

# Accountancy

## PART-A

Q1. ~~The main aim of not-for-profit organisation is to conduct activities for the welfare of the society.~~

(1)

'life-time membership fee' is a capital receipt.

∴ It is capitalised and added to Capital Fund in the liabilities side of the Balance Sheet.

Q2. Share of profit =  $(10\% \text{ of } \text{₹ } 6,00,000) \times \frac{2}{6}$

$$= \frac{10}{100} \times \frac{10,000}{6,00,000} \times \frac{2}{6}$$

$$= \text{₹ } 20,000/-$$

Q3.

Sacrificing Ratio = 18,000 : 6,000  
of Kira & Liya = 3 : 1

$$\text{Share acquired from Kira} = \frac{3}{4} \times \frac{1}{5} = \frac{3}{20}$$

$$\text{Share from Seela} = \frac{1}{4} \times \frac{1}{5} = \frac{1}{20}$$

New Share ~~of Kira~~ ⇒ Old Share      Sacrificed Share

$$\text{Kira} = \frac{3}{5} - \frac{3}{20} = \frac{12-3}{20} = \frac{9}{20}$$

$$\text{Seela} = \frac{2}{5} - \frac{1}{20} = \frac{8-1}{20} = \frac{7}{20}$$

$$\text{Kiran} = \frac{1}{5} = \frac{4}{20}$$

New Ratio ⇒ 9 : 7 : 4

04. Reserve Capital

It refers to the amount of share capital which the company reserves the right to be called, until it winds up.

It will only be called upon winding up of the company.

05. 1. Right to share the future profits of the firm.

06. \* (It is assumed that the loan has already been transferred to realisation A/c)  
Journal

Date	Particulars	₹	D (₹)	C (₹)
	Realisation A/c Dr. To C's Capital A/c (Being brother's loan taken over by C on dissolution)		10,000	10,000

Q8.

# Balance Sheet

as at . . . . .

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Particulars	Note No.	£
<b>I EQUITY and LIABILITIES</b>		
1. Shareholders Funds		
(a) Share Capital ✓	1	<u>99,96,000</u>
		1

Notes to Accounts			
Note No	Particulars	£	£
1.	Share Capital		
	AUTHORISED SHARE CAPITAL (2,00,000 equity shares of £ 100 each)		<del>200,00,000</del>
	ISSUED SHARE CAPITAL (1,00,000 equity shares of £ 100 each)		<del>1,00,00,000</del>
	SUBSCRIBED SHARE CAPITAL Subscribed and fully paid 99,800 shares of £ 100 each	<u>99,80,000</u>	

200  
10000  
£

Particulars	£	£
Subscribed but not fully paid (100 shares of £100 each)	20,000	
Less: Calls in arrears (20 x 20)	(4,000)	
	<u>16,000</u>	<u>16,000</u>

Q337. Share acquired from C  $\Rightarrow \frac{1}{2} \times \frac{1}{3} = \frac{1}{6}$

" " " D  $\Rightarrow \frac{1}{2} \times \frac{1}{3} = \frac{1}{6}$

Now Shares = old share - sacrificed share

(A) =  $\frac{1}{4} - 0 = \frac{1}{4}$  or  $\frac{3}{12}$

(B) =  $\frac{1}{4} - 0 = \frac{1}{4}$  or  $\frac{3}{12}$

$$C = \frac{1}{4} - \frac{1}{6} = \frac{3-2}{12} = \frac{1}{12}$$

$$D = \frac{1}{4} - \frac{1}{6} = \frac{1}{12}$$

$$E \Rightarrow \frac{1}{3} \propto \frac{4}{12}$$

New Profit Sharing Ratio  $\Rightarrow$  A : B : C : D : E  
3 : 3 : 1 : 1 : 4

Journal

$$\text{Goodwill for E.} \Rightarrow \frac{1}{3} \times \pounds 3,00,000 \\ = \pounds 1,00,000$$

## Journal

Date	Particulars	Dr	Cr (£)	Cr (£)
1	E's current A/c Dr		1,00,000	
	TO C's Capital A/c			50,000
	TO D's Capital A/c			50,000

09.

