

**STUDY MATERIAL  
ON  
HOTS**

**Subject: Accountancy**

**CLASS – XII( As per NCERT Book)**

**Part –A**

**Accountancy Not – for Profit  
organization and partnership Accounts**

# CHAPTER:1

## ACCOUNTING FOR NOT FOR PROFIT ORGANISATION

- Q.1 Give to main sources of income of a 'Not for profit organisation'.
- Q.2 State any two characteristics of Receipt and Payment Account.
- Q.3 How would you account for 'subscription due to be received' in the current year in the books of a non trading organisation?
- Q.4 How would you account for 'subscription received in advance' in the current year in the books of a non trading organisation?
- Q.5 What is meant by fund based accounting?
- Q.6 Tournament fund appears in the books Rs. 15,000 and expenses on tournament during the year were Rs. 18000. How will you show this in format while preparing financial statement of a not-for-profit organisation?
- Q.7 As per Receipt and Payments account for the year ended on March 31, 2008, the subscription received were Rs. 2,50,000. Addition information given is as follows:-
- (i) Subscriptions outstanding on 01-04-2007 Rs. 50,000.
  - (ii) Subscription outstanding on 31-03-2008 Rs. 35,000.
  - (iii) Subscription Received in advance as on 31-03-2008 Rs. 30000.

Ascertain the amount of income from subscription for the year 2007-08.

- Q.8 From the following extracts of Receipts and Payments Account and the additional information given below, compute the amount of income from subscriptions and show us how they would appear in the Income and Expenditure Account for the year ending March 31, 2007 and the Balance sheet on that date:-

### Receipts and Payments A/C For the year ending March 31, 2007

Receipts	Rs.	Payments	Rs.
Subscription :-			
2005-06	- 7000		
2006-07	- 30000		
2007-08	- 5000		
	42000		

**Additional information:-**

- (i) Subscription outstanding on March 31, 2006 Rs. 8500.
  - (ii) Total subscriptions outstanding on March 31, 2007 Rs. 18,500.
  - (iii) Subscriptions received in advance as on March 31, 2006 Rs. 4000.
- Q. 9 From the following particulars of a club, calculate the amount of salaries to be shown in Income and expenditure account for the year ended 31 March, 2008:-
- Total salaries paid during the year 2007-08 Rs. 87,000

Outstanding salaries on 01-04-2007	Rs. 17,000
Prepaid salaries on 01-04-2007	Rs. 19,000
Outstanding salaries on 31-03-2008	Rs. 32,000
Prepaid salaries on 31-03-2008	Rs 20,000

Q.10 Calculate the amount to be debited to Income and Expenditure account under the heading sports items for the year 2006-07 in respect of the Osmosis club:-

Stock of sports items on 01-04-2006	Rs. 44,700
Stock of sports items on 31-03-2007	Rs. 24,500
Paid for sports items during the year	Rs. 97,900

Creditors for supplies of sports items 31-03-2007 Rs. 26,500.

Q.11 Show the following information in the Balance Sheet of the Cosmos club as on 31<sup>st</sup> March 2007:-

Particulars	Dr (Rs)	Cr (Rs)
Tournament Fund	-	1,50,000
Tournament Fund Investment	1,50,000	-
Income From Tournament Fund Investment	-	18,000
Tournament Expenses	12,000	-

Additional Information:-

Interest accrued on Tournament Fund Investment Rs. 6000.

Q.12 Calculate the amount medicines to be debited in the Income and Expenditure Account of a Hospital on the basis of the following information:-

	01-04-2006 Rs.	31-03-2007 Rs.
Stock of Medicines	90,000	1,24,000
Creditors for Medicines	2,40,000	2,04,000

Amount paid for medicines during the year was Rs. 6,79,000.

Q.13 Distinguish between Receipts and Payments A/C and Income and expenditure A/C.

**CHAPTER:2**  
**ACCOUNTING FOR PARTNERSHIP FIRMS: BASIC CONCEPTS**

- Q.1 State the conditions under which capital balances may change under the system of a Fixed Capital Account.
- Q.2 A is partner in a firm. His capital as on Jan 01, 2007 was Rs. 60,000. He introduced additional capital of Rs. 20000 on Oct 01 2007. Calculate interest on A's capital @ 9% p.a.
- Q.3 Alka, Barkha and Charu are partners in a firm having no partnership agreement. Alka, Barkha and Charu contributed Rs. 20,000, Rs. 30,000 and Rs. 1,00,000 respectively. Alka and Barkha desire that the profit should be divided in the ratio of capital contribution. Charu does not agree to this. How will you settle the dispute.
- Q.4 A and B are partners in a firm without a partnership deed. A is an active partner and claims a salary of Rs. 18,000 per month. State with reason whether the claim is valid or not.
- Q.5 Chandar and Suman are partners in a firm without a partnership deed. Chandar's capital is Rs. 10,000 and Suman's capital is Rs. 14,000. Chander has advanced a loan of Rs. 5000 and claim interest @ 12% p.a. State whether his claim is valid or not.
- Q.6 R, S, and T entered into a partnership of manufacturing and distributing educational CD's on April 01, 2006. R looked after the business development, S content development and T financed the project. At the end of the year (31-03-2007) T wanted an interest of 12% on the capital employed by him. The other partners were not inclined to this. How would you resolve this within the ambit of the Indian Partnership Act, 1932?
- Q.7 A, B and C are partners in a firm. A withdrew Rs. 1000 in the beginning of each month of the year. Calculate interest on A's drawing @ 6% p.a.
- Q.8 A, B and C are partners in a firm, B withdrew Rs. 800 at the end of each month of the year. Calculate interest on B's drawings @ 6% p.a.
- Q.9 A, B and C are partners in a firm. They have omitted interest on capital @ 10 % p.a. for three years ended 31<sup>st</sup> march 2007. Their fixed capitals on which interest was to be calculated through –out were
- |   |              |
|---|--------------|
| A | Rs. 1,00,000 |
| B | Rs. 80,000   |
| C | Rs. 70,000   |

Give the necessary Journal entry with working notes.

- Q.10 X, Y, and Z are partners sharing profits and losses in the ratio of 3:2:1. After the final accounts have been prepared it was discovered that interest on drawings @ 5 % had not been taken into consideration. The drawings of the partner were X Rs. 15000, Y Rs. 12,600, Z Rs. 12,000. Give the necessary adjusting Journal entry.
- Q.11 A, B and C are partners sharing profits and losses in the ratio of 3:2:1. Their fixed capitals are Rs. 1,50,000, Rs. 1,00,000 and Rs. 80,000 respectively. Profit for the year after providing interest on capital was Rs. 60,000, which was wrongly transferred to partners equally. After distribution of profit it was found that interest on capital provided to them @ 10% instead of 12% . Pass necessary adjustment entry.  
Show your working clearly.
- Q.12 Ravi and Mohan were partner in a firm sharing profits in the ratio of 7:5. Their respective fixed capitals were Ravi Rs. 10,00,000 and Mohan Rs. 7,00,000. The partnership deed provided for the following:-  
(i) Interest on capital @ 12% p.a.  
(ii) Ravi's salary Rs. 6000 per month and Mohan's salary Rs. 60000 per year.  
The profit for the year ended 31-03-2007 was Rs. 5,04,000 which was distributed equally without providing for the above. Pass an adjustment Entry.

Q.13 Distinguish between fixed capital method and fluctuating capital method.

Q.14 A, B and C were partners in a firm having capitals of Rs. 60,000, Rs. 60,000 and Rs. 80,000 respectively. Their current account balances were A- Rs. 10,000, B- Rs. 5000 and C- Rs. 2000 (Dr.). According to the partnership deed the partners were entitled to an interest on capital @ 5% p.a. C being the working partner was also entitled to a salary of Rs. 6,000 p. a. The profits were to be divided as follows:

(i) The first Rs. 20,000 in proportion to their capitals.

(ii) Next Rs. 30,000 in the ratio of 5:3:2.

(iii) Remaining profits to be shared equally.

During the year the firm made a profit of Rs. 1,56,000 before charging any of the above items.

Prepare the profit and loss appropriation on A/C.

Q.15 A and B are partners sharing profits in proportion of 3:2 with capitals of Rs. 40,000 and Rs. 30,000 respectively. Interest on capital is agreed at 5 % p.a. B is to be allowed an annual salary of Rs. 3000 which has not been withdrawn. During 2001 the profits for the year prior to calculation of interest on capital but after charging B's salary amounted to Rs. 12,000. A provision of 5% of this amount is to be made in respect of commission to the manager.

Prepare profit and loss appropriation account showing the allocation of profits.

