



8	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 40%;">Particulars</th> <th style="width: 5%;">L.F</th> <th style="width: 15%;">Dr. ( ₹ )</th> <th style="width: 15%;">Cr. ( ₹ )</th> </tr> </thead> <tbody> <tr> <td></td> <td>Share capital A/c Dr. To Share allotment A/c To Share first and final call A/c To Share forfeited A/c (Being shares forfeited)</td> <td></td> <td style="text-align: center;">5,000</td> <td style="text-align: center;">600 2,500 1,900</td> </tr> <tr> <td></td> <td>Bank A/c Dr. To Share capital A/c To Securities premium A/c ( Being shares reissued)</td> <td></td> <td style="text-align: center;">6,000</td> <td style="text-align: center;">5,000 1,000</td> </tr> <tr> <td></td> <td>Share forfeited A/c Dr. To Capital reserve A/c (Being profit on one-issue transferred to capital reserve)</td> <td></td> <td style="text-align: center;">1,900</td> <td style="text-align: center;">1,900</td> </tr> </tbody> </table> <p style="text-align: right;">(3 X 1mark)</p>					Date	Particulars	L.F	Dr. ( ₹ )	Cr. ( ₹ )		Share capital A/c Dr. To Share allotment A/c To Share first and final call A/c To Share forfeited A/c (Being shares forfeited)		5,000	600 2,500 1,900		Bank A/c Dr. To Share capital A/c To Securities premium A/c ( Being shares reissued)		6,000	5,000 1,000		Share forfeited A/c Dr. To Capital reserve A/c (Being profit on one-issue transferred to capital reserve)		1,900	1,900	3
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9	<p>X Y Limited Journal</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 40%;">Particulars</th> <th style="width: 5%;">L.F</th> <th style="width: 15%;">Dr. ( ₹ )</th> <th style="width: 15%;">Cr. ( ₹ )</th> </tr> </thead> <tbody> <tr> <td></td> <td>Machinery Account Dr. To Modern Equipment Manufacturers Limited (Purchased machinery for Rs. 7,00,000 from Modern Equipment Manufacturers Limited)</td> <td></td> <td style="text-align: center;">7,00,000</td> <td style="text-align: center;">7,00,000</td> </tr> <tr> <td></td> <td>Modern Equipment Manufacturers Ltd. A/c Dr. Loss on Issue of 9% Debentures Account Dr. To 9% Debentures Account To Equity Share capital Account To Securities Premium Account (Issued Rs. 1,00,000 9% debentures at a discount of 10% redeemable at a premium of 10% and 50,000 equity shares of Rs. 10 each issued at a premium of 15% )</td> <td></td> <td style="text-align: center;">6,65,000 20,000</td> <td style="text-align: center;">1,00,000 5,00,000 75,000 10,000</td> </tr> <tr> <td></td> <td>Modern Equipment Manufacturers Ltd. A/c Dr. To Bills Payable Account (Acceptance given to Modern Equipment Manufacturers Limited)</td> <td></td> <td style="text-align: center;">35,000</td> <td style="text-align: center;">35,000</td> </tr> </tbody> </table> <p style="text-align: right;">(3 X 1mark)</p>					Date	Particulars	L.F	Dr. ( ₹ )	Cr. ( ₹ )		Machinery Account Dr. To Modern Equipment Manufacturers Limited (Purchased machinery for Rs. 7,00,000 from Modern Equipment Manufacturers Limited)		7,00,000	7,00,000		Modern Equipment Manufacturers Ltd. A/c Dr. Loss on Issue of 9% Debentures Account Dr. To 9% Debentures Account To Equity Share capital Account To Securities Premium Account (Issued Rs. 1,00,000 9% debentures at a discount of 10% redeemable at a premium of 10% and 50,000 equity shares of Rs. 10 each issued at a premium of 15% )		6,65,000 20,000	1,00,000 5,00,000 75,000 10,000		Modern Equipment Manufacturers Ltd. A/c Dr. To Bills Payable Account (Acceptance given to Modern Equipment Manufacturers Limited)		35,000	35,000	3
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	To Debtors A/c (Being the above assets transferred to Realisation A/c)			80,000	
	Sundry Creditors A/c Dr. To Realisation A/c (Being creditors transferred to Realisation A/c)		70,000	70,000	
	Bank A/c Dr. To Realisation A/c (Being amount realised from sale of machinery and collection of debtors)		1,21,500	1,21,500	
	Realisation A/c Dr. To Bank A/c (Being payment made for creditors and realisation expenses)		21,700	21,700	
	Verma's Capital A/c Dr. Sharma's Capital A/c Dr. To Realisation A/c (Being loss on realisation debited to Partner's Capital A/cs)		30,150 10,050	40,200	
	Verma's Capital A/c Dr. Sharma's Capital A/c Dr. To Bank A/c (Being final payment made to partners)		89,850 69,950	1,59,800	

