

# Accountancy

## PART - A

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

'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 profits =  $(10\% \text{ of } \text{₹ } 6,00,000) \times \frac{2}{6}$

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

$$= \text{₹ } 20,000/-$$



Q3.

Sacrificing Ratio = 10,000 : 6,000  
of Kirpa & Kirpa = 3:1

Share acquired from Kirpa =  $\frac{2}{4} \times \frac{1}{5} = \frac{3}{20}$

Share from Kola =  $\frac{1}{11} \times \frac{1}{5} = \frac{1}{55}$

New Share ~~Boards~~ ⇒ Old Share Sacrificed Share

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

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

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

(New Ratio) ⇒ 9:7:4

Q4. 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.

Q5. 1. Rights to share the future profits of the firm.

Q6. It is assumed that the dealer has already been transferred to

Journal

Date	Particulars	Lf	Dr (₹)	Cr (₹)
	Realisation A/c Dr. To C's Capital A/c (Being business been taken over by C on dissolution)		10,000	10,000

# Balance Sheet

as at . . . . .

Particulars

Note No.

£

1 EQUITY AND LIABILITIES

1. Shareholders' funds

(a) Share capital ✓

1 99,96,000 ✓

## Notes for Accounts

Note No.

Particulars

£

£

1. Share capital

AUTHORISED SHARE CAPITAL

(2,00,000 equity shares of £ 100 each)

~~2,00,00,000~~

ISSUED SHARE CAPITAL

(1,00,000 equity shares of £ 100 each)

~~1,00,00,000~~

SUBSCRIBED SHARE CAPITAL

Subscribed and fully paid

99,900 shares of £ 100 each

99,80,000 ✓

2000  
~~40,000~~  
100



Particulars	£	Rs.
Subscribed but not fully paid 500 shares of £100 each	20,000	
Less: Calls in arrears (50 x 20)	(4,000)	
	16,000	9996,000

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

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

New 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  $\frac{3}{12}$

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

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

$$E \Rightarrow \frac{1}{3} \text{ or } \frac{4}{12}$$

New profit sharing Ratio  $\Rightarrow$  A : B : C : D : E  
 3 : 3 : 1 : 1 : 4

~~Answer~~

Good will for E.  $\Rightarrow \frac{1}{3} \times \text{₹} 3,00,000$

~~₹ 1,00,000~~

Journal

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

09. Working notes

~~No. of shares issued = 6,00,000 x 100~~

~~92~~

in the books of ZK Ltd.



# Journal

Date	Particulars	L.F.	Dr (₹)	Cr (₹)
	Bank A/c Dr.		3,80,000	
	To Debiture Application & Adjustment A/c (Being debentures issued)			3,80,000
	Debiture Application & Adjustment A/c Dr.		3,80,000	
	By issue of debentures A/c			40,000
	Dis count on issue of debentures A/c		80,000	
	To 9% Debiture A/c			4,00,000
	To Premium on Redemption A/c			40,000
	(Being application money adjusted and issue of 4000 debentures)			
			7,000	

Q  
 010. Calculation of the amt of Stationery

Amount paid to creditors	(₹) 46,000
Add: Closing balance of creditors	19,000
Opening stock of stationery	24,000
Cash purchases	6,000
	₹ 96,000
Less: Closing stock of stationery	(40,000)
Opening balance of creditors	(30,000)
	₹ 26,000

Amts to be debited to

Income & Expenditure A/c.

₹ 26,000/-

919  
 46  
 65

30  
 919  
 965  
 28

20  
1/2/18

# Balance Sheet

as at 31.03.18

(Extract)

Liabilities	£	Assets	£
Creditors of Stationery	19,000	Stock of stationery	40,000
}		1	
}			

## Journal

Date	Particulars	Dr (£)	Cr (£)
31/12/2019	General Reserve A/c Dr. TO Sotion's Capital A/c TO Taurua's Capital A/c (Being general reserve distributed)	40,000	24,000 16,000
	Workmen Compensation Fund A/c Dr. Revaluation A/c Dr. TO Workmen Compensation Claim A/c (Being claim of £10,000 on workmen fund)	35,000 5,000	40,000
	Sotion's Capital A/c Dr. Taurua's Capital A/c Dr. TO Revaluation A/c (Being loss on revaluation distributed)	3,000 2,000	5,000