## CHAPTER:3

### RECONSTITUTION OF PARTNERSHIP

#### ADMISSION OF A PARTNER

- Q.1 On what occasions does the need for valuation of goodwill arise?
- Q.2 Why is it necessary to revalue assets and reassess liabilities at the time of admission of new partner?
- Q.3 What is meant by sacrificing ratio?
- Q.4 State two occasions when sacrificing ratio may be applied.
- Q.5 A business has earned average profit of Rs. 60,000 during the last few years. The assets of the business are Rs. 5,40,000 and its external liabilities are Rs. 80,000. The normal rate of return is 10%. Calculate the value of goodwill on the basis of capitalisation of super profits.
- Q.6 The capital of a firm of Arpit and Prajwal is Rs. 10,00,000. The market rate of return is 15% and the goodwill of the firm has been valued Rs. 1,80,000 at two years purchase of super profits. Find the average profits of the firm.
- Q.7 The average profits for last 5 years of a firm are Rs. 20,000 and goodwill has been worked out Rs. 24,000 calculated at 3 years purchase of super profits. Calculate the amount of capital employed assuming the normal rate of interest is 8 %.
- Q.8 Rahul and Sahil are partners sharing profits together in the ratio of 4:3. They admit Kamal as a new partner. Rahul surrenders  $\frac{1}{4}$ <sup>th</sup> of his share and Sahil surrenders  $\frac{1}{3}$ <sup>rd</sup> of his share in favour of Kamal. Calculate the new profit sharing ratio.
- Q.9 Ajay and Naveen are partners sharing profits in the ratio of 5:3. Surinder is admitted in to the firm for  $\frac{1}{4}$ <sup>th</sup> share in the profit which he acquires from Ajay and Naveen in the ratio of 2:1. Calculate the new profit sharing ratio.
- Q.10 A and B were partners sharing profits in the ratio of 3:2. A surrenders  $\frac{1}{6}$ <sup>th</sup> of his share and B surrenders  $\frac{1}{4}$ <sup>th</sup> of his share in favour of C, a new partner. What is the new ratio and the sacrificing ratio.
- Q.11 Aarti and Bharti are partners sharing profits in the ratio of 5:3. They admit Shital for  $\frac{1}{4}$ <sup>th</sup> share and agree to share between them in the ratio of 2:1 in future. Calculate new and sacrificing ratio.
- Q.12 X and Y divide profits and losses in the ratio of 3:2. Z is admitted in the firm as a new partner with  $\frac{1}{6}$ <sup>th</sup> share, which he acquires from X and Y in the ratio of 1:1. Calculate the new profit sharing ratio of all partners.
- Q.13 Rakhi and Parul are partners sharing profits in the ratio of 3:1. Neha is admitted as a partner. The new profit sharing ratio among Rakhi, Parul and Neha is 2:3:2. Find out the sacrificing ratio.
- Q.14 X and Y are partners sharing profits in the ratio of 5:4. They admit Z in the firm for  $\frac{1}{3}$ <sup>rd</sup> profit, which he takes  $\frac{2}{9}$ <sup>th</sup> from X and  $\frac{1}{9}$ <sup>th</sup> from Y and brings Rs. 1500 as premium. Pass the necessary Journal entries on Z's admission.
- Q.15 Ranzeet and Priya are two partners sharing profits in the ratio of 3:2. They admit Nilu as a partner, who pays Rs. 60,000 as capital. The new ratio is fixed as 3:1:1. The value of goodwill of the firm was determined at Rs. 50,000. Show journal entries if Nilu brings goodwill for her share in cash.

Q.16 A and B are partners sharing profits equally. They admit C into partnership, C paying only Rs. 1000 for premium out of his share of premium of Rs. 1800 for  $\frac{1}{4}$ <sup>th</sup> share of profit. Goodwill account appears in the books at Rs. 6000. All the partners have decided that goodwill should not appear in the new firms books.

Q.17 A and B are partners sharing profits in the ratio of 3:2. Their books showed goodwill at Rs. 2000. C is admitted with  $\frac{1}{4}$ <sup>th</sup> share of profits and brings Rs. 10,000 as his capital but is not able to bring in cash goodwill Rs. 3000. Give necessary Journal entries.

Q.18 Piyush and Deepika are partners sharing in the ratio of 7:3. they admit Seema as a new partner. The new ratio being 5:3:2. Pass journal entries.

Q.19 A and B are partners with capital of Rs. 26,000 and Rs. 22,000 respectively. They admit C as partner with  $\frac{1}{4}$ <sup>th</sup> share in the profits of the firm. C brings Rs. 26,000 as his share of capital. Give journal entry to record goodwill on C's admission.

Q.20 A and B are partners sharing profits in the ratio of 3:2. They admit C into partnership for  $\frac{1}{4}$ <sup>th</sup> share. C is unable to bring his share of goodwill in cash. The goodwill of the firm is valued at Rs. 21,000. give journal entry for the treatment of goodwill on C's admission.

Q.21 A and B are partners with capitals of Rs. 13,000 and Rs. 9000 respectively. They admit C as a partner with  $\frac{1}{5}$ <sup>th</sup> share in the profits of the firm. C brings Rs. 8000 as his capital. Give journal entries to record goodwill.

Q.22 A, B and C were partners in the ratio of 5:4:1. On 31<sup>st</sup> Dec. 2006 their balance sheet showed a reserve fund of Rs. 65,000, P&L A/C (Loss) of Rs. 45,000. On 1<sup>st</sup> January, 2007, the partners decided to change their profit sharing ratio to 9:6:5. For this purpose goodwill was valued at Rs. 1,50,000.

The partners do not want to distribute reserves and losses and also do not want to record goodwill.

You are required to pass single journal entry for the above.

Q.23 A and B were partners in the ratio of 3:2. They admit C for  $\frac{3}{13}$ <sup>th</sup> share. New profit ratio after C's admission will be 5:5:3. C brought some assets in the form of his capital and for the share of his goodwill.

Following were the assets:

Assets	Rs.
Stock	2,44,000
Building	2,40,000
Plant and Machinery	1,40,000

At the time of admission of C goodwill of the firm was valued at Rs. 12,48,000.

Pass necessary journal entries.

Q.24 X, Y and Z are sharing profits and losses in the ratio of 5:3:2. They decide to share future profits and losses in the ratio of 2:3:5 with effect from 1<sup>st</sup> April, 2002. They also decide to record the effect of the reserves without affecting their book figures, by passing a single adjusting entry.

	Book Figure
General Reserve	Rs. 40,000
Profit 2 loss A/C (Cr)	Rs. 10,000
Advertisement Suspense A/C(Dr)	Rs. 20,000

Pass the necessary single adjusting entry.

**CHAPTER:4**  
**RECONSTITUTION OF A PARTNERSHIP FIRM**  
**RETIREMENT /DEATH OF A PARTNER**

- Q.1 Distinguish between Sacrificing Ratio and Gaining Ratio.
- Q.2 Kamal, Kishore and Kunal are partners in a firm sharing profits equally. Kishore retires from the firm. Kamal and Kunal decide to share the profits in future in the ratio 4:3. Calculate the Gaining Ratio.
- Q.3 P, Q and R are partners sharing profits in the ratio of 7:2:1. P retires and the new profit sharing ratio between Q and R is 2:1. State the Gaining Ratio.
- Q.4 A, B and C are partners in a firm sharing profits in the ratio of 2:2:1. B retires and his share is acquired by A and C equally. Calculate new profit sharing ratio of A and C.
- Q.5 X, Y and Z are partners sharing profits in the ratio of  $\frac{4}{9}$ ,  $\frac{1}{3}$  and  $\frac{2}{9}$ . X retires and surrenders  $\frac{2}{3}$ <sup>rd</sup> of his share in favour of Y and remaining in favour of Z. Calculate new profit sharing ratio and gaining ratio.
- Q.6 X, Y and Z have been sharing profits and losses in the ratio of 3:2:1. Z retires. His share is taken over by X and Y in the ratio of 2:1. Calculate the new profit sharing ratio.
- Q.7 P, Q and R were partners in a firm sharing profits in 4:5:6 ratio. On 28-02-2008 Q retired and his share of profits was taken over by P and R in 1:2 ratio. Calculate the new profit sharing ratio of P and R.
- Q.8 Mayank, Harshit and Rohit were partners in a firm sharing profits in the ratio of 5:3:2. Harshit retired and goodwill is valued at Rs 60000. Mayank and Rohit decided to share future profits in the ratio 2:3. Pass necessary journal entry for treatment of goodwill.
- Q.9 Ramesh, Naresh and Suresh were partners in a firm sharing profits in the ratio of 5:3:2. Naresh retired and the new profit sharing ratio between Ramesh and Suresh was 2:3. On Naresh retirement the goodwill of the firm was valued at Rs. 120000. Pass necessary journal entry for the treat.
- Q.10 L, M and O were partners in a firm sharing profits in the ratio of 1:3:2. L retired and the new profit sharing ratio between M and O was 1:2. On L's retirement the goodwill of the firm was valued Rs. 120000. Pass necessary journal entry for the treatment of goodwill.
- Q.11 State the journal entry for treatment of deceased partners share of profit for his life period in the year of death.
- Q.12 X, Y and Z were partners in a firm sharing profits and losses in the ratio of 3:2:1. The profit of the firm for the year ended 31<sup>st</sup> March, 2007 was Rs. 3,00,000. Y dies on 1<sup>st</sup> July 2007. Calculate Y's share of profit up to date of death assuming that profits in the year 2007- 2008 have been accrued on the same scale as in the year 2006-07 and pass necessary journal entry.
- Q.13 A, B and C were partners in a firm sharing profits in 3:2:1 ratio. The firm closes its books on 31<sup>st</sup> March every year. B died on 12-06-2007. On B's death the goodwill of the firm was valued at Rs. 60000. On B's death his share in the profit of the firm till the time of his death was to be calculated on the basis of previous years which was Rs.150000. Calculate B's share in the profit of the firm. Pass necessary journal entries for the treatment of goodwill and B's share of profit at the time of his death.
- Q.14 A, B and C were partners in a firm sharing profits in the ratio of 2:2:1. C dies on 31<sup>st</sup> July, 2007. Sales during the previous year upto 31<sup>st</sup> march, 2007 were Rs. 6,00,000 and profits were Rs. 150000. Sales for the current year upto 31<sup>st</sup> July were Rs. 250000. Calculate C's share of profits upto the date of his death and pass necessary journal entry.