Working notes

~~NO of debentures  $\Rightarrow$   $\frac{5,00,000}{100}$~~

~~100~~

in the books of ZK Ltd.

JOURNAL

Date	Particulars	L.F.	Dr (₹)	Cr (₹)
	BANK A/c Dr.		3,80,000	
	TO Debenture Application & allotment A/c (Being debentures issued)			3,80,000
	Debenture Application & allotment A/c Cr.		3,80,000	
	Loss on issue of debentures A/c Dr.		40,000	
	Discount on issue of debentures A/c Dr.		20,000	
	TO 9% Debenture A/c			4,00,000
	TO Premium on Redemption A/c			40,000
	(Being application money adjusted and issue of 4000 debentures)			

₹.000

010.

Calculation of the amt. of Stationery

	(£)
Amount paid to creditors	46,000
Add: Closing balance of creditors	19,000
Opening stock of stationery	25,000
Cash purchases	6,000
	<u>£ 96,000</u>
less: Closing stock of stationery	(40,000)
Opening balance of creditors	<u>(30,000)</u>
	<u>£ 26,000</u>
Am't to be debited to	
Income & Expenditure A/c	

£ 26,000 / -

019  
46  
55

12/1/21

# Balance Sheet

as at 31.03.18

(Extract)

Liabilities	£	Assets	£
creditors of stationery	1,000	Stock of stationery	40,000

011-

## Journal

Date	Particulars	Lr	Dr (₹)	Cr (₹)
2019 Apr	General Reserve A/c Dr.		10,000	
	TO Satish's Capital A/c			24,000
	TO Taurva's Capital A/c			16,800
	(Being general reserve distributed)			
	Workmen Compensation Fund A/c Dr.		35,000	
	Revaluation A/c Dr.		5,000	
	TO Workmen Compensation Claim A/c			40,000
	(Being claim of ₹40,000 on workmen fund)			
	Satish's Capital A/c Cr.		3,000	
	Taurva's Capital A/c Cr.		2,000	
	TO Revaluation A/c			5,000
	(Being loss on revaluation distributed)			

## Journal

Date	Particulars	Lc	Dr (₹)	Cr (₹)
	Tanura's Capital A/c Dr. TO Satish's Capital A/c (Being goodwill adjusted)		5000	5000

Q12

### Working Notes

Calculation of gain/sacrifice

Old Ratio =  $\frac{6}{10} : \frac{4}{10}$

New Ratio =  $\frac{5}{10} : \frac{5}{10}$

Sacrifice  $\rightarrow \frac{1}{10} - \left(\frac{1}{10}\right) \leftarrow$  gain

012

Dr. Haun's Executor A/c Cr.

Date	Particulars	₹	Date	Particulars	₹
2015 March 31	TD Bank A/c	22,500	2015 March 31	By Haun's Capital A/c	90,000
"	TD Balance c/d	67,500			
		<u>90,000</u>			<u>90,000</u>
2016 March 31	TD Bank A/c	34,650	2016 March 31	By <del>Balance b/d</del> <del>Interest A/c</del>	<del>67,500</del>
"	TD Balance c/d	45,000	"	By Balance b/d	67,500
		<u>79,650</u>	"	By Interest A/c	42,150
					<u>79,650</u>
2017 March 31	By TD Bank A/c	30,600	2017 March 31	By Balance b/d	45,000
	TD Balance c/d	22,500	"	By Interest A/c	9,100
		<u>53,100</u>			<u>53,100</u>
2018 March 31	TD Bank A/c	26,550	2018 March 31	By Balance b/d	22,500
"			"	By Interest A/c	4,050
		<u>26,550</u>			<u>26,550</u>

013.

Dr.

## Realisation A/c

Cr.