Journal

Notes	Particulars	Lc	Dr (£)	(Cr £)	
	Taurus's Capital A/c Dr.		5000		
	To Sathya's Capital A/c			5000	
	(Being good will adjusted)				
					6:4
					5:5

~~Q12~~  
Working Notes

Calculation of Gain / Losses  
Sathya Taurus

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

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

Gain =  $\frac{1}{10}$  (1) ← Gain

012.

Dr. Haider's Executor A/c Cr.

Date	Particulars	Dr	Cr
2015 Nov 31	TO Bank A/c	22,500	
"	TO Balance c/d	67,500	
		<u>90,000</u>	
2016 Nov 31	TO Bank A/c	34,660	
"	TO Balance c/d	45,000	
		<u>79,660</u>	
2017 Nov 31	By TO Bank A/c		45,000
"	TO Balance c/d	22,500	
		<u>53,100</u>	
2018 Nov 31	TO Bank A/c	26,550	
"			26,550
		<u>26,550</u>	<u>26,550</u>

Date	Particulars	Dr	Cr
2015 Nov 31	By Haider's Capital A/c		90,000
2016 Nov 31	By <del>Balance b/d</del>		<del>90,000</del>
"	By Balance b/d		67,500
"	By Interest A/c		42,150
2016 Nov 31	By Balance b/d		79,650
"	By Interest A/c		9,100
2016 Nov 31	By Balance b/d		53,100
"	By Interest A/c		4,060
			<u>26,550</u>

013.



Q13

Dr.

Realization A/c

Cr.

Particulars	₹	Particulars	₹
TO Stock	24,000	By Debtors	42,000
TO Debtors	19,000	By Employer's Provident Fund A/c	60,000
TO Furniture	40,000	By Mrs. Ashwin's Loan	9,000
TO Plant	2,10,000	By Investment fluctuation	4,000
TO Investments	32,000	By Reserve Share A/c	
TO Ashwin's Capital A/c (Mrs. Ashwin's Loan)	9,000	By Ashwin's Capital A/c (Share)	38,000
TO Karan's Capital A/c (Remuneration)	12,000	By Bank A/c	
TO Bank A/c		Debtors	18,500
(Employer's Provident Fund)	60,000	Plant	2,31,000
		Stock	15,840
TO Loan on realization transferred to:			
Ashwin's Capital A/c: 12,000			
Karan's Capital A/c: 9,000	21,000		
		By Karan's Capital A/c (Share)	7,680
	4,26,000		
			4,26,000

## Working Notes

### 1. Calculation on opening capital.

	Abhi	Bobby	Vinod
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. Part on capital @ 10% pa ⇒  $\frac{9,60,000}{100} \times 12 \times \frac{1}{12} = \text{₹ } 64,000$

### 3. Part on drawings

$$\text{Abhi} \Rightarrow \frac{3}{100} \times \frac{20,00,000}{12} \times \frac{1}{12}$$

$$\Rightarrow \text{₹ } 6,000$$

$$\Rightarrow \text{₹ } 66,000$$



### Statement of Adjustment

Particulars	Amount Due		Amount owed	
	Naveen	Rajesh	Naveen	Rajesh
1. Interest on Capital	-	-	48,000	28,800
2. Salary	<del>28,000</del>	-	43,200	-
3. Profits Transferred (2016-17)	28,000	-	-	-
(2017-18)	15,000	5,000	-	-
	15,000	6,000	-	-
TOTAL	58,000	11,000	48,000	28,800
Less: Amt. Extracted	(48,000)	(28,800)	43,200	28,800
	10,000	7,800	4,000	17,800

18  
 44  
 28  
70,000

For 2016-17 (₹)      (₹)  
 (₹)      (₹)

Intd on capitals ⇒ + 60,000  
 (Salary) ⇒ (30,000)  
 Profit to be distributed → 30,000