**CHAPTER:5**  
**DISSOLUTION OF PARTNERSHIP FIRM**

- Q.1 Distinguish between dissolution of partnership and dissolution of partnership firm on the basis of continuation of business.
- Q.2 Why is Realisation Account prepared on dissolution of partnership firm?
- Q.3 State any one point of difference between Realisation Account and Revaluation Account.
- Q.4 All partners wish to dissolve the firm. Yastin, a partner wants that her loan of Rs. 2,00,000 must be paid off before the payment of capitals to the partners. But, Amart, another partner wants that the capital must be paid before the payment of Yastin's loan. You are required to settle the conflict giving reasons.
- Q.5 On a firm's dissolution debtors as shown in the Balance sheet were Rs. 17,000 out of these Rs. 20,000 became bad. One debtor of Rs. 6,000 became insolvent and 40% could be recovered from him. Full recovery was made from the balance debtors. Calculate the amount received from debtors and pass necessary journal entry.
- Q.6 On dissolution of a firm, Kamal's capital account shows a debit balance of Rs. 16,000. His share of profit on realization is Rs. 11,000. He has taken over firm's creditors at Rs. 9,000. Calculate the final payment due to /from him and pass journal entry.
- Q.7 A and B were partners in a firm sharing profits and losses equally. Their firm was dissolved on 15<sup>th</sup> March, 2004, which resulted in a loss of Rs. 30,000. On that date the capital A/C of A showed a credit balance of Rs. 20,000 and that of B a credit balance of Rs. 30,000. The cash account has a balance of Rs. 20,000. You are required to pass the necessary journal entries for the (i) Transfer of loss to the capital accounts and (ii) making final payment to the partners.
- Q.8 What journal entries would be passed in the books of A and B who are partners in a firm, sharing profits in the ratio of 5:2, for the following transactions on the dissolution of the firm after various assets (other than cash) and third party liabilities have been transferred to Realisation Account?
- (a) Bank loan Rs. 12,000 is paid.
  - (b) Stock worth Rs. 6,000 is taken over by B.
  - (c) Loss on Realisation Rs. 14,000.
  - (d) Realisation expenses amounted to Rs. 2,000, B has to bear these expenses.
  - (e) Deferred Revenue Advertising Expenditure appeared at Rs. 28,000.
  - (f) A typewriter completely written off in the books of the firm was sold for Rs. 200.

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**CLASS – XII( As per NCERT Book)**

**Part –B**

**Accountancy Company Accounts and  
Analysis of Financial Statements**

# **CHAPTER:1 & 2**

## **ACCOUNTING FOR SHARE CAPITAL & DEBENTURE**

### **THEORETICAL QUESTIONS**

- Q.1 Gupta Ltd has incurred a loss of Rs. 8,00,000 before payment of interest on debentures. The directors of the company are of the opinion that interest on debentures is payable only when company earn profit. Do you agree?
- Q.2 As per latest guidelines governing the servicing of debentures a company is required to create on special account. Name that account.
- Q.3 Name the method of redemption of debentures in which there is no requirement of creating Debenture Redemption Reserve.
- Q.4 What is the nature of receipt of premium on issue of shares?
- Q.5 Can a company issue shares at a premium in the absence of any express authority in its articles?
- Q.6 What is the maximum rate of interest which the board of directors of a company can normally pay on calls-in-advance if the articles are silent on the matter of such interest?
- Q.7 State with reason whether a company can issue its shares at a discount in its Initial Public Offer (IPO).
- Q.8 Why securities premium money can not be used for payment of cash dividend among shareholders?
- Q.9 Krishna Ltd. With paid-up share capital of Rs. 60,00,000 has a balance of Rs. 15,00,000 in securities premium account. The company management does not want to carry over this balance. You are required to suggest the method for utilizing this premium money that would achieve the objectives of the management and maximize the return to shareholders.
- Q.10 Distinguish between a share and a Debenture.
- Q.11 Can share premium be utilised for the purchase of fixed assets?
- Q.12 State in brief, the SEBI guidelines regarding Debenture Redemption Reserve(DRR).
- Q.13 Which companies are exempted from the obligation of creating DRR by SEBI?
- Q.14 What is the restriction on reissue of forfeited shares at discount?

### **PRACTICAL QUESTIONS**

- Q.1 X Ltd. issued 20,000 shares of Rs. 10 each at a premium of 10% payable as follows:-

On application Rs. 2 ( 1<sup>st</sup> Jan 2001), on allotment Rs. 4 (including premium) (1<sup>st</sup> April 2001), On first call Rs. 3 (1<sup>st</sup> June 2001), on second call & final call Rs. 2 (1<sup>st</sup> Aug. 2001).

Application were received for 18,000 shares and the directors made allotment in full. One shareholder to whom 40 shares were allotted paid the entire balance on his share holdings with allotment

money and another shareholder did not pay allotment and 1<sup>st</sup> call money on his 60 shares but which he paid with final call.

Calculate the amount of interest paid and received on calls-in-advance and calls-in-arrears respectively on 1<sup>st</sup> Aug. 2001.

Q.2 X Ltd took over the assets of Rs. 6,60,000 and liabilities of Rs. 80,000, Y Ltd for Rs. 600,000. Show the necessary journal entries in the book of X Ltd. assuming that

Case-I : The consideration was payable 10% in cash and the balance in 54000 equity shares of Rs. 10 each.

Case-II : The consideration was payable 10% in cash and the balance in 45000 equity shares of Rs. 10 each.

Case-III : The consideration was payable 10% in cash and the balance in 60,000 equity shares of Rs. 10 each.

Q.3 X Ltd. was formed with a capital of Rs. 500,000 divided into shares of Rs. 10 each out of these 2000 shares were issued to the vendors as fully paid as purchase consideration for a building acquired, 1000 shares were issued to signatories to the memorandum of association as fully paid. The directors offered 6500 shares to the public and called up Rs. 6 per and received the entry called up amount on share allotted. Show these transaction in the Balance sheet of a company.

Q.4 X Ltd. invited applications for 11,000 shares of Rs. 10 each issued at 10% premium payable as:

On application Rs. 3 (including Rs. 1 premium)

On allotment Rs. 4 (including Rs. 1 premium)

On 1<sup>st</sup> Call Rs. 3

On 2<sup>nd</sup> & final call Rs. 2

Application were received for 24000 shares.

Category I : One fourth of the shares applied for allotted 2000 shares.

Category II: Three fourth the shares applied for allotted 9000 shares.

Remaining applicants were rejected. Mr. Mohan holding 300 shares out of category II failed to pay allotment and two calls and his shares were re issued @ Rs. 11 fully paid-up. Pass necessary journal entries.

Q.5 A company forfeited 240 shares of Rs. 10 each issued to raj at a a premium of 20%. Raman had applied for 300 shares and had not paid anything after paying Rs 6 per share including premium on application. 180 shares were reissued at Rs. 11 per share fully paid up. Pass journal entries relating to forfeiture and reissue of shares.

Q.6 On 1<sup>st</sup> July 2007. A Ltd gave notice of their intention to redeem their outstanding Rs. 400,000 8% Debentures on 1<sup>st</sup> January, 2008 @ rs. 102 each and offered the holders the following options-

(a) To subscribe for (i) 6% cumulative preference shares of Rs. 20 each at Rs. 22.50 per share, accepted by debenture holders of Rs. 1,71,000 or (ii) 12% debentures were issued @96% accepted by the holders of Rs. 1,44,000 Debentures.

(b) Remaining debentures to be redeemed for cash if neither of the option under (a) was accepted. Pass necessary journal entries.

Q. 7 Sonu Ltd. company issued 15,000 shares of Rs. 10 each. Payment on there shares is to be made as follows:

On application Rs. 4 ( 1<sup>st</sup> Feb, 2003)

On allotment Rs. 3 (1<sup>st</sup> April, 2003)

On final call Rs. 3 (1<sup>st</sup> May, 2003)

Rakesh to whom 1000 shares were allotted paid the full amount on application and mohan to whom 200 shares were allotted paid the final call money on allotment. Interest @ 6% was paid on 1<sup>st</sup> May, 2003. Pass necessary journal entries.

Q.8 TPT Ltd. invited applications for issuing 1,00,000 equity shares of Rs. 10 each at a premium of Rs. 3 per share. The whole amount was payable on application. The issue was over subscribed by 30,000 shares and allotment was made on pro-rata basis. Pass necessary journal entries in the books of the company.

Q.9 Virani Industries Ltd. issued 1,00,000, 10% Debentures of Rs. 10 each at a discount of 9% on April 1<sup>st</sup>, 2001 redeemable as follows:

31 <sup>st</sup> March 2003 -	20,000 Debentures
31 <sup>st</sup> March 2004 -	30,000 Debentures
31 <sup>st</sup> March 2005 -	20,000 Debentures
31 <sup>st</sup> March 2006 -	Remaining Debentures

Calculate the amount of discount to be written off each year and prepare discount on issue of debentures account.

Q.10 The following balance appeared in the books of Z Ltd. on January 1, 2004.

12% Debentures A/C	Rs. 1,50,000
Debenture Redemption Fund	Rs. 1,25,000
Debenture Redemption Fund Investment	Rs. 1,25,000
(Represented by Rs. 1,47,500, 3% Govt. Securities)	

The annual installment added to the fund is Rs. 20,575. On December 31, 2004, the bank balance after the receipt of interest on investment was Rs. 39,100. On that date all the investment were sold at 83% and the debentures were duly redeemed. Show the necessary ledger accounts for the year 2004.