Particulars	₹	Particulars	₹
TO Stock	24,000	By Trade creditors	42,000
TO Debtors	19,000	By Employees' Provident Fund A/c	60,000
TO Furniture	40,000	By Mrs. Ashish's loan	9,000
TO Plant	210,000	By Investment Fluctuation Reserve Fund A/c	4,000
TO Investments	32,000	By Ashish's Capital A/c (Hunter)	38,000
TO Ashish's Capital A/c (Mrs Ashish's loan)	9,000	By Bank A/c	
TO Karan's Capital A/c (Remuneration)	12,000	• Debtors 18,500	
TO Bank A/c (Employee Provident Fund)	60,000	• Plant 2,31,000	
		• Stock 15,840	2,65,340
TO Gain on realisation transferred to:			
Ashish's Capital A/c: 12,012		By Karan's Capital A/c (Stock)	7,680
Karan's Capital A/c: 9,000	20,020		
	<u>4,26,020</u>		<u>4,26,020</u>

Q14.

Working Notes1. Calculation on opening capital

	Abhi	Bobby	Vineet
Opening capitals	8,00,000	6,00,000	4,00,000
Less: Profit Share	(60,000)	(60,000)	(30,000)
	7,40,000	5,40,000	3,70,000
Add: Drawings +	2,20,000	1,00,000	1,00,000
	9,60,000	6,40,000	4,70,000

2.

Intt on capital @ 10% pa

 $\frac{96000}{100} \Rightarrow \text{₹ } 96000$ 
 $\text{₹ } 64000$ 
 $\text{₹ } 47000$ 
3. Intt on drawings

$$\text{Abhi} \Rightarrow \frac{3}{100} \times 200000 \times 12 \times \frac{11}{100} \times \frac{1}{12}$$

$$\text{₹ } 600 \times 11$$

$$\text{₹ } 6600/-$$

Bobby ⇒  $50,000 \times 2 \times \frac{1}{12} \times \frac{3}{100}$   
 $\Rightarrow \text{₹ } 4500/-$

Vineet ⇒  $1,00,000 \times \frac{5}{12} \times \frac{6}{100}$   
 $\Rightarrow \text{₹ } 2500/-$

~~20,000~~  
~~20,000 × 11 × 1 × 6~~  
~~100~~

209,000.

1,50,000  
 13,600

1,63,600

4-

statements of adjustments

Particulars	Amount Due			Amount Entitled		
	Vineet	Bobby	Vineet	Vineet	Bobby	Vineet
1. Intt on capital	96,000	64,000	47,000			
2. Intt on drawing	(6,600)	(4,500)	(2,600)			
3. Profit share.				60,000	60,000	30,000
TOTAL						

96  
 64  
 47  
209,000  
~~112~~  
~~209,000~~

Q4.

Statement of Adjustment

Particulars	Amount Due			Amount Entred		
	Naveen	Radi	Rajish	Naveen	Radi	Rajish
1. Interest on Capital	-	-	-	48,000	43,200	28,800
2. Salary	<del>28,000</del>	<del>30,000</del>	-	-	-	-
	28,000	32,000	-	-	-	-
3. Profits Transferred (2016-17)	15,000	10,000	5,000	-	-	-
(2017-18)	15,000	9,000	6,000	-	-	-
<b>TOTAL</b>	<b>58,000</b>	<b>51,000</b>	<b>11,000</b>	<b>48,000</b>	<b>43,200</b>	<b>28,800</b>
Less: Amt Entred	(48,000)	(43,200)	(28,800)			
	10,000	7,800	17,800			

43  
44  
28  
120,000

For 2016-17 (Dr) (Cr) (Dr) For 2017-18 (Dr) (Cr)

Intl on capital ⇒ +60,000  
 (Salary) ⇒ (30,000)  
 profits to be distributed → 30,000

60,000  
(30,000)  
30,000

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Income and Expenditure A/c  
for the year ended 31-03-18

Dr.

Cr.