085

# Income and Expenditures, P/L

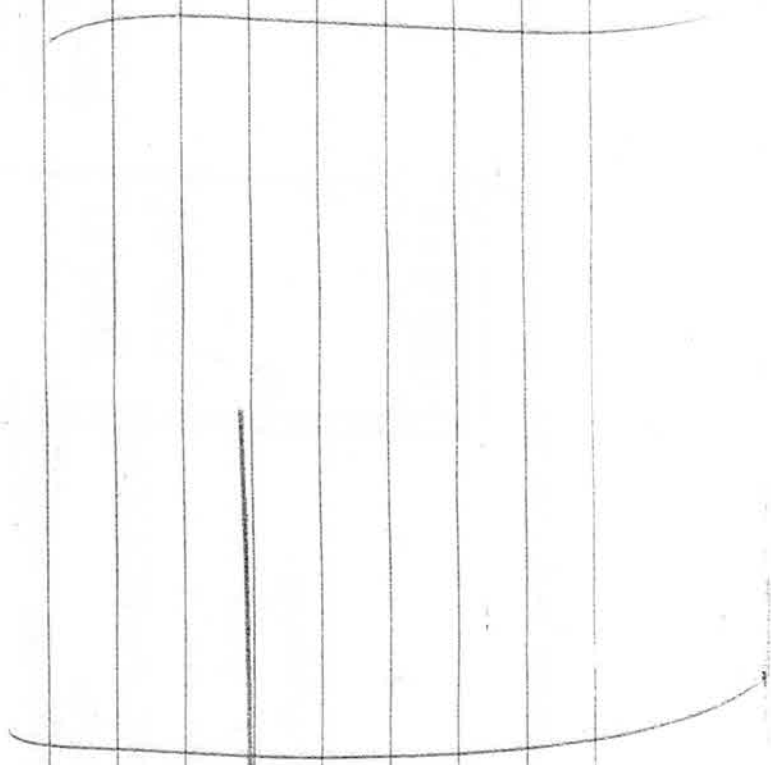
Dr. for the year ended 31-03-18

Particulars Expenditure	₹	Income	₹
TO Salaries 64,000		By Interest on (W.D)	
Add: Gratuity 8,000	72,500	Investments 21,000	
TO Miscellaneous Expenses	52,000	Add: Old Int. 1500	4,000
TO Telephone Charges	12,000	TO Donations	17,000
TO Printing and Stationery		TO Subscriptions (W.D 2)	30,000
P.B.D			
Add: Printing 12,000		TO Rents Received	
Stationery 31,000		90,000	
Sewer: clearing 15,000	16,000	Add: Dividend 20,000	
TO Surplus	2,46,100	no sale of old newspapers	600
	<u>3,98,600</u>		<u>3,98,600</u>



# Journal

Date	Particulars	Dr (₹)	Cr (₹)
2018 April 1	Rajesh's Current A/c <del>Dr</del> TO Navneet's <del>Current A/c</del> TO Rajesh's Current A/c (Being adjustment passed)	17,800	10,000 7,800





Working notes

1. Interest on Investments

$$\frac{62}{100} \times \frac{200}{100} \times 1,00,000$$

$$120 + 2$$

₹

₹ 4,000/-

2. Subscriptions

₹ 3,00,000

Add: Outstanding on 31.03.1968

₹ 3,20,000

less: Subscriptions in advance (1,50,000)

₹ 3,00,000 | -

Q16-

J

Q

Dr	Particulars	₹	Particulars	₹	Cr
	TO Plant & Machinery	6000	By Bank A/c	4000	
	TO Bad Debts	1800	By Loss on Revaluation		
	TO Revision for Bad Debts	3000	Transferred to:		
			Mehar's Capital A/c: 3000		
			Viraj's Capital A/c: 2000		
			Nityaj's Capital A/c: 1000	6000	
		10,000		10,000	