Q.11 On 01-04-1999, A Ltd., issued 2000, 7% debentures of Rs. 100 each at a discount of 10% redeemable at par after 4 years by converting them into equity shares of Rs. 100 each issued at a premium of 25%.

Pass journal entries in the following cases:

- (i) If debentures are redeemed on maturity.
- (ii) If debentures are redeemed before maturity.

Q.12 Pass journal entries for the following at the time of issue of debentures:

- (a) B Ltd. issues 30,000, 12% Debentures of Rs. 100 each at a discount of 5 % to be repaid at par at the end of 5 years.
- (b) E Ltd. issues Rs. 60,000, 12% Debentures of Rs. 100 each at a discount of 5 % repayable at a premium of 10% at the end of 5 years.
- (c) F Ltd. issues Rs. 70,000, 12% Debentures of Rs. 100 each at a premium of 5 % redeemable at 110%.

Q.13 500 shares of Rs. 100 each issued at a discount of 10% were forfeited for the non-payment of allotment money of Rs. 50 per share. The first and final call of Rs.10 per share on these shares were not made. The forfeited shares were reissued at Rs. 80 per share fully paid-up.

Q.14 200 shares of Rs. 100 each issued at a discount of 10% were forfeited for the non payment of allotment money of Rs. 50 per share. The first and final call of Rs. 10 per share on these shares were not made. The forfeited share were reissued at Rs. 14 per share fully paid up.

Q.15 800 Shares of Rs. 10 each issued at per were forfeited for the non-payment of final call of Rs. 2 per share. These shares were reissued at Rs. 8 per share fully paid-up.

## Chapter 3 & 4

### Analysis of Financial Statements

- Qus:1 How will you show the following items in the Balance sheet of a company.  
(i) Calls in Arrears (ii) Calls in Advance.
- Qus:2 Under what heads the following items on the Liabilities side of the Balance sheet Of a company will be presented  
(i) Proposed Dividend.  
(ii) Unclaimed Dividend.
- Qus:3 State any two items which are shown under the head 'Investment' in a company balance sheet.
- Qus:4 Give the format of the Balance sheet of a company(main headings only) as per the requirement of Schedule VI of the companies Act.1956.
- Qus:5 Give the heading under which the following items will be shown in a company's Balance sheet:  
(i) Goodwill.  
(ii) Preliminary Expenses  
(iii) Loose Tools  
(iv) Capital Redemption Resave.  
(v) Live Stock.
- Qus:6 The following balance have been from the book of Sahara Ltd. Share capital Rs.10,00,000, securities Premium Rs. 1,00,000, 9% Debentures Rs. 500,000, Creditors Rs. 200,000., Proposed Dividend Rs. 50,000. , Freehold property RS. 9,00,000, share of Reliance Industries Rs. 4,00,000, Work-in-Progress Rs. 4,00,000, Discount on Issue of Debentures Rs. 1,00,000.  
Prepare the balance sheet of the company as per schedule VI part 1 of the companies Act.1956.
- Qus:7 List any three items that can be shown as contingent Liabilities in a company's Balance sheet.
- Qus:8 Give two example each of Non-Current Assets and Non- Current Liabilities.
- Qus:9 What is Horizontal Analysis?
- Qus:10 Give the example of Horizontal Analysis.
- Qus:11. What is Vertical Analysis?
- Qus:12. Give the example of Vertical Analysis?
- Qus:13. How is a Company's balance sheet different from that of a Partnership firm? Give Two point only.
- Qus:14. List any two information required to be given in the balance sheet of a company or by way of foot Notes.
- Qus:15. State whether the Balance sheet of a Company is prepared ' as on a particular date ' or ' as at a Particular date ' ?
- Qus:16. Which part of Schedule VI to the Companies Act.1956 prescribes the forms of the balance sheet ?
- Qus:17. How is analysis of Financial statements suffered from the limitation of window dressing ?
- Qus:18. What is the interest of Shareholders in the analysis of Financial statements?
- Qus:19. Name two tools of Financial Analysis ?
- Qus:20: Which item is assumed to be 100 in the case of common size Income statement .
- Qus:21 Prepare Comparative income statement from the following information for the years ended march 31,2003 and 2004.

Particulars	2003(Rs.)	2004(Rs.)
1.Net Sales	8,00,000	10,00,000
2.Cost of Goods Sold	60% of sales	60% of sales
3.Indirect Expenses	10% of Gross profit	10% of Gross Profit
4.Income Tax rate	50%	60%

# Chapter - 5

## Ratio Analysis

- Qus:1 How will you assess the liquidity or short term financial position of a business ?
- Qus:2 Current ratio of Reliance Textiles Ltd. is 1.5 at present. In future it wants to improve this ratio to 2. Suggest any two accounting transactions for improving the current ratio.
- Qus:3 State one transaction which results in an increase in 'liquid ratio' and no change in 'current ratio'.
- Qus:4 Why is stock excluded from liquid assets ?
- Qus:5 Quick ratio of a company is 1.5 : 1. State giving reason whether the ratio will improve, decline or not change on payment of dividend by the company.
- Qus:6 State one transaction which results in a decrease in 'debt-equity ratio' and no change in 'current Ratio'.
- Qus:7 How does ratio analysis become less effective when the price level changes?
- Qus:8. Indicate which ratio a shareholder would use who is examining his portfolio and wants to decide whether he should hold or sell his shareholdings?
- Qus:9 Indicate which ratio would be used by a Long-Term creditor who is interested in determining whether his claim is adequately secured ?
- Qus:10 What will be the Operating profit, if operating Ratio is 78% ?
- Qus:11 The Debt Turnover Ratio of a company is 6 times. State with reasons whether the ratio will improve, decrease, or not change due to increases in the value of closing stock by Rs. 50,000?
- Qus:12 What will be the impact of 'Issue of shares against the purchase of fixed assets' on a debt Equity ratio of 1:1 ?
- Qus:13 State one transaction involving a decrease in Liquid ratio and no change in current ratio.
- Qus:14 Assuming that the Debt Equity Ratio is 2:1. State giving reason, whether the ratio will improve, decline or will have no change in case bonus shares are allotted to equity shareholders by capitalizing profits.
- Qus:15 The ratio of current Assets (Rs. 9,00,000) to current liabilities is 1.5:1. The accountant of this firm is interested in maintaining a current ratio of 2:1 by paying some part of current liabilities. You are required to suggest him the amount of current liabilities which must be paid for the purpose.
- Qus:16 A company has a loan of Rs.15,00,000 as part of its capital employed. The interest payable on

Loan is 15% and the ROI of the company is 25%. The rate of income tax is 60%. what is the Gain to shareholders due to the loan raised by the company ?

Qus:17 Rs.2,00,000 is the cost of goods sold, inventory turnover 8 times, stock at the beginning is 1.5 Times more than the stock at the end. Calculate the value of opening & closing stock .

Qus:18 From the given information, calculate the stock turnover ratio: sales Rs.5,00,000, Gross Profit 25% on cost , opening stock was  $\frac{1}{3}$ <sup>rd</sup> of the value of closing stock. Closing stock was 30% Of sales.

Qus:19 Calculate cost of goods sold from the following information: Sales Rs.12,00,000, Sales Returns Rs.80,000, operating expenses Rs.1,82,000, operating ratio 92%.

Qus:20 Calculate the amount of opening stock and closing stock from the following figures:  
Average Debt collection period 4 month stock turnover ratio 3 times. Average Debtors Rs.1,00,000 Cash sales being 25% of total sales Gross profit ratio 25% stock at the end was 3 Times that in the beginning.

Qus:21 (a) Calculate return on Investment from the following information :

Net profit after Tax Rs.6,50,000.  
12.5% convertible debentures Rs 8,00,000.  
Income Tax 50%.  
Fixed Assets at cost Rs.24,60,000.  
Depreciation reserve Rs.4,60,000.  
Current Assets Rs. 15,00,000.  
Current Liabilities Rs. 7,00,000.

(b) Profit before interest and tax(PBIT) Rs.2,00,000, 10% preference shares of Rs.100 each. Rs.2,00,000, 2,00,000 equity shares of Rs. 10 each, Rate of tax @ 50% calculate earning per Share(EPS).

# **Chapter 6**

## **Cash Flow Statement**

Qus:1 Why is the cash flow statement not a suitable judge of profitability ?

Qus:2 Under which accounting standard , cash flow statement is prepared ?

Qus:3 Why do we add back depreciation to net profit while calculating cash flow from operating activities.

Qus:4 How will you classify loans given by Birla Finance Ltd.? While preparing cash flow statement.

Qus:5 How will you classify deposits by customers in HDFC Bank while preparing cash flow statement.

Qus:6 Where will you show purchase of computer in cash flow statement ?

Qus:7 Give two examples of ‘ Significant non cash transactions ‘.

Qus:8 How will you classify loans given by Tata Manufacturing Company.

Qus:9 A company receives a dividend of Rs. 2 Lakhs on its investment in other company’s share will it be Cash inflow from operating or investing activities in case of a.

- (i) Finance Company.
- (ii) Non-Finance Company.

Qus:10 How are various activities classified as per AS-3 (Revised) ?

Qus:11 Cash flow from operating Activities + Cash flow from Investing Activities + Cash flow from Financing Activities =.....

Qus:12 What are the two methods which can be employed to calculate net cash flow from operating activities ?

Qus:13 Escorts Ltd. Engaged in the business of manufacturing tractors invested Rs.40,00,000 in the shares of a Car manufacturing Company. state with reason whether the dividend received on this investment will Be cash flow from operating activities or Investing activities.

