

Question-13.

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In the books of XYZ Ltd.  
JOURNAL.

Soln:

Date	Particulars	L.F.	Amount (₹)	Amount (₹)
31st March 2012	Surplus in statement of P & L A/c ———— Dr Debiture redemption reserve A/c ———— Cr (Being DR R created)		1,00,00,000	1,00,00,000
	Debiture redemption investment A/c ———— Dr Bank A/c ———— Cr (Being investments made in govt securities)		60,00,000	60,00,000
	Bank A/c ———— Dr Debiture redemption investment A/c ———— Cr (Being investments encashed)		60,00,000	60,00,000
	91. Debiture A/c ———— Dr Debiture holder A/c ———— Cr (Being redemption amt. made due)		40,00,000	40,00,000

Date	Particulars	L.F. Amt Dr	Amt Cr
	Debit holder A/c _____ Bank A/c _____ (Being redemption amt. <del>received</del> paid.)	Dr Cr 40,00,000	40,00,000
	Debit holder Redemption Reserve A/c _____ <del>General reserve A/c</del> _____ (Being DR transferred to general reserve)	Dr Cr <del>1,00,00,000</del>	<del>1,00,00,000</del>
31 <sup>st</sup> March 2013	Bank A/c _____ To Debit holder Redemption Investment A/c _____ (Being proportionate investment credited.)	Dr Cr 12,00,000	12,00,000
	9% Debit holder A/c _____ To Debit holder _____ (Being Debit amt. made due.)	Dr Cr 80,00,000	80,00,000
	Debit holder _____ To Bank A/c _____ (Being partially Debit amt. redeemed.)	Dr Cr 80,00,000	80,00,000

97. Debentures A/c

Dr. ~~Particulars~~

Particulars

Amount (₹)

Date

Particulars

Amount (₹)

Cr.

31 Mar 2010

Balance c/d

4,00,00,000

1 April 2009

Debiture application A/c  
Dividend on name of deb. A/c

38,00,000  
20,00,000

2011

31 Mar Balance c/d

4,00,00,000

1 April 2010

Balance b/d

4,00,00,000

2012

31 Mar Debiture holder A/c  
Balance c/d

40,00,000  
3,60,00,000

1 April 2011

Balance b/d

4,00,00,000

2012

31 Mar Debiture holder A/c  
Balance c/d

80,00,000  
28,00,000

1 April 2012

Balance b/d

3,60,00,000

2014

31 Mar Debiture holder A/c  
Balance c/d

1,20,00,000  
1,60,00,000

1 April 2013

Balance b/d

2,80,00,000

2014

2,80,00,000

2,80,00,000

Q1. Debentures A/c

Date	Particulars	Amt ₹	Date	Particulars	Amt ₹
31 Mar 2015	Debenture holder A/c	1,60,00,000	1 April	Balance b/d	1,60,00,000
		<u>1,60,00,000</u>			<u>1,60,00,000</u>

Question - 12

Soln: Dr.

K's Capital A/c

Cr.