(4 X 1/2 mark + 1 mark + 1 mark)

13	(a).  (i). Profit and loss appropriation account for the year ended 31 <sup>st</sup> March 2014	6																
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	(ii). Values, the firm wants to communicate to the society. (a). Harmony among partners being from different walks of life. (b). Helping and caring thoughts for specially abled people.																	
	(b). (i). Calculation of Interest on Drawings: Radha = Total drawings = 5,000 X 6 = 30,000 Interest on Drawings = 30,000 X 12/100 X 7/12 = 2,100  Rekha = Total drawings = 5,000 X 4 = 20,000 Interest on drawings = 20,000 X 12/100 X 9/24 = 900																	

	(ii). The two main rights acquired by a new partner are: (I). Right to share the profit of the business (II). Right over the assets of the firm.  (2 marks+2marks+1mark+1mark)																																														
14	a) Statement showing the adjustment to be made <table border="1"> <thead> <tr> <th>Particulars</th> <th colspan="2">X 's capital</th> <th colspan="2">Y's capital</th> <th colspan="2">Z's capital</th> <th colspan="2">Firm</th> </tr> </thead> <tbody> <tr> <td>In 2:2:1</td> <td>3,00,000</td> <td></td> <td>3,00,000</td> <td></td> <td>1,50,000</td> <td></td> <td></td> <td>7,50,000</td> </tr> <tr> <td>In 1:1:1</td> <td></td> <td>2,40,000</td> <td></td> <td>2,40,000</td> <td></td> <td>2,40,000</td> <td>7,20,000</td> <td></td> </tr> <tr> <td></td> <td>3,00,000</td> <td>2,40,000</td> <td>3,00,000</td> <td>2,40,000</td> <td>1,50,000</td> <td>2,40,000</td> <td>7,20,000</td> <td>7,50,000</td> </tr> <tr> <td>Net Effect</td> <td>60,000</td> <td></td> <td>60,000</td> <td></td> <td></td> <td>90,000</td> <td></td> <td>30,000</td> </tr> </tbody> </table> <p>Journal :  X's Capital a/c Dr 60,000  Y's Capital a/c Dr 60,000      To Z's capital a/c 90,000      To Y's Loan a/c 30,000</p> b) (i) Capitalisation method: Goodwill - ₹ 2,50,000  (ii) Super profit method : Goodwill- ₹ 1,00,000  (a) Table- 2mark + Journal-1 mark) (b) 1.5 +1.5 marks	Particulars	X 's capital		Y's capital		Z's capital		Firm		In 2:2:1	3,00,000		3,00,000		1,50,000			7,50,000	In 1:1:1		2,40,000		2,40,000		2,40,000	7,20,000			3,00,000	2,40,000	3,00,000	2,40,000	1,50,000	2,40,000	7,20,000	7,50,000	Net Effect	60,000		60,000			90,000		30,000	6
Particulars	X 's capital		Y's capital		Z's capital		Firm																																								
In 2:2:1	3,00,000		3,00,000		1,50,000			7,50,000																																							
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	On Issue of Debentures: Bank A/c Dr. To Debenture Application and Allotment (Being the receipt of application money)		21,00,000	21,00,000																																											
	Debenture Application and Allotment A/c Dr. Loss on Issue of Debentures A/c Dr. To 9% Debentures A/c To Securities Premium Reserve A/c To Premium on Redemption of Debentures A/c		21,000 2,000	20,00,000 1,00,000 2,00,000																																											