Qus:14 Modern Toys Ltd. Purchased a machinery of Rs.20,00,000 for manufacturing toys. State giving reason Whether the cash flow due to the purchase of machinery will be cash flow from operating activities, Investing activities or Financing activities ?

Qus:15 From the following profit or loss account find out the flow of cash from operating activities of Mohan Ltd.

Dr.

**PROFIT AND LOSS ACCOUNT**

Cr.

Particulars	Amount	Particulars	Amount
	(Rs)		(Rs)
To Rent Paid 14,000		By Gross Profit	1,82,000
Less: Prepaid <u>2,000</u>	12,000	By Profit on Sale of Machine	12,000
To Salaries	25,000	By Tax Refund	3,800
To Depreciation	15,000	By Rent received 4,000	
To Loss on sale of Furniture	10,000	Add: Rent accrued <u>1,000</u>	5,000
To Goodwill written Off	8,000		
To Bad Debts	3,000		
To Office Expenses	18,000		
To Discount allowed	7,000		
To Proposed Dividend	30,000		
To Provision for Tax	22,000		
To Net Profit	52,800		2,02,800
	<u>2,02,800</u>		

**Note:** There was increase in Closing stock by Rs. 25,000.

Qus:16 Prepare Cash flow Statement from the following information of Box Ltd. For the year ended March 31,2004.

**BALANCE SHEETS OF LION LTD. AS ON MARCH 31,2004**

Liabilities	2003	2004	Assets	2003	2004
	(Rs)	(Rs)		(Rs)	(Rs)
Share capital	3,00,000	4,00,000	Goodwill	70,000	30,000
Profit & Loss Account	1,20,000	2,60,000	Machinery	3,00,000	3,20,000
General Reserve	60,000	95,000	12% Investments	1,50,000	3,00,000
Tax Provision	70,000	80,000	Stock	35,000	1,85,000
Creditors	50,000	90,000	Debtors	50,000	70,000
Bill Payables	30,000	10,000	Cash at Bank	30,000	40,000
Depreciation Provision	25,000	40,000	Short term Investment	20,000	30,000
	<u>6,55,000</u>	<u>9,75,000</u>		<u>6,55,000</u>	<u>9,75,000</u>

**Additional Information :**

1. Investment costing Rs.50,000 were sold for Rs. 48,000 during the year.
2. Tax paid during the year Rs.70,000.
3. Interest received on Investment Rs. 12,000.

**SUGGESTED ANSWERS**

**ON**

**HOTS**

**Subject: Accountancy**

**CLASS – XII( As per NCERT Book)**

**Part –A**

**Accountancy Not – for Profit**

**organization and partnership Accounts**

**CHAPTER:1**  
**NOT FOR PROFIT ORGANISATION**

Q. 1 (i) Subscription (ii) Donation.

Q.2 (i) Receipts and Payments Account is a summary of Cash Book.

(ii) Non- cash expenses such as depreciation and outstanding expenses are not shown in Receipts and Payments Account.

Q.3 Subscription due to be received is added with subscription received during the year in Income and Expenditure A/C and shown as an asset in the closing balance sheet.

Q.4 Subscription received in advance is subtracted from subscription received during the year in Income and Expenditure A/C and shown as a liability in the closing Balance sheet.

Q.5 Fund based accounting is a book peeping technique where by separate self-balancing sets of assets, liability, income, expenses and fund balance accounts are maintained for each contribution for a specific purpose.

Q.6 **Income and Expenditure A/C**  
**For the year ended .....**

<b>Expenditure</b>	<b>Rs.</b>	<b>Income</b>	<b>Rs.</b>
To Tournament Expenses      18000			
Less Tournament Fund                      15000	3000		

Q. 7 Calculation of current year subscription to be shown in Income and Expenditure A/C for the year ended March 31, 2008 :-

Total subscription received during the year 250000

Add:-

Outstanding subscription on 31-03-2008	35000		
Advance subscription on 01-04-2007	<u>NIL</u>	<u>35000</u>	
		285000	

Less :-

Outstanding subscription on 01-04-07	50000		
<u>Advance subscription on 31-03-2008</u>	<u>30000</u>	<u>(80000)</u>	
<b>Current year subscription</b>		<b>205000</b>	

Q. 8 **Income and Expenditure A/C**  
**For the year ending March 31, 2007**

<b>Expenditure</b>	<b>Rs.</b>	<b>Income</b>	<b>Rs.</b>
		By Subscription	30000
		Add:- outstanding subscription for 2006 -07	
		(18500-1500)	17000

		Add:- Advance in 2005-06	4000	51000
--	--	--------------------------	------	-------

**Balance sheet**  
**As on 31<sup>st</sup> March 20007**

Liabilities	Amount	Assets	Amount
Subscription in advance	5000	Subscription outstanding 2005-06	1500
		2006-07	17000
			18500

Q. 9 Calculation of salaries to be shown in Income and Expenditure A/C for the year ended March 31, 2008:-

		Rs.
Total Salaries paid during the year		87,000
Add:-		
Outstanding salaries on 31-03-2008	32,000	
Prepaid salaries on 01-04-2007	19,000	51,000
		138,000

Less:-		
Outstanding Salaries on 01-04-2007	17,000	
Prepaid salaries on 31-03-2008	2,000	(37,000)
Salaries to be shown in Income and Expenditure A/C		101000

Q. 10

Amount paid for sports items during the year		97900
Add:-		
Stock of sports items as on 01-04-2006	44700	
Creditors for sports as on 31-03-2007	26500	71200
		169100

Less :-		
Stock of sports items as on 31-03-2007		24500
Sports items to be debited in the Income and expenditure A/C		144600

Q.11

**Balance sheet of Cosmos Ltd.**  
**As on 31<sup>st</sup> March, 2007**

Liabilities	Amount	Assets	Amount
Tournament Fund	1,50000	Tournament Fund investment.	1,50000
Add		Accured interest on Tournament fund Investment	
Income from Tournament Fund Investment	18,000		6000
<u>Accured interest on tournament fund Investment</u>			
<u>6000</u>	1,74,000		
Less Tournament Expenses	12,000		
	162000		

Q. 12 Amount paid for medicine during the year 6,79000

Add:-

Stock of medicine on 01-04-2006	90,000	
Creditors for medicine on 31-03-2007	204,000	294,000
		9,73,000

Less:-

Stock of medicine on 31-03-2007	124,000	
Creditors for medicine as on 01-04-2006	240,000	364,000
		609000
Medicine to be debited in in Income and Expenditure A/C.		

Q. 13 Difference between Receipts and Payments and Income and Expenditure.

Basis	Income and Expenditure	Receipts and Payments
(i) Nature	It is a kin to profit and loss A/C	It is the summary of Cash book.
(ii) Nature of Items	It records income and expenditure of revenue nature only	It records receipts and payments of both capital and revenue nature.
(iii) Result	The result of Income and expenditure A/C is surplus or deficit.	The result of Receipt and Payments is closing balance of cash and Bank.

**CHAPTER:2**  
**ACCOUNTING FOR PARTNERSHIP FIRMS: BASIC CONCEPTS**

Ans. 1 (i) When additional capital is introduced.  
(ii) When capital is withdrawn.

Ans. 2	60000 X 9/100	=	5400
	<u>20000 X 9/100 X 3/12</u>	=	<u>450</u>
	Total Interest		5850

Ans. 3 Charu is correct as in the absence of partnership agreement, profits and losses are divided equally among partners.

Ans. 4 A's claim is not valid as in the absence of partnership deed, no salary is allowed to partners.

Ans. 5 Chander's claim is not valid as in the absence of partnership deed interest on partners loan is provided @ 6% p.a.

Ans. 6 As per provision of Indian Partnership act 1932, when there is no partnership, no partner is entitled for interest on his capital contribution.

Ans. 7 Interest on drawing = 12000 X 6/100 X 6.5/12 = 390

Ans. 8 Interest on drawing = 9600 X 6/100 X 5.5/12 = 264

Ans. 9 **ANALYSIS TABLE**

		A	B	C
Interest on Capital (3 years)	Cr.	30000	24000	21000
Adjustment of profit	Dr.	25000	25000	25000
		(Cr) 5000	(Dr) 1000	(Dr) 4000

Journal Entry :-

B's current A/C		Dr. 1000	
C's Current A/C		Dr. 4000	
To A's current A/C			5000

(Adjustment entry for omission of interest on capital @ 10% p.a.)

Ans. 10 **ANALYSIS TABLE**

		X	Y	Z	Total
Interest on drawings	(Dr)	750	630	600	1980
Adjustment of profit	(Cr)	990	660	330	1980
		(Cr) 240	(Cr) 30	(Dr) 270	-

Z's Capital A/C		Dr. 270	
To X's Current A/C			240

(Adjustment entry for omission of interest on drawings @ 5 % p.a.)

Ans. 11

**ANALYSIS TABLE**

		<b>A</b>	<b>B</b>	<b>C</b>	<b>Total</b>
Wrong profit	Dr.	20000	20000	20000	60000
Interest on Capital @ 2%	Cr.	3000	2000	1600	6600
Correct profit	Cr.	26700	17800	8900	53400
		(Cr) 9700	(Dr) 200	(Dr) 9500	-

B's Current A/C

Dr. 200

C's Current A/C

Dr. 9500

To A's current A/C

9700

(Adjustment entry for interest on capital and distribution in wrong ratio.)