Particulars Expenditure	₹	Income	₹
TO Salaries 54,500 add: of salary 8,000	72,500	By Interest on (WN 1) Investments 2400	
TO Miscellaneous Expenses	52,000	Add: Add Inter 1600	4000
TO Telephone Charges	12,000	TO Donations	17,000
TO Printing and Stationery 9,000		TO Subscriptions (WN 2)	3,05,000
add: opening stock 12,000		TO Rents received 70,000	
31,000		Add: Accd Rent 2000	72,000
less: closing stock (15,000)	16,000	TO Sale of old newspapers	600
TO Surplus	2,46,100		
	<u>3,98,600</u>		<u>3,98,600</u>

# Journal

Date	Particulars	L.F.	Dr (₹)	Cr (₹)
2018 April 1	Rajesh's Current A/c <del>Dr</del> To Naveens <del>Cr</del> <sup>current A/c</sup> To Rajesh's Current A/c (Being adjustment passed)		17,800	10,000 7,800

Working notes1: Interest on Investments

$$\frac{62.2\%}{100} \times \frac{2}{12} \times 1,00,000$$

3

₹ 4,000/-

2: Subscriptions      ₹

3,00,000

Add: Outstanding  
on 31.03.16      20,0003,20,000less: Subscription  
in advance      (15,000)₹ 3,05,000 | -

Q16. Dr. Revaluation A/c Cr.

Particulars	₹	Particulars	₹
TO Plant & Machinery	6000	By Bank A/c	4000
TO Bad Debts	1800	By Loss on Revaluation transferred to:	
TO Revision for Bad Debts	3000	Mohan's Capital A/c : 3000	
		Viraj's Capital A/c : 2000	
		Nitya's Capital A/c : 1000	6,000
	10,000		10,000

Partners' Capital A/c Cr.

Particulars	Mohan	Viraj	Nitya	Particulars	Mohan	Viraj	Nitya
TO Revaluation	3000	2000	1000	By Balance b/d	1,20,000	1,00,000	90,000
TO Mohan's Capital A/c	-	48,000	42,000	By Contingency Reserve	15,000	10,000	5,000
TO Mohan's Loan A/c	2,89,000	-	-	By Viraj's Capital A/c	48,000	-	-
TO Bank A/c	-	6,000	16,000	By Nitya's Capital A/c	42,000	-	-
TO Balance c/d	-	-	-				
TO Balance c/d	-	54,000	36,000				
	2,25,000	1,10,000	95,000		2,25,000	1,10,000	95,000

# Balance Sheet

as at 31.03.18

Liabilities	₹	Assets	₹
Creditors	48,000	Cash at Bank	18,000
Mohan's Loan A/c	2,22,000	Bills Receivable	54,000
Employee Provident Fund	1,70,000	Bank Debts	
Capital A/c's		60,000	
Vinay 54,000		Less: Provision for Doubtful Debts (3000)	
Nitya 36,000	90,000		57,000
		Plant and Machinery	1,14,000
		Land and Building	2,92,000
	<u>5,30,000</u>		<u>5,30,000</u>

Working Notes

1. <sup>old</sup> profit sharing Ratio  $\Rightarrow 3:2:1$

2. ~~Profit~~ Gaining Ratio

Vinay  $\Rightarrow \frac{\frac{3}{6} - \frac{2}{6}}{30} = \frac{10-10}{30} = \frac{0}{30}$

Nitya  $\Rightarrow \frac{\frac{2}{5} - \frac{1}{6}}{30} = \frac{12-5}{30} = \frac{7}{30}$

Gaining Ratio  $\Rightarrow 8:7$

3. Mohan's Goodwill  $\Rightarrow \frac{1,80,000 \times 3}{8} = \text{₹ } 90,000$

#### 4. Capital adjustment

Total capital = ₹ 90,000

	↓ Vinay	↓ Nitya
New Capital	₹ 54,000	₹ 36,000

~~Loss: Adjusted Capital~~ ₹ (60,000)

₹ (52,000)

₹ (6,000)

₹ (16,000)

↑  
Withdraw

↑  
Withdraw.