	(Being the issue of 20,000; 9% debentures of ₹ 100 each at premium of 5% and redeemable at a premium of 10%)																																																																																																																		
	On Redemption of Debentures: 9% Debentures A/c Dr. Premium on Redemption of Debentures A/c To Debentureholders' A/c (Being debentures due for redemption at premium)			20,00,000 2,00,000			22,00,000																																																																																																												
	Debentureholders' A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being the issue of 17,600 equity shares of ₹ 100 each at 25% premium to holders of 20,000 debentures)			22,00,000		17,60,000 4,40,000																																																																																																													
	<p><u>Note:</u> It is assumed that the face value of each equity share issued is ₹ 100 and debentures are redeemed after the period of maturity.</p> <p style="text-align: right;">(2marks+4marks)</p>																																																																																																																		
16	<p style="text-align: center;">Dr. Revaluation Account Cr.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">Particulars</th> <th style="width: 10%;">Amount</th> <th style="width: 40%;">Particulars</th> <th style="width: 10%;">Amount</th> </tr> </thead> <tbody> <tr> <td>To Stock</td> <td style="text-align: right;">900</td> <td>By Premises</td> <td style="text-align: right;">16,000</td> </tr> <tr> <td>To Provision for legal damages</td> <td style="text-align: right;">1,200</td> <td>By Provision for Doubtful debts</td> <td style="text-align: right;">100</td> </tr> <tr> <td>To Profit transferred to capital A/C's</td> <td></td> <td>By Furniture</td> <td style="text-align: right;">4,000</td> </tr> <tr> <td>Pankaj</td> <td style="text-align: right;">9,000</td> <td></td> <td></td> </tr> <tr> <td>Naresh</td> <td style="text-align: right;">6,000</td> <td></td> <td></td> </tr> <tr> <td>Saurabh</td> <td style="text-align: right;">3,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">18,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">20,100</td> <td></td> <td style="text-align: right;">20,100</td> </tr> </tbody> </table> <p style="text-align: center;">Dr. Partners' Capital Account Cr.</p> <table border="1" style="width: 100%; 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Naresh's loan			
Capitals:			
Pankaj	47,000		
Saurabh	<u>25,000</u>	72,000	
		<u>1,54,800</u>	<u>1,54,800</u>

(2.5 marks+3marks+2.5marks)

OR

Revaluation Account

Particulars	( ₹ )	Particulars	( ₹ )
To Stock A/c	2,000	By Furniture	6,000
To Profit transferred to:			
L	2,500		
M	<u>1,500</u>		
	4,000		
	<u>6,000</u>		<u>6,000</u>

Dr. Partners' Capital Account				Cr.			
Particulars	L	M	N	Particulars	L	M	N
To L's Capital A/c			4,000	By Balance b/d	30,000	20,000	-
To M's Capital A/c			4,000	By Reserve	2,500	1,500	-
To Balance c/d	39,000	27,000	17,000	By Revaluation A/c	2,500	1,500	-
				By N's Capital A/c	4,000	4,000	-
				By Cash A/c	-	-	25,000
	<u>39,000</u>	<u>27,000</u>	<u>25,000</u>		<u>39,000</u>	<u>27,000</u>	<u>25,000</u>

Balance Sheet

Liabilities	( ₹ )	Assets	( ₹ )
Capitals		Machinery	26,000
L	39,000	Furniture	24,000
M	27,000	Stock	8,000
N	17,000	Debtors	8,000
Bank loan	12,000	Cash (6,000 + 25,000)	31,000
Creditors	2,000		
	<u>97,000</u>		<u>97,000</u>

(1.5marks+4 marks+2.5marks)

17

Date	Particulars	L.F.	Dr. ( ₹ )	Cr. ( ₹ )
	Bank A/c Dr. To Equity share application A/c (Being application money received)		10,000	10,000
	Equity share application A/c Dr. To Equity share application A/c		10,000	10,000