Ans. 12

**ANALYSIS TABLE**

		<b>Ravi</b>	<b>Mohan</b>	<b>Total</b>
Wrong Profit Distributed	Dr.	252000	252000	504000
Interest on capital omitted	Cr.	120000	84000	204000
Salary to be provided	Cr.	72000	60000	132000
Current Profit	Cr.	98000	70000	168000

**Net adjustment****Cr. 38000****Dr. 38000**

Mohan's current A/C

Dr. 38000

To Ravi's Current A/C

38000

(Adjustment entry for omission of certain provisions of partnership deed.)

Ans. 13 Distinction between Fixed and Fluctuating Capital method:-

<b>Basis of differences</b>	<b>Fixed capital method</b>	<b>Fluctuating Capital Method</b>
(i) Number of Accounts	Two accounts are maintained in fixed capital method.	Only one account is maintained.
(ii) Change in capital A/C balances	Remain unchanged	Balance fluctuate frequently.
(iii) Recording of transactions	Adjustment regarding interest on capital, interest on drawings partners salary and profits etc are recorded in partners current account.	All these adjustments are recorded in partners capital accounts.

Ans. 14 Profit transferred to A's current A/C Rs. 51,000

B's current A/C Rs. 45,000

C's current A/C Rs. 44,000

Ans. 15 Net profit transferred to A's Capital A/C Rs. 4,650

B's Capital A/C Rs. 3,100

**CHAPTER:3**  
**RECONSTITUTION OF PARTNERSHIP**

**ADMISSION OF A PARTNER**

Ans. 1 Need of valuation of goodwill arises on the following occasions:-

- (i) Change in profit sharing ratio of existing partners.
- (ii) Admission of a partner.
- (iii) Retirement of a partner.
- (iv) Death of a partner.

Ans. 2 It is necessary to revalue assets and reassess liabilities at the time of admission of new partners as if assets and liabilities are overstated or understated in the books then its benefits or loss should not affect the near partner.

Ans. 3 Sacrificing ratio is the ratio in which old partners have agreed to sacrifice their share of profit in favour of the new partner. This ratio is calculated by deducting the new ratio from the old ratio.

$$\text{Sacrificing Ratio} = \text{Old Ratio} - \text{New Ratio}$$

Ans. 4 (i) On admission of a new partner.

(ii) On change on profit sharing ratio of existing partner.

Ans. 5 (i) Capital employed = Assets – Liabilities

$$= 540000 - 80000$$

$$= \text{Rs. } 460000$$

(ii) Normal Profit = Capital employed X Normal rate of return/100

$$= \text{Rs. } 460000 \times 10/100 = 46000$$

(iii) Super Profit = Firm's Average profit – Normal Profit

$$= 60000 - 46000$$

$$= 14000$$

(iv) Goodwill = Super profit X 100/ Normal rate of return

$$= 14000 \times 100/10$$

$$= 140000$$

Ans. 6 (i) Super profit = Value of goodwill /Number of years purchase

$$= 180000/2$$

$$= 90000$$

(ii) Normal Profit = Capital employed X Normal rate of return /100

$$= 1000000 \times 15/100$$

$$= 150000$$

(iii) Average Profit = Normal Profit + Super profit

$$= 150000 + 90000$$

$$= 240000$$

Ans. 7 (i) Super profit = value of goodwill/ number of years purchase

$$= 240000/3$$

$$= 80000$$

(ii) Normal Profit = Average profit – Super profit

$$= 20000 - 8000$$

$$= \text{Rs. } 12000$$

$$\begin{aligned} \text{(iii) Capital Employee} &= \text{Normal Profit} \times 100 / \text{Normal rate of return} \\ &= 12000 \times 100 / 8 \\ &= 150000 \end{aligned}$$

$$\begin{aligned} \text{Ans. 8 Rahul's sacrificing share} &= 4/7 \times 1/4 = 1/7 \\ \text{Sahil's sacrificing share} &= 3/7 \times 1/3 = 1/7 \\ \text{Rahul's new share} &= 4/7 - 1/7 = 3/7 \\ \text{Sahil's New share} &= 3/7 - 1/7 = 2/7 \\ \text{Kamal's share} &= 1/7 + 1/7 = 2/7 \\ \text{New profit sharing ratio} &= \mathbf{3:2:2} \end{aligned}$$

$$\begin{aligned} \text{Ans. 9 Ajay's sacrifices} &= 1/4 \times 2/3 = 2/12 \\ \text{Naveen's sacrifices} &= 1/4 \times 1/3 = 1/12 \\ \text{Ajay's new share} &= 5/8 - 2/12 = 11/24 \\ \text{Naveen's New share} &= 3/8 - 1/12 = 7/24 \\ \text{Surender's share} &= 1/4 \text{ or } 6/24 \\ \text{New ratio} &= \mathbf{11:7:6} \end{aligned}$$

$$\begin{aligned} \text{Ans. 10} \\ \text{Old ratio} &= \text{A: B} = 3:2 \\ \text{A surrender} &= 3/5 \times 1/6 = 3/30 = 1/10 \\ \text{B surrender} &= 2/5 \times 1/4 = 1/10 \\ \text{A's new share} &= 3/5 - 1/10 = 5/10 \\ \text{B's new share} &= 2/5 - 1/10 = 3/10 \\ \text{C's new share} &= 1/10 + 1/10 = 2/10 \\ \text{New ratio} &= \mathbf{5/10, 3/10, 2/10 \text{ OR } 5:3:2} \end{aligned}$$

$$\begin{aligned} \text{Sacrificing Ratio} &= \text{Old ratio} - \text{New ratio} \\ \text{A} &= 3/5 - 5/10 = 1/10 \\ \text{B} &= 2/5 - 3/10 = 1/10 \\ \text{Sacrificing ratio} &= \mathbf{1:1} \end{aligned}$$

$$\begin{aligned} \text{Ans. 11} \\ \text{Old ratio} &= 5:3 \\ \text{Shital} &= 1/4^{\text{th}} \text{ Share} \\ \\ \text{Let the profit be Rs. 1} \\ \text{Remaining profit} &= 1 - 1/4 = 3/4 \\ \text{Arti : Babita} &= 2:1 \\ \text{Arti's share} &= 3/4 \times 2/3 = 1/2 \\ \text{Babita's Share} &= 3/4 \times 1/3 = 1/4 \\ \text{New Ratio} &= \mathbf{1/2, 1/4, 1/4 \text{ Or } 2:1:1} \end{aligned}$$

$$\begin{aligned} \text{Sacrificing ratio} &= \text{Old ratio} - \text{New ratio} \\ \text{Arti's sacrifices} &= 5/8 - 2/4 = 1/8 \\ \text{Babita's Sacrifies} &= 3/8 - 1/4 = 1/8 \\ \text{Sacrificing Ratio} &= \mathbf{1:1} \end{aligned}$$

$$\begin{aligned} \text{Ans. 12 Old ratio} &= \text{X:Y} = 1:1 \\ \text{Z is admitted for } &1/6^{\text{th}} \text{ share which he acquire from X,Y in the ratio of } 1:1 \end{aligned}$$

$$\begin{aligned} \text{Since } 1/6 \times 1/2 &= 1/12 \text{ from X and Y} \\ \text{X's new ratio} &= 3/5 - 1/12 = 31/60 \end{aligned}$$

$$\begin{aligned}
 \text{Y's New ratio} &= 2/5 - 1/12 = 19/60 \\
 \text{Z's share} &= 1/6 \\
 \text{New ratio} &= \mathbf{31/60, 19/60, 1/6 \text{ or } 31:19:10}
 \end{aligned}$$

Ans. 13

$$\begin{aligned}
 \text{Old ratio} &= \text{Rakhi : Parul} &= 3:1 \\
 \text{New ratio} &= \text{Rakhi: Parul: Neha} &= 2:3:2 \\
 \text{Rakhi's sacrifice} & &= 3/4 - 2/7 = 13/28 \\
 \text{Parul's sacrifice} & &= 1/4 - 3/7 = 5/28 \text{ (Gain)}
 \end{aligned}$$

So, Rakhi's sacrifice  $13/28^{\text{th}}$  share and Parul is gaining to the extent of  $5/28^{\text{th}}$  share.

Ans. 14

Cash A/C	Dr. 1500	
To premium A/C		1500
(cash brought in by Z for his share of goodwill)		
Premium A/C	Dr. 1500	
To X's capital A/C		1000
To Y's Capital A/C		500
(Goodwill distributed among sacrificing partners in the ratio of 2:1.)		

Ans. 15

Cash A/C	Dr. 70000	
To Nilu's capital A/C		60000
To premium A/C		10000
(Cash brought in by new partner)		
Premium A/C	Dr. 10000	
To Priya's capital A/C		10000
(Amount of goodwill distributed among sacrificing partner in their sacrificing ratio.)		

Ans. 16

Cash A/C	Dr. 1000	
To premium A/C		1000
(Amount of goodwill brought in by C)		
Premium A/C	Dr. 1000	
C's capital A/C	Dr. 800	
To A's capital A/C		900
To B's capital A/C		900
(Rs. 1800 distributed among sacrificing partners in sacrificing ratio.)		
A's capital A/C	Dr. 3000	
B's capital A/C	Dr. 3000	
To goodwill A/C		6000
(Old goodwill written off among old partners in old ratio.)		

Q. 17

Cash A/C	Dr. 10000	
To C's capital A/C		10000
(Cash brought in by C for his share of capital)		

A's capital A/C	Dr. 1200	
B's Capital A/C	Dr. 800	
To goodwill A/C		2000

(Old goodwill written off among old partners in old ratio.)