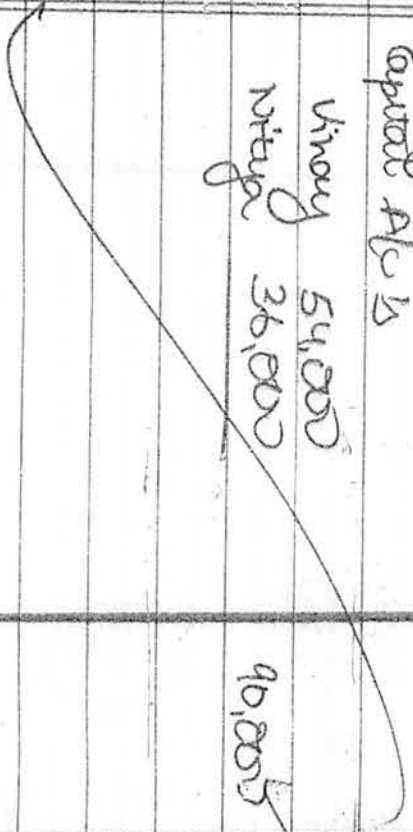
Partners' Capital A/c

Dr	Particulars	Mehar	Viraj	Nityaj	Particulars	Mehar	Viraj	Nityaj
	TO Revaluation	3000	2000	1000	By Balance b/d	1,29,000	1,00,000	90,000
	TO Mehar's Capital A/c	-	48,000	42,000	By Contingency Reserve	15,000	10,000	5,000
	TO Mehar's Loan A/c	2,89,000	-	-	By Viraj's Capital A/c	48,000	-	-
	TO Bank A/c	-	6,000	16,000	By Nityaj's Capital A/c	42,000	-	-
	TO Balance c/d	-	-	-				
	TO Balance c/d	-	54,000	36,000				
		2,89,000	1,10,000	95,000		2,25,000	1,10,000	95,000

# Balance Sheet

as at 31.03.18

Liabilities	£	Assets	£
Customers	48,000	Cash at Bank	19,000
Memor's Loan Ac	2,22,000	Bills Receivable	54,000
Employees Provident Fund	1,70,000	Other Debts	60,000
Capital Ac 1/2	90,000	debt provision for doubtful debts (3000)	57,000
Inventory	54,000	Plant and Machinery	1,14,000
Wtngs	36,000	Land and Building	2,92,000
	<u>5,39,000</u>		<u>5,39,000</u>



## Working notes

1. <sup>old</sup> rights sharing ratio  $\Rightarrow$  3:2:1

2. ~~rights~~ raising ratio

$$\text{Vinay} \Rightarrow \frac{\frac{2}{6} \times \frac{2}{3}}{\frac{2}{6} \times \frac{2}{3} + \frac{10-10}{30}} = \frac{\frac{1}{9}}{\frac{1}{9} + \frac{0}{30}} = \frac{1}{30}$$

$$\text{Nitya} \Rightarrow \frac{\frac{2}{5} \times \frac{1}{6}}{\frac{2}{5} \times \frac{1}{6} + \frac{12-5}{30}} = \frac{\frac{1}{15}}{\frac{1}{15} + \frac{7}{30}} = \frac{2}{30}$$

∴ raising ratio  $\Rightarrow$  8:7

3. <sup>new</sup> goodwin  $\Rightarrow$  1,90,000  $\times \frac{8}{15} =$  ₹ 90,000

# v. Capital adjustment

total capital = £ 90,000

new capital	£ 54,000	↓ wrong	£ 36,000	↓ right
----------------	----------	---------	----------	---------

used & required capital	£ (60,000)		£ (52,000)	
----------------------------	------------	--	------------	--

£ (6,000)

£ (16,000)

withdrawal

withdrawal

$$\frac{35}{22} \text{ (13)}$$

$$\frac{35}{22} - \frac{1}{13}$$

$$\frac{35}{22} - \frac{58}{52}$$

Q7

IS

In the books of Denspar Ltd :-

Journal

DATE	Particulars	Dr (₹)	Cr (₹)
	BANK A/c Dr. TO Share Application A/c (Being application money received)	3,60,000	3,60,000
	Share Application A/c Dr. TO Share Capital A/c (Being application money capitalised)	3,60,000	3,60,000
	<del>BANK A/c Dr.</del>		
	Share allotments A/c Dr. TO Share Capital A/c TO Securities Premium Reserve A/c (Being allotment money due)	2,34,000	5,40,000 1,20,000