12/12/22

12/12/22

12/12/22

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In the books of Dempsey Ltd ~ ~

Journal

Date	Particulars	Lr	Dr (₹)	Cr (₹)
	BANK A/c Dr.		3,60,000	
	TO Share Application A/c (Being application money received)			3,60,000
	Share Application A/c Dr.		3,60,000	
	TO Share Capital A/c (Being application money capitalised)			3,60,000
	<del>BANK A/c Dr.</del>			
	Share Allotment A/c Dr.		2,34,000	
	TO Share Capital A/c			5,40,000
	TO Securities Premium Reserve A/c			18,00,000
	(Being allotment money due)			

### Journal

Date	Particulars	L.F.	Dr (₹)	Cr (₹)
	Bank A/c Dr.		23,24,000	
	TO Share Allotment A/c			22,49,000
	TO Share First call A/c			35,000
	TO Share Final call A/c		✓	40,000
	(Being share allotment money recd. & advance due on 5000 shares)			
				1827
				126
	Share First call A/c Dr.		12,60,000	
	TO Share Capital A/c			3,60,000
	TO Securities Premium Reserve A/c		✓	9,00,000
	(Being first call due)			
			13,16,000	
	<del>Bank A/c Dr.</del>		<del>13,16,000</del>	
	<del>    TO Share Allotment A/c</del>			<del>91,000</del>
	<del>    TO Share first call A/c</del>		✓	<del>12,25,000</del>
	(Being first call money recd. and due on allotment also received)			
				2249000
				91000
				2340000

## Journal

Date	Particulars	Dr	Dr (£)	Cr (£)
	Share final call A/c Dr. TO Share Capital A/c TO Securities Premium Reserve A/c (Being final call due on 100,000 shares)		14,40,000	5,40,000 9,00,000
	Bank A/c Dr. TO Share final call A/c (Being final call received except on 2000 shares)		13,84,000	13,84,000
	* (continued after working notes.....)			

Working Notes

$$100,000 \times 10 + \textcircled{20}$$

② 1,80,000 :-

App	2	
All	13	3 + ⑩
1 <sup>st</sup> call	7	2 + ⑧
2 <sup>nd</sup> call	8	3 + ⑤

③ Amnt received on allotment

	₹	
Debt	₹ 3,40,000	
Add: <del>Adv</del> Advance received	75,000	15x7
	<u>24,15,000</u>	
less: <del>Adv</del> Amnt not paid received by Vinesh	(9,000)	
	<u>₹ 23,24,000</u>   -	$\begin{array}{r} 12,60,000 \\ + 91 \\ \hline 13,51,000 \end{array}$



## Journal

Dates	Particulars	Dr	Dr (£)	Cr (£)
	Share Capital A/c Dr.		90,000	
	Securities Premium Reserve A/c Dr.		10,000	
	TO Share Forfeited A/c			14,000
	TO Share final call A/c			16,000
	(Being 2,000 share forfeited for non-payment of final call)			
	Share forfeited A/c Dr.		30,000	
	Bank A/c Dr.		12,000	
	TO Share Capital A/c			15,000
	(Being re-issue of 1,500 share @ 20/share, fully paid up)			
	Share Forfeited A/c Dr.		7,500	
	TO Capital Reserve A/c			7,500
	(Being gain on re-issue transferred to Capital A/c)			

Calculation of gain on Reissie

$$\Rightarrow \text{₹} \left( \frac{\text{₹} 14000 \times \frac{3}{4}}{2} \right) = \text{₹} 3000$$

$$\Rightarrow \text{₹} 10,000 - 3000$$

$$\Rightarrow \text{₹} 7000/-$$



अपना अनुक्रमांक इस उत्तर-पुस्तिका पर न लिखें  
Please do not write your Roll Number on this Answer-Book

(To be entered by Board)

अतिरिक्त उत्तर-पुस्तिका (ओं) की संख्या .....  
Supplementary Answer-Book(s) No. .../.....

PART-B

OPTION -1

Q18. When cash comes in, into the business, it is called  
Inflow of cash.

For example: Money received by sale of goods ₹10,000/-  
∴ ₹10,000 is the inflow.

Q19. No.  
They are not disclosed in cashflow statement as they do not involve outflow or inflow of cash.  
It is a non-cash transaction.

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(u)

city

city

Q21.