C's capital A/C	Dr. 3000	
To A's capital A/C		1800
To B's capital A/C		1200

(Adjustment of goodwill on admission of C)

Ans. 18

Cash A/C	Dr. 4000	
To premium A/C		4000

(Amount of goodwill brought in by new partner)

Premium A/C	Dr. 4000	
To Piyush's capital A/C		4000

(Goodwill distributed among sacrificing partners in their sacrificing ratio.)

Ans. 19

Cash A/C	Dr. 26000	
To C's capital A/C		26000

(Amount of capital brought in by new partner.)

C's capital A/C	Dr. 7500	
To A's capital A/C		3750
To B's capital A/C		3750

(C's share of goodwill distributed among A and B)

Calculation of Hidden goodwill:-

Capital of A and B	= 26000 + 22000
	= 48000
C brings	= 26000 for 1/4 <sup>th</sup> share
Total capital of the firm	= 26000 X 4/1
	= 104000
Existing capital of the firm	= 48000 + 26000
	= 74000
Goodwill	= 104000 – 74000
	= 30000
C's share of goodwill	= 30000 X 1/4 = 7500

Ans. 20

C's capital A/C	Dr. 5250	
To A's capital A/C		3150
To B's capital A/C		2100

(C's share of goodwill distributed among old partners in sacrificing ratio i.e. 3:2)

Ans. 21

Cash A/C	Dr. 8000	
To C's capital A/C		8000

(Amount of capital brought in by new partner)

C's capital A/C Dr. 2000  
 To A's capital A/C 1000  
 To B's capital A/C 1000  
 (Share of goodwill distributed among A and B in sacrificing ratio i.e. 1:1)

Calculation of Hidden Goodwill.  
 C brings 8000 for 1/5 share

Since total capital of the firm =  $8000 \times 5/1$   
 = 40000

Existing capital of the firm =  $13000 + 9000 + 8000$   
 = 30000

Goodwill =  $40000 - 30000$   
 = 10000

C's share of goodwill =  $10000 \times 1/5$   
 = 2000

Ans. 22

C's Capital; A/C Dr. Rs. 25, 500  
 To A's Capital A/C Rs. 8,500  
 To B's Capital A/C Rs. 17,000

Ans. 23

		Rs	Rs
(i) Stock A/C	Dr.	2,44,000	
Building A/C	Dr	2,40,000	
Plant & Machinery A/C	Dr.	1,40,000	
To C's capital A/C			3,36,000
To premium A/C			2,88,000
(ii) Premium A/C	Dr.	2,88,000	
To A's Capital A/C			2,68,800
To B's Capital A/C			19,200

Ans. 24

Z's Capital A/C	Dr.	Rs. 9000	
To X's Capital A/C			Rs. 9000

**Chapter -4**  
**RETIREMENT AND DEATH OF A PARTNER**

Ans. 1

Basis	Sacrificing Ratio	Gaining Ratio
(i) Meaning	Proportion in which old partners sacrifice their share in favour of new partner.	Proportion in which continuing partner gain the share of outgoing partner on his retirement.
(ii) Occasion	Sacrificing ratio is calculated at the time of admission of new partner.	Gaining ratio is calculated at the time of retirement or death of a partner.
(iii) Formula	Sacrificing ratio = Old ratio – New ratio	Gaining ratio – Old ratio

Ans. 2 Gaining Ratio = New ratio – Old ratio

$$\text{Kamal's Gain} = 4/7 - 1/3 = 5/21$$

$$\text{Kunal's Gain} = 3/7 - 1/3 = 2/21$$

$$\text{Gaining Ratio} = 5:2$$

Ans. 3 Old ratio = P Q R  
7 : 2 : 1

New ratio = Q R  
2 : 1

Gaining Ratio = New ratio – Old ratio

$$\text{Q's gain} = 2/3 - 2/10 = 14/30$$

$$\text{R's gain} = 1/3 - 1/10 = 7/30$$

$$\text{Gaining Ratio} = 14:7 \text{ or } 2:1$$

Ans. 4 A's gaining share =  $2/5 \times 1/2 = 1/5$

$$\text{A's new share} = 2/5 + 1/5 = 3/5$$

$$\text{C's gaining share} = 2/5 \times 1/2 = 1/5$$

$$\text{C's New share} = 1/5 + 1/5 = 2/5$$

**New ratio of A and C = 3:2**

Ans. 5

$$\text{Y's gaining share} = 4/9 \times 2/3 = 8/27$$

$$\text{Z's gaining share} = 4/9 - 8/27 = 4/27$$

$$\begin{aligned} \text{Y's new share} &= \text{Old share} + \text{gain} \\ &= 1/3 + 8/27 = 17/27 \end{aligned}$$

$$\text{Z's new share} = 2/9 + 4/27 = 10/27$$

$$\text{New Ratio} = 17:10$$

$$\text{Gaining ratio} = 8/27 : 4/27 \text{ or } 2:1$$

Ans. 6

$$\text{Old Ratio} = 3:2:1$$

Z Retire

$$\text{X's Gaining} = 1/6 \times 2/3 = 2/18$$

$$\text{X's New share} = 3/6 + 2/18 = 11/18$$

$$\text{Y's Gaining} = 1/6 \times 1/3 = 1/18$$

$$\text{Y's new share} = 2/6 + 1/18 = 7/18$$

$$\text{New Ratio} = 11/18, 7/18 \text{ Or } 11:7$$

Ans. 7 Old ratio = P Q R  
= 4:5:6

Q retired

P's gaining =  $\frac{1}{3} \times \frac{5}{15} = \frac{1}{9}$   
P's new share =  $\frac{4}{15} + \frac{1}{9} = \frac{17}{45}$   
R's Gaining share =  $\frac{2}{3} \times \frac{5}{15} = \frac{2}{9}$   
R's new share =  $\frac{6}{15} + \frac{2}{9} = \frac{28}{45}$   
**New Ratio = 17:28**

Ans. 8 Rohit's capital A/C Dr. 24000  
To Mayank's capital A/C 6000  
To harshit's Capital A/C 18000  
(Adjustment Entry for treatment of goodwill in gaining ratio.)

Ans. 9 Suresh capital A/C Dr. 48000  
To Ramesh's capital A/C 12000  
To Naresh capital A/C 36000  
(Goodwill adjusted among the gaining partner in gaining ratio.)

Ans. 10 O's capital A/C Dr. 40000  
To C's capital A/C 20000  
To M's capital A/C 20000  
(Adjustment of goodwill in gaining partners in their gaining ratio.)

Ans. 11 Profit and loss suspense A/C Dr  
To deceased partner's capital A/C

Ans. 12 Total profit for the year ended 31<sup>st</sup> March 2007 = Rs 300000  
Y's share of profit up to date of death =  $300000 \times \frac{2}{6} \times \frac{3}{12}$   
= 25000

Profit and Loss suspense A/C Dr. 25000  
To Y's capital A/C 25000  
(Y's share of profit transferred to Y's capital A/C)

Ans. 13 Profit and Loss suspense A/C Dr. 10000  
To B's capital A/C 10000  
(B's share of profit transferred to B's capital A/C)

A's capital A/C Dr. 15000  
C's capital A/C Dr. 5000  
To B's capital A/C 20000  
(B's share of goodwill transferred to B's capital A/C and debited to remaining partners capital A/C in their gaining ratio.)

B's share of profit = Number of days from 1 April to 12<sup>th</sup> June 2007  
= 73 Days  
B's share of profit =  $150000 \times \frac{1}{3} \times \frac{73}{365}$   
= Rs. 10000

Ans. 15 Profit & Loss suspense A/C Dr. Rs. 12,500



**SUGGESTED ANSWERS  
ON  
HOTS**

**Subject: Accountancy**

**CLASS – XII( As per NCERT Book)**

**Part –B**

**Accountancy Company Accounts and  
Analysis of Financial Statements**

**CHAPTER-1 &2**  
**ACCOUNTING FOR SHARE CAPITAL & DEBENTURE**

**THEORETICAL QUESTIONS**

Ans.1 No' because Interest on debentures is a charge against profit and not an appropriation of profit.

Ans. 2 Debenture Redemption Reserve Account.

Ans. 3 Redemption of debentures by conversion.

Ans. 4 Capital Nature.

Ans. 5 Yes. [ Hint See section 78]

Ans. 6 According to table 'A' not exceeding 6 % p.a.

Ans. 7 Section 79 Companies Act- the shares must be of a class already issued. So a company cannot issue shares at a discount in its Initial Public Offer.

Ans. 8 It is restricted under section 78 of Indian Companies Act.

Ans. 9 Mention the provisions of section 78.

Ans. 10 Basis of difference :

- (i) Ownership
- (ii) Return
- (iii) Voting Right
- (iv) Convertibility

Ans. 11 No.

Ans. 12 As per SEBI guidelines, an amount equal to 50% of the debenture issue, must be transferred to DRR before the redemption begins.

Ans. 13 The following companies are exempted from the obligation of creating DRR –

- (i) A company which has issued debentures with a maturity of 18 months or less.
- (ii) Infrastructure companies, which are wholly engaged in the business of developing, maintaining and operating infrastructure facilities.

Ans. 14 A Company can reissue forfeited shares at a discount not more than amount forfeited on these shares.