# Journal

Notes

Particulars	Cr	Dr (₹)	Cr (₹)
Bank A/c Dr. TO Share 'A' Investment A/c		23,14,000	
<del>CR</del> TO Share First call A/c			22,49,000
NO SHARE FINAL CALL A/c			35,000
(Being share allotment money rec'd on 500 shares)			40,000
			18 x 2
Share First call A/c Dr.		12,60,000	
TO Share Capital A/c			3,60,000
NO Securities Premium Reserve A/c			9,00,000
(Being first call due)			126
Bank A/c Dr.		13,16,000	
TO Share 'A' Investment A/c		<del>10,54,000</del>	
NO Share First call A/c			91,000
(Being first call money rec'd and due on allotment also received)			12,25,000
			<del>10,60,000</del>
			249000
			91000
			239000

# Journal

Notes	Particulars	Dr (₹)	Cr (₹)
	Share final call A/c Dr.		
	TO Share Capital A/c	14,40,000	
	TO Securities Premium Reserve A/c		5,40,000
	(Being final call due on 1,00,000 shares)		9,00,000
	Bank A/c Dr.		
	TO Share final call A/c		13,84,000
	(Being final call received except on 2000 shares)		13,84,000

\* (continued after working notes...)

Working Notes

$$2,00,000 \times 10 + 20$$

②

1,80,000

App	2	3 +	10
All	13	3 +	10
1st call	7	2 +	5
2nd call	9	3 +	5

③

Amount received on allotment

₹

Dr: 23,40,000

Add: ~~cash~~ returned 75,000

15x7

24,15,000

less: ~~cash~~ Amt not paid receiving Vinash (9,000)

₹ 23,24,000

12,80,000  
+ 9,1,000  
13,71,000



Journal

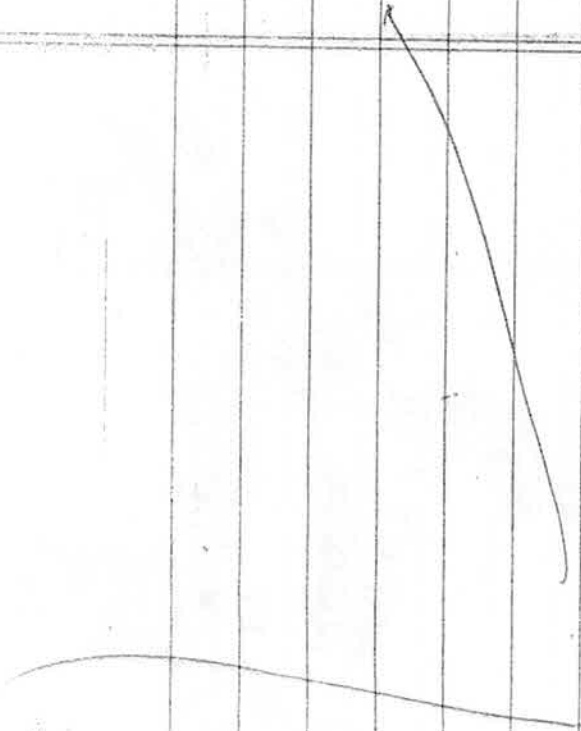
Date	Particulars	Cr	Dr (₹)	Cr (₹)
	Share Capital A/c Dr.		80,000	
	Securities Premium Reserve A/c Dr.		10,000	
	TO Share Forfeited A/c			14,000
	TO Share Final Call A/c			16,000
	(Being 2,000 share forfeited for non-payment of final call)			
	Share Forfeited A/c Dr.		30,000	
	Bank A/c Dr.		12,000	
	TO Share Capital A/c			15,000
	(Being re-issue of 1,000 share @ 28/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 Reinvest

$$\Rightarrow \text{E} \left( \begin{array}{l} \text{10000} \\ \text{10000} \times \frac{3}{4} \end{array} \right) = \text{₹ } 30000$$