Particulars  
K's Executor A/c

Amt ₹  
2,19,750

Particulars

Amt ₹

Balance b/d

1,00,000

Interest on capital

12,500

Profit & loss surplus A/c

12,500

P's Capital A/c

60,000

D's Capital A/c

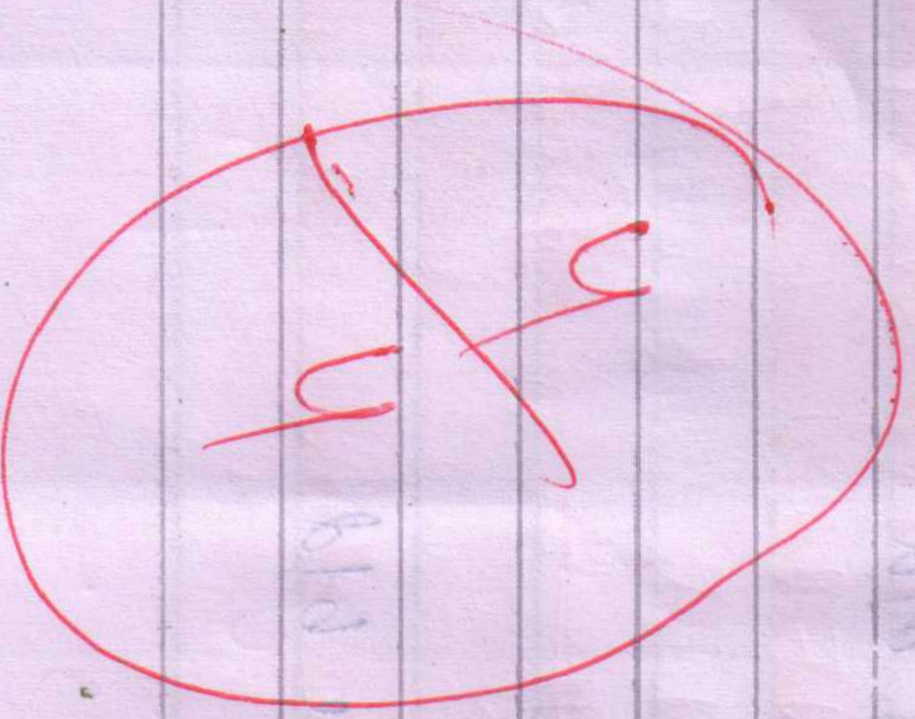
30,000

Reserve Fund

16,000

2,19,750

2,19,750



Q1-1

P: 8: R:  
Q: 1: 1.

R died on 20 June, 15.  
3 months.  
P: 8:  
Q: 1.

$$P's \text{ gain} = \frac{2}{3} - \frac{2}{4} = \frac{2}{12}$$

$$Q's \text{ gain} = \frac{1}{3} - \frac{1}{4} = \frac{1}{12}$$

QR  
P: 8  
Q: 1

Q1-2

$$\begin{aligned} \text{Interest on capital} &= ₹1,00,000 \times \frac{3}{12} \times \frac{5}{100} \\ &= ₹12,500 \end{aligned}$$

Q1-3

$$\begin{aligned} \text{Goodwill} &= ₹ \times 18,000 \\ &= ₹3,60,000 \end{aligned}$$

$$R's \text{ share} = ₹3,60,000 \times \frac{1}{4} = ₹90,000$$

Q11-9

$$\begin{aligned} \text{Profit's share} &= 2,00,000 \times \frac{3}{12} \times \frac{1}{4} \\ &= ₹1,25,000 \end{aligned}$$

Question-11

Soln:

Dr. Profit and Loss Appropriation A/c for the year ended 31 March, 15

Cr.

Particulars	Amount	Particulars	Amount
Interest on capital	15,000		
Partners' capital A/c	85,000		
Partners' capital A/c	50,000		
		Net Profit	9,00,000

Profits transferred to capital A/c.

F	9,70,000
N.	2,20,000
	<u>8,10,000</u>

9,00,000

9,00,000

~~4~~

Values.

The bad condition of low income group people.  
Concern towards people.

Question-10

Soln:

In the books of -  
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Date	Particulars	L.F.	Amount Dr (₹)	Amount Cr (₹)
	Plant A/c		3,50,000	
	Street in Trade A/c		4,50,000	
	Land and Building A/c		6,00,000	
	Goodwill A/c		2,00,000	
	Sundry Creditors A/c			1,00,000
	Rastogi Brothers			1,50,000
	(Being business purchased)			
	Rastogi Brothers		1,50,000	
	Share Capital A/c			1,50,000
	(Being 15000 shares @ ₹100 each issued in consideration other than cash)			