**PRACTICAL QUESTIONS**

Ans. 1 Interest on Calls in advance Rs. 2.80  
Interest on Calls in arrears Rs. 5.50

Ans. 2  
Solution:-

(i)	Sundry Assets A/C Goodwill A/C To Sundry Liabilities To Y Ltd.	Dr. Dr.	660,000 20,000	80000 600000
(ii)	Y Ltd. To Bank A/C	Dr.	60,000	60000
Case I	Y Ltd To Equity share capital A/C	Dr.	540,000	540,000
Case II	Y Ltd To Equity share capital A/C To securities premium A/C	Dr.	540,000	450,000 90,000
Case III	Y' Ltd Discount on issue share A/C To Equity share capital A/C	Dr. Dr.	540,000 60000	600,000

Ans. 3 Issued Capital Rs. 95000.

Ans. 4 Hint-

- (i) Amount received on allotment Rs. 26,100.
- (ii) Amount transferred to share forfeited A/C Rs. 900
- (iii) Amount transferred to Capital Reserve Rs. 600.

Ans. 5 Capital Reserve Rs. 990.

Ans. 6

Hints-

- (1) Case a (i) – No. of preference shares issued 7752.
- (2) Case a (ii)- No. of debentures issued 1530.
- (3) Remaining 85000 debentures paid in cash.

Ans. 7 Interest on Calls in advance = 15 + 3 = Rs. 18

Ans. 8

- (i) Dr. Bank A/C Rs. 16,90,000, Cr.Eq.share Application A/C Rs. 16,90,000.
- (ii) Dr.Eq.Share Application A/C Rs. 16,90,000, Cr.Eq. share Capital A/C Rs.10,00,000, Cr. Security premium A/C Rs. 300,000, Cr. Bank A/C Rs. 3,90,000.

Ans. 9 Amount of discount = Rs. 90,000

Discount to be written off:

2001-02	-	Rs. 25,000
2002-03	-	Rs. 25,000
2003-04	-	Rs. 20,000
2004-05	-	Rs. 12,500
2005-06	-	Rs. 7,500

Ans. 10

- Hint : (i) Loss on sale of investment Rs. 2575.
- (ii) Amount transferred to General Reserve Rs. 1,47,425.

Ans. 11 Case (i) – No. of Equity shares to be issued 1,600.

Case (ii) – No. of Equity shares to be issued 1,440.

Ans. 12

Journal of B Ltd.

(a)

(i) Bank A/C	Dr. 28,50,000	
To. Deb. Application & Allotment A/C		28,50,000
(ii) Deb. Application & allotment A/C	Dr. 28,50,000	
Discount on issue of Debentures	Dr. 1,50,000	
To 12 % debentures A/C		30,00,000

Journal of E Ltd.

(b)

(i) Bank A/C	Dr. 57,000	
To. Deb. Application & Allotment A/C		57,000
(ii) Deb. Application & allotment A/C	Dr. 57,000	
Loss on issue of Debentures A/C	Dr. 9,000	
To 12 % debentures A/C		60,000
To Debenture Redemption Premium A/C		6000

Journal of F Ltd.

(c)

(i) Bank A/C	Dr. 73,500	
To. Deb. Application & Allotment A/C		73,500
(ii) Deb. Application & allotment A/C	Dr. 73,500	
Loss on issue of Debentures A/C	Dr. 7,000	
To 12 % debentures A/C		70,000
To Securities premium A/C		3,500
To Debenture Redemption Premium A/C		7,000

Ans. 13 Capital Reserve Rs. 10,000

Ans. 14 Capital Reserve Rs. 600

Ans. 15 Capital Reserve Rs. 4,800.

## Chapter 3 & 4

# Analysis of Financial Statements

Ans:1 (i) Calls in Arrears: It is deducted from the subscribed capital.  
 (iii) Calls in Advance: It is shown separately under the subscribed capital.

Ans:2 Items	Heading	Sub-Heading
Proposed dividend	Current Liabilities & Provision	Provision
Unclaimed dividend	Current Liabilities & Provision	Current Liabilities

Ans:3 (i) Government Securities.  
 (ii) Sinking Fund Investment.

Ans:4 Balance sheet as on\_\_\_\_\_

Liabilities	Rs.	Assets	Rs.
Share capital		Fixed Assets	
Reserve & surplus		Investment	
Secured Loans		Current Assets,	
Unsecured Loans		Loan and Advances	
		(a) Current Assets	
		(b) Loans & Advance	
Current Liabilities & Provision		Miscellaneous Expenditures	
(a) Current Liabilities		Profit & Loss amount (Dr.Balance)	
(b) Provision			

Ans:5 (i) Fixed Assets.  
 (ii) Miscellaneous Expenditures  
 (iii)Current Assets Loans & Advance under Current Assets.  
 (iv)Reserve and Surplus.  
 (v)Fixed Assets.

Ans:6 Total of Balance Sheet Rs.18,50,000.

Ans:7 (i) Claims against the Company not acknowledged as debts .  
 (ii) Uncalled Liability on partly paid shares.  
 (iii)Arrears of Dividend on Cumulative preference shares.

Ans:8 Non-Current Assets – Building, Machinery.  
 Non-Current Liabilities – Share Capital , Debentures.

Ans:9 The analysis which is made to review and compare the financial statements of two or more then two Years is called Horizontal Analysis.

Ans:10 Comparative Financial Statement.

Ans:11 The Analysis which is made to review the financial statements of one particular year only is called

Vertical Analysis.

Ans:12 Ratio Analysis.

Ans:13 (i) For company's Balance Sheet there are two standard forms prescribed under the companies Act.1956 Whereas there is no standard form prescribed under the Indian partnership Act,1932 for a partnership Firms balance sheet.

(ii) In case of a company's Balance sheet previous years figures are required to be given whereas it is not so in the case of a partnership firms balance sheet.

Ans:14 (i) Uncalled Liability on share partly paid up .

(ii) Arrears of fixed Cumulative Dividend.

Ans:15 Balance of a Company is prepared ' as at a particular date ' .

Ans:16 Part I of Schedule VI to the Companies Act.1956.

Ans:17 Analysis of financial statements is affected from the limitation of window dressing as companies hide Some vital information or show items at incorrect value to portray better profitability and financial Position of the business, for example the company may overvalue closing stock to show higher profits.

Ans:18 (i) They want to judge the present and future earning capacity of the business.

(ii) They want to judge the safety of their investment.

Ans:19 (i) Comparative Financial Statements.

(ii) Ratio Analysis etc.

Ans:20 Sales.

Ans:21 Percentage Change –

Net sale 25%

Cost of Goods sold 25%

Gross profit 25%

Indirect Expenses 87.50%

Net profit before Tax 18.05%

Income Tax 41.67%

Net Profit after Tax 5.56%

# Chapter - 5

## Accounting Ratios

Ans:1 Short term financial position of the business is assessed by calculating current ratio and liquid ratio.

Ans:2 (i) Payment of current liabilities.  
(ii) Issue of share capital etc.

Ans:3 Sale of stock at cost price.

Ans:4 (i) because there is uncertainty whether it will be sold or not.  
(ii) It will take time before it is converted into debtors' and cash.

Ans:5 Quick ratio will improve as both the liquid assets and current liabilities will decrease by the same Amount.

Ans:6 Conversion of debentures into shares.

Ans:7 Accounting ratios are calculated from financial statements, which are drawn on the basis of historical Cost as recorded in the book of accounts .

Ans:8 Total Assets to Debt Ratio.

Ans:9 Debt-Equity-Ratio.

Ans:10  $100 - 78 = 22\%$

Ans:11 No change because it will neither affect net credit sales nor average receivable.

Ans:12 Debt-equity ratio will decrease because the Long-term loans remain unchanged where as the Shareholders funds are increased by the amount of share capital issued .

Ans:13 Purchase of goods for cash .

Ans:14 Debt equity ratio will not change as the total amount of shareholders funds will remain same.

Ans:15 Payment of current Liabilities Rs.3,00,000.

Ans:16 Net gain to shareholders Rs.60,000.

Ans:17 Closing stock = Rs.14,285.  
Opening stock = Rs.35,715.

Ans:18 Stock turnover Ratio = 4 times .

Ans:19 Cost of goods sold =Rs.8,48,400.

Ans:20 Opening stock Rs. 50,000.  
Closing stock Rs. 1,50,000.

Ans:21 (a) Net profit before interest Rs.14,00,000  
capital employed Rs. 28,00,000  
Return on investment 50%.

(b)Earning per share Rs. 4.

# Chapter - 6

## Cash Flow Statement

Ans:1 Cash Flow statement is prepared on cash basis of accounting but profit is calculated on accrual basis.  
So cash flow statement is not a judge of profitability.

Ans:2 Under accounting standard-3(Revised).

Ans:3 Depreciation reduces the net profit without reducing the cash balance as it is a non-cash item.

Ans:4 As Operating Activities.

Ans:5 Operating Activities.

Ans:6 As Outflow under Investing Activities.

Ans:7 Give any two examples-

- (i) Acquisition of fixed asset by issue of debentures or shares.
- (ii) Conversion of debentures into shares.

Ans:8 Classified as Financing Activities.

Ans:9 It will be operating activities in case of a finance company and investing activities in case of Non-Financing Company.

Ans:10 (i) Operating Activities.

(ii) Investing Activities.

(iii) Financing Activities.

Ans:11 ...= Net Increase /Decrease in cash and Cash Equivalents.

Ans:12 Direct Method and Indirect Method.

Ans:13 Investing Activities Because .....

Ans:14 Investing Activities Because .....

Ans:15 Cash from Operating Activities Rs.1,03,800.

Ans:16 (i) Cash Inflow From Operating Activities Rs.80,000.

(ii) Cash Outflow on Investing Activities Rs.1,60,000,

(iii) Cash Inflow From Financing Activities Rs. 1,00,000.