8

(Being application money transferred)			
Equity share allotment Dr. To Equity share capital A/c (Being allotment money due)		20,000	20,000
Bank A/c Dr. Calls in arrears A/c Dr. To Equity share allotment A/c (Being allotment money received)		19,800 200	20,000
Equity Share capital A/c Dr. To Share allotment A/c To Share forfeited A/c (Being 100 shares forfeited)		300	200 100
Share Ist call A/c Dr. To Share capital A/c (Being share Ist call money received)		29,700	29,700
Bank A/c Dr. Calls in Arrears A/c To Share Ist call A/c (Being share Ist call money received)		29,250 450	29,700
Equity share capital A/c Dr. To Calls in Arrears A/c To Share forfeited A/c (Being 150 shares forfeited)		900	450 450
Equity share II and final call A/c Dr. To Equity share capital A/c (Being shares II and final call money due)		39,000	39,000
Bank A/c Dr. Calls in arrears A/c Dr. To Equity share IInd call A/c (Being share IInd call money received)		38,800 200	39,000
Share capital A/c Dr. To Calls in arrears A/c To Shares forfeiture A/c (Being shares forfeited)		500	200 300
Bank A/c Dr. Share forfeiture A/c Dr. To Equity share capital A/c (Being shares reissued)		2,700 300	3,000
Share forfeiture A/c Dr. To Capital reserve A/c (Being excess amount transferred to capital reserve A/c)		550	550

(10 entries-0.5 marks each+3 entries – 1mark each)

OR

Journal of Som Ltd.

Date	Particulars	L.F.	Dr. ( ₹ )	Cr. ( ₹ )
	Bank A/c Dr. To Share application A/c (Being application money received)		41,25,000	41,25,000