2) ~~₹ 10,000~~ = 3000

3) ~~₹ 10,000~~ =





RE 2019

105000 x 2  
210000  
105000 x 2  
210000

Round 1  
105000  
210000

4680  
+ 19200  
23880

100 7 705000

105000  
210000

210000

2  
105000 x 10  
1050000

105000 x 10  
1050000

9600

19200

144000

25980

105000

x 18

1890000

1800

225000

150000

1000000

1000000

121500

783000

22500

18000

100000

105000

105000

105000

105000

105000

3600000

105000

360000

4200

36000

36000

36000

2100000

432000

2100000

2100000

1440000

150000

240000

480000

1440000

105000

2



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

अतिरिक्त उत्तर-पुस्तिका (अ) की संख्या .....  
Supplementary Answer-Books) No. .... 1

PART-B  
OPTION-1

Q14 - When cash comes in, into the business, it is called Inflow of cash.

For example : Money received by sale of goods ₹10000/-  
∴ ₹10000 is the inflow.

Q19 -

Ans. :

They are not disclosed in cashflow statement as they do not involve outflow or inflow of cash.  
It is a non-cash transaction.

QSO - Major Headings

Sub Headings

(i)	Current liabilities ✓	Other current liabilities
(ii)	Current Assets ✓	Inventories -
(iii)	Current liabilities ✓	Other current liabilities
(iv)	Current Assets ✓	Other current assets -
(v)	Non-current Assets ✓	Fixed assets - Intangibles
(vi)	Non-current <del>Assets</del> liability ✓	Other non-current liability
(vii)	Non-current Assets ✓	Fixed assets - Tangible
(viii)	Non-current Assets ✓	Fixed assets - Intangible

Q21.

~~Q~~

~~net Profit after interest and tax  $\Rightarrow$~~

~~120,000~~

~~Add: Tax~~

~~$(\frac{100,000}{100} \times 100 \times 10.2)$~~

~~Profit before Tax~~

~~Add: Interest (15,000 + 12,000)~~

~~2,27,000~~

II

Quick Ratio  $\approx 1$

(i)

Debtors

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

(c)

(ii) Current Assets Increase

As it increases current liabilities, even though quick assets remain unchanged.

(iii) Current Assets

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

(iv) No change

Neither quick assets, nor current liabilities change.

# Comparative Statement

ROFT and LOSS  
 for the ending year 31.03.17 and 31.03.18

Particulars	2016-17 (A)	2017-18 (B)	Absolute Change (B-A) (C)	Percentage Change (%) (D = $\frac{C}{A} \times 100$ )
I Revenue from Operation	4,00,000	6,00,000	2,00,000	50%
II 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 Profits 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 Profits 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	76,000	
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 change	3,00,000	
Add: Increase in Trade Payable	50,000	
Less: Increase in Inventory	(4,00,000)	
Less: Tax Paid	(50,000)	
Cash used in Operating Activities	(56,000)	(1,06,000)

Particulars	₹	₹
(B) <u>Cashflow from Investing</u>		
Payment for machinery	(16,00,000)	
Payment for purchase of Intangible Assets	(4,00,000)	
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 shares	9,00,000	
Proceeds from issue of debentures	3,00,000	
Interest paid on debentures	(60,000)	
Cashflow from financing activities		<u>11,36,000</u>
(D) <u>Net <del>change</del> <sup>change</sup> decrease in cash &amp; cash equivalents (Cash + current investments)</u>	<u>(30,000)</u>	
Add: Opening cash & cash equivalents	1,56,000	
Closing cash & cash equivalents	(16,000 + 14,000)	
Cash equivalents	(89,000 + 39,000)	
		<u>4,26,000</u>

Working Notes

Dr		Cr	
Machinery A/c		Bank A/c	
Particulars	₹	Particulars	₹
To Balance b/d	150,000	By Bank A/c	6,40,000
To P & L A/c	1,60,000	By Accumulated Depreciation	3,20,000
To Bank A/c (B/P)	16,60,000	By Balance b/d	3,30,000
	<u>42,60,000</u>		<u>42,60,000</u>

Dr		Cr	
Accumulated Depreciation A/c		Machinery A/c	
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>

*[Handwritten signature and scribbles]*