3  
3

Question-9

JOURNAL

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Date	Particulars	L.F.	Amount Dr (₹)	Amount Cr (₹)
(i)	Bank A/c ————— To Sundry debtors A/c ————— Stock A/c ————— Machinery A/c ————— Mohan's capital A/c Premium for goodwill A/c (25000 × $\frac{2}{7}$ ) (Being amount add notes brought in by new partner for his share of capital and goodwill).		5000 10000 5000 12000 20000 12000	
(ii)	Premium for goodwill A/c ————— Mohan's capital A/c Mohan's capital A/c (Being goodwill premium brought in by Rohan transferred to capital A/c of Mohan and Mohan in ownership ratio 3:2).		12000 4800 7200 4800	

33



Question-8

$\frac{1}{3}$

Soln:

In the books of A Ltd.

JOURNAL

Date	Particulars	L.F.	Amount Dr (₹)	Amount Cr (₹)
	Share capital A/c		1440	
	Sensitized premium A/c		360	
	Share forfeited A/c			900
	Share allotment A/c			900
	(Being 180 shares forfeited for non-payment of call amt)			
	Bank A/c		1280	
	Share forfeited A/c		320	
	Share forfeited A/c			1600
	(Being 160 shares redeemed @ ₹ 8)			
	Bank A/c			
	Share capital A/c			
	<del>Sensitized premium A/c</del>			
	(Being 160 shares redeemed @ ₹ 10 per share, ₹ 10 paid up)			

Date	Particulars	l.F.	Amount (₹)	Amount (₹)
	Share forfeited A/c			
	Capital Reserve A/c			
	(Being excess forfeiture amt on 160 shares transferred)			
	→ Share forfeited = $\frac{900}{180} \times 160 = ₹800$			
			₹ 480	₹ 480

Question - 7

Ans:- Interest on debentures is of nominal nature.

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Date	Particulars	l.F.	Amount (₹)	Amount (₹)
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(a) Interest on debentures A/c ————— Dr  
 Debentureholders A/c ————— Cr  
 (Being interest amount made due)

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Date	Particulars	L.F.	Amount (₹)	Amount
(b)	Debit to Bank A/c (Being interest amt. paid)			

Question-6

Ans:-

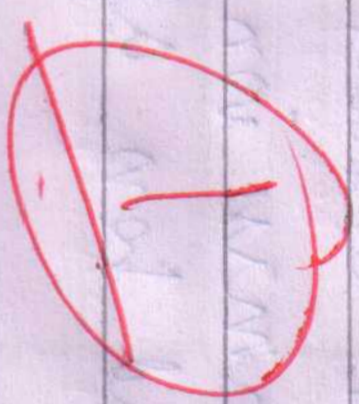
Applied: Alotted:

Ratio: 5  
840 : x

$$x = \frac{840 \times 5}{7}$$

$$x = 600 \text{ shares}$$

∴ Number of shares allotted = 600



Question-5

Ans:- Pro-rata allotment of shares refers to proportional allotment. It refers to utilizing excess application money towards allotment.

Question-9

Ans:- Unrecorded asset.

Question-3

Ans:- Yes the accountant is correct in doing so and the treatment is right because salary or commission are appropriations of profit and hence are debited to profit and loss appropriation A/c.

Question-2,

Ans:- Sacrifice of partners-

Question-1

Ans:- In old ratio i.e. 4:3:2

Question-1

Part-1

Question-23

Cash Flow Statement for the year ended 31 March, 15.