	<table border="1"> <tbody> <tr> <td>Share application A/c To Share capital A/c To Security premium A/c (Being application money transferred)</td> <td>Dr.</td> <td>41,25,000</td> <td>27,50,000 13,75,000</td> </tr> <tr> <td>Share allotment A/c To Share capital A/c To Security premium A/c (Being allotment money due)</td> <td>Dr.</td> <td>27,50,000</td> <td>13,75,000 13,75,000</td> </tr> <tr> <td>Bank A/c To Share allotment A/c (Being share allotment money received)</td> <td>Dr.</td> <td>27,25,000</td> <td>27,25,000</td> </tr> <tr> <td>Share capital A/c Security premium A/c To Share allotment To Share forfeiture (Being shares forfeited)</td> <td>Dr. Dr.</td> <td>37,500 12,500</td> <td>25,000 25,000</td> </tr> <tr> <td>Share 1<sup>st</sup> and final call A/c To Share capital A/c (Being 1st and final call money due)</td> <td>Dr.</td> <td>13,62,500</td> <td>13,62,500</td> </tr> <tr> <td>Bank A/c To Share 1st and final call A/c (Being 1st and final call money received)</td> <td>Dr.</td> <td>13,55,000</td> <td>13,55,000</td> </tr> <tr> <td>Share capital A/c To Share 1st and final call A/c To Share forfeiture A/c (Being shares forfeited)</td> <td>Dr.</td> <td>30,000</td> <td>7,500 22,500</td> </tr> <tr> <td>Bank A/c To Share capital A/c To Security premium A/c (Being shares reissued)</td> <td>Dr.</td> <td>75,000</td> <td>50,000 25,000</td> </tr> <tr> <td>Share forfeiture A/c To Capital reserve A/c (Being amount transferred to capital reserve)</td> <td>Dr.</td> <td>30,000</td> <td>30,000</td> </tr> </tbody> </table> <p style="text-align: center;">(4 entries-0.5 mark each + 6 entries-1 mark each)</p>	Share application A/c To Share capital A/c To Security premium A/c (Being application money transferred)	Dr.	41,25,000	27,50,000 13,75,000	Share allotment A/c To Share capital A/c To Security premium A/c (Being allotment money due)	Dr.	27,50,000	13,75,000 13,75,000	Bank A/c To Share allotment A/c (Being share allotment money received)	Dr.	27,25,000	27,25,000	Share capital A/c Security premium A/c To Share allotment To Share forfeiture (Being shares forfeited)	Dr. Dr.	37,500 12,500	25,000 25,000	Share 1 <sup>st</sup> and final call A/c To Share capital A/c (Being 1st and final call money due)	Dr.	13,62,500	13,62,500	Bank A/c To Share 1st and final call A/c (Being 1st and final call money received)	Dr.	13,55,000	13,55,000	Share capital A/c To Share 1st and final call A/c To Share forfeiture A/c (Being shares forfeited)	Dr.	30,000	7,500 22,500	Bank A/c To Share capital A/c To Security premium A/c (Being shares reissued)	Dr.	75,000	50,000 25,000	Share forfeiture A/c To Capital reserve A/c (Being amount transferred to capital reserve)	Dr.	30,000	30,000	
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19	No flow-reason: Cash deposited into bank represents movement between items of cash.	1																																				
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Profit after tax	6,00,000	6,30,000	30,000	5%																																														
22	<p>Current ratio = Current assets / Current liabilities</p> <p>(i) Calculation of liquid assets:  Acid test ratio = Liquid assets / Current liabilities  0.75/1 = Liquid assets / 2,40,000  0.75 X 2,40,000 = Liquid assets  180000 = Liquid assets</p> <p>(ii) Calculation of closing stock:  Stock turnover ratio = Cost of sales / Average stock  Cost of Sales = Sales – G/P  = 8,00,000 – 1,60,000 (8,00,000 X 1/5) = 6,40,000  5 = 6,40,000 / Average stock  Average stock = 6,40,000 / 5 = 1,28,000  Opening stock = 1,28,000 – ½(20,000) = 1,18,000  Closing stock = 1,28,000 + ½(20,000) = 1,38,000  So current assets = Liquid assets + Closing stock  = 1,80,000+1,38,000 = 3,18,000  Current ratio = 3,18,000 / 2,40,000 = 1.325 : 1</p> <p style="text-align: right;">(1 mark + 3 marks)</p>	4																																																
23	<table border="1"> <thead> <tr> <th>S.N.</th> <th>Particulars</th> <th>Details</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>A.</td> <td>Cash flows from (or used in) operating activities</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Net profit before tax and extra ordinary items:</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Net profit (2,50,000 – 1,50,000)</td> <td>1,00,000</td> <td></td> </tr> <tr> <td></td> <td>Add: Proposed dividend (2011)</td> <td><u>50,000</u></td> <td>1,50,000</td> </tr> <tr> <td></td> <td>Adjustment for:</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Depreciation on plant and machinery</td> <td>50,000</td> <td></td> </tr> <tr> <td></td> <td>Less: Profit on sale of plant and machinery</td> <td><u>(3,000)</u></td> <td></td> </tr> <tr> <td></td> <td>Operating profit before working capital changes</td> <td>1,97,000</td> <td></td> </tr> <tr> <td></td> <td>Less: Increase in stock</td> <td><u>(25,000)</u></td> <td></td> </tr> <tr> <td></td> <td>Net cash flow from operating activities</td> <td>1,72,000</td> <td>1,72,000</td> </tr> <tr> <td>B.</td> <td>Cash flows from (or used in) investing activities:</td> <td></td> <td></td> </tr> </tbody> </table>	S.N.	Particulars	Details	Total	A.	Cash flows from (or used in) operating activities				Net profit before tax and extra ordinary items:				Net profit (2,50,000 – 1,50,000)	1,00,000			Add: Proposed dividend (2011)	<u>50,000</u>	1,50,000		Adjustment for:				Depreciation on plant and machinery	50,000			Less: Profit on sale of plant and machinery	<u>(3,000)</u>			Operating profit before working capital changes	1,97,000			Less: Increase in stock	<u>(25,000)</u>			Net cash flow from operating activities	1,72,000	1,72,000	B.	Cash flows from (or used in) investing activities:			6
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	Sale of plant and machinery	8000	
	Purchase of plant and machinery	<u>(3,55,000)</u>	
	Net cash used in investing activities	<u>(3,47,000)</u>	(3,47,000)
C.	Cash flows from (or used in) financing activities:		
	Issue of share capital	3,00,000	
	Dividend paid	<u>(40,000)</u>	
	Net cash flow from financing activities	2,60,000	2,60,000
D.	Net increase in cash and cash equivalents		85,000
E.	Add: Opening cash and cash equivalents		3,15,000
F.	Closing cash and cash equivalents		4,00,000

(12 items- 0.5 mark each)