	₹
<del>Net Profit after interest and tax</del> ⇒	<del>1,20,000</del>
<del>Add: Tax</del> $\left( \text{Tax} = \frac{1,20,000}{100} \times \frac{42.2}{100} \right)$	<del>50,000</del>
	<del>80,000</del>
<del>Profit before Tax</del>	<del>2,00,000</del>
<del>Add: Interest (15,000 + 12,000)</del>	<del>27,000</del>
	<del>2,27,000</del>

II

Quick Ratio =  $\frac{1}{1}$

(i)

Decrease

As ~~quick~~ quick assets decrease, but current liabilities remain unchanged.

(ii)

~~Current~~~~Assets~~

Decrease

It ~~is~~ increases current liabilities, even though quick assets remain unchanged.

(iii)

Increase

Quick assets (cash) increases, while current liabilities remain unchanged.

(iv)

No change

Neither ~~asset~~ quick assets, nor current liabilities change.

022.

# Comparative Statement

of PROFIT and LOSS  
for the <sup>year ending</sup> 31-03-17 and 31-03-18

Particulars	2016-17 (A)	2017-18 (B)	Absolute Change (B-A) (₹)	Percentage Change (%) $D = \frac{C}{A} \times 100$
I Revenue from Operation	4,00,000	6,00,000	2,00,000	50%
↓ TOTAL INCOME	4,00,000	6,00,000	2,00,000	50%
II EXPENSES				
• Cost of materials consumed	2,00,000	3,00,000	1,00,000	50%
• Other Expenses	50,000	45,000	(5,000)	(10%)
III TOTAL EXPENSES	2,50,000	3,45,000	95,000	38%
IV Profit before Tax (I-III)	1,50,000	2,55,000	1,05,000	70%
less: Tax @ 40%	(60,000)	(1,02,000)	42,000	70%
V Profit after Tax	90,000	1,53,000	63,000	70%

023

# Cashflow Statement

for the year ended 31.03.18

Particulars	£	£
(A) Cashflow from Operating Activities		
Difference b/w Surplus	(1,00,000)	
Add: Provision for Tax made	76,800	
Net Loss before tax and extraordinary activities	(24,000)	
Adjustments for non cash & non-operating		
Add: Depreciation	4,20,000	
Interest on Debentures	64,000	
Less: Gain on sale of machinery	(1,60,000)	
Operating profit before working capital changes	3,00,000	
Add: Increase in Trade Payable	50,000	
Less: Increase in Inventory	(4,00,000)	
	(50,000)	
Less: Tax Paid	(56,800)	
Cash used in Operating Activities.		<u>(1,06,800)</u>

Particulars	₹	₹
(B) <u>Cashflow from Investing</u>		
Payment for machinery	(16,00,000)	
Payment for purchase of intangible Assets	(1,00,000)	
Proceeds from sale of machinery	6,40,000	
Cash used in Investing activities		<u>(10,60,000)</u>
(C) <u>Cashflow from Financing Activities</u>		
Proceeds from issue of share	9,00,000	
Proceeds from issue of debentures	3,00,000	
Interest paid on debentures	(84,000)	
Cashflow from financing Activities		<u>11,36,000</u>
(D) Net <del>exflow</del> <sup>decrease in</sup> cash & cash equivalents (cash + current investments)	<u>(30,000)</u>	
Add: Opening cash & cash equivalents (76,000 + 16,000)	1,56,000	
Closing cash & cash equivalents (89,000 + 37,000)		<u>1,26,000</u>

Working Notes

Dr Machinery A/c		Cr	
Particulars	£	Particulars	£
To Balance b/d	25,00,000		
To P & L A/c	1,60,000	By Bank A/c	6,40,000
To Bank A/c (B/P)	16,60,000	By Accumulated Depreciation	3,20,000
		By Balance c/d	33,00,000
	<u>42,60,000</u>		<u>42,60,000</u>

Accumulated Depreciation A/c

Dr		Cr	
Particulars	£	Particulars	£
To Machinery A/c	3,20,000	By Balance b/d	5,00,000
To Balance b/d	6,00,000	By Depreciation	4,20,000
	<u>9,20,000</u>		<u>9,20,000</u>