Particulars

CASH FLOW FROM OPERATING ACTIVITIES		Amount (₹)
Net Profit after Tax	4,00,000	
<u>Add</u> General Reserve	20,000	
Provision for Tax	60,000	
	<u>4,80,000</u>	
<u>Add</u> Depreciation	25,000	
Goodwill W/o	10,000	
Loss on sale of machinery	6,000	
<u>Less</u> Profit on sale of building	<u>(30,000)</u>	
	<u>4,91,000</u>	
Operating Profit before working capital changes	25,000	
<u>Add</u> Increase in Creditors	20,000	
Decrease in Stock	8,000	
Increase in Bills payable		
<u>Less</u> Increase in <del>investor</del> Debtors	<u>(10,000)</u>	
	<u>43,000</u>	

Particulars

Amount (₹)

Cash generated from operations  
less Taxes paid

534000  
(40000)

Net cash flows from operating activities

494000

66

Question - 22

Debt = long term borrowings = ₹ 27,00,000

Equity = Spirit share capital  
Add Reserves and surplus

₹ 45,00,000  
₹ 9,00,000  
₹ 54,00,000

Total assets = ₹ 1,20,00,000

000199  
00072  
00088  
0008  
000211  
(00001)

Handwritten notes in the bottom margin, including the word "net" and some illegible scribbles.

Soln: (i) Debt equity ratio =  $\frac{\text{Debt}}{\text{Equity}}$

$$= \frac{27,00,000}{54,00,000}$$

$$= 1:2$$

(ii) Proprietary ratio =  $\frac{\text{Proprietor's fund}}{\text{Total assets}} \times 100$

$$= \frac{54,00,000}{1,20,00,000} \times 100$$

$$= 45\%$$

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(iii) Total assets to Debt ratio =  $\frac{\text{Total assets}}{\text{Debt}}$

$$= \frac{1,20,00,000}{27,00,000}$$

$$= 40:9$$

Question - 20

Items	Major Head	Main-head	Sub-head	Sub-Sub head
(i) Goodwill	Non-current assets	ASSETS	Fired assets	Intangible Assets
(ii) Preliminary exp.	<del>Current assets</del>	<del>ASSETS</del>	<del>Other current assets</del>	
(iii) Proposed dividend	Current liability	SQUTY AND LIABILITY	Other CL	
(iv) Subsidiary reserve	Shareholders fund	SQUTY AND LIABILITY	Reserve & surplus	
(v) Provision for D.D	<del>Current liability</del>	<del>ASSETS &amp; LIABILITY</del>	<del>Other current liabilities</del>	
(vi) Accrued income	Current assets	ASSETS	Other C.A.	

(a) Financial statement analysis help to ascertain liquidity and profitability of an enterprise.

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Question-19

Ans:- <sup>working</sup> Cash flow from investing activities = (₹16,000)

Question-18

Ans:- Investing Activity

Question-21

soln:

Common size Position Statement

As at 31 March, 2015

Particulars	2014-15	2015-14	1. 2014-15	2. 2013-14
<b>1. EQUITY AND LIABILITIES</b>				
<b>1. Shareholder's funds:</b>				
(a) Share capital	548000	548000	19.21%	21.71%
(b) Reserves & surplus	304000	140000	10.71%	<del>4.77%</del> 8.11%
<b>2. Non-current liabilities</b>				
Long term borrowings	200000	484000	0.71%	26.91%
Short-term loans	1192000	412000	41.97%	23.91%

Particulars

3. Current liabilities

- (a) Short term borrowings
- (b) Trade payable
- (c) Other current liabilities
- (d) Short term provisions

TOTAL

ASSETS

1. Non current assets

- (a) Fixed assets
- (b) Non current investments

2. Current assets

- (a) Inventories
- (b) Trade receivables
- (c) Cash and cash equivalents

TOTAL

~~44~~

	30.06.2015	30.06.2014	1.01.2014	30.06.2013
TOTAL	28,40,000	17,20,000	100%	100%
1. Non current assets				
(a) Fixed assets	11,36,000	8,60,000	40%	50%
(b) Non current investments	12,000	8,000	0.4%	0.5%
2. Current assets				
(a) Inventories	8,52,000	4,32,000	49%	25.25%
(b) Trade receivables	8,60,000	2,80,000	30.27%	16.3%
(c) Cash and cash equivalents	1,80,000	3,40,000	6.33%	19.42%
TOTAL	28,40,000	17,20,000	100%	100%