Statement: *{CBSE, Delhi 2012 (II)}*

Particulars	*Note No.*	*31.03.2011 (₹)*	*31.03.2010 (₹)*
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital		9,00,000	6,00,000
(b) Reserves and Surplus	1	3,00,000	1,50,000
2. Non-Current Liabilities			
Long-term Borrowings *{Bank Loan}*		1,50,000	3,00,000
3. Current Liabilities			
(a) Trade Payables *{Creditors}*		67,500	90,000
(b) Short-term Provisions	2	1,95,000	1,80,000
Total		16,12,500	13,20,000
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets:			
(i) Tangible Assets *{Building}*		9,00,000	9,00,000
(ii) Intangible Assets *{Patents}*		62,500	75,000
(b) Non-Current Investments		1,12,500	—
2. Current Assets			
(a) Inventories *{Stock}*		22,500	15,000
(b) Trade Receivables *{Debtors}*		3,82,500	3,00,000
(c) Cash and Cash Equivalents		1,32,500	30,000
Total		16,12,500	13,20,000

Notes to Accounts:

Particulars	*31.03.2011 (₹)*	*31.03.2010 (₹)*
1. Reserves and Surplus		
Surplus, i.e. Balance in Statement of Profit and Loss	3,00,000	1,50,000
2. Short-term Provisions		
(a) Proposed Dividend	90,000	1,20,000
(b) Provision for Tax	1,05,000	60,000
	1,95,000	1,80,000

Additional Information: During the year a Building having book value ₹ 1,25,000 was sold at a loss of ₹ 8,000 and depreciation charged on Building was ₹ 20,000.

66. From the following Balance Sheets and additional informations of Good Wood Co., you are required to prepare a Cash Flow Statement as per AS-3 (Revised): *{CBSE, Delhi Comptt. 2011 (Modified)}*

Particulars		*Note No.*	*31.03.2010 (₹)*	*31.03.2009 (₹)*
I. EQUITY AND LIABILITIES				
1. Shareholders' Funds				
(a) Share Capital			45,000	30,000
(b) Reserves and Surplus		1	18,500	5,000
2. Current Liabilities				
Trade Payables			10,500	8,500
	Total		74,000	43,500
II. ASSETS				
1. Non-Current Assets				
(a) Fixed Assets			48,000	20,000
2. Current Assets				
(a) Inventories *{Stock}*			9,000	8,000
(b) Trade Receivables *{Debtors}*			9,000	12,000
(c) Cash and Cash Equivalents *{Cash}*			8,000	3,500
	Total		74,000	43,500

Notes to Accounts:

Particulars	*31.03.2010 (₹)*	*31.03.2009 (₹)*
1. Reserves and Surplus		
Surplus, i.e. Balance in Statement of Profit and Loss	18,500	5,000

Additional Information:

(i) Income Tax paid during the year was ₹ 3,500.

(ii) Dividend paid during the year was ₹ 3,000.