SAMPLE QUESTION PAPER 2022-23

SUBJECT ACCOUNTANCY 055

CLASS XII

TIME 3 HOURS **MAX. MARKS 80**

GENERAL INSTRUCTIONS:

1. This question paper contains 34 questions. All questions are compulsory.
2. This question paper is divided into two parts, Part A and B.
3. Part - **A is compulsory for all candidates**.
4. Part - B has two options i.e. **(i) Analysis of Financial Statements and (ii) Computerised Accounting.** Students must attempt **only one** of the given options.
5. Question 1 to 16 and 27 to 30 carries 1 mark each.
6. Questions 17 to 20, 31and 32 carries **3** marks each.
7. Questions from 21 ,22 and 33 carries **4** marks each
8. Questions from 23 to 26 and 34 carries **6** marks each
9. There is no overall choice. However, an internal choice has been provided in 7 questions of **one mark**, 2 questions of **three marks**, 1 question of **four marks** and 2 questions of **six marks.**

PART A

(Accounting for Partnership Firms and Companies)

<table>
<tr><th>S.No.</th><th>Question</th><th>Marks</th></tr>
<tr><td colspan="3">Part A :- Accounting for Partnership Firms and Companies</td></tr>
<tr><td>1.</td><td>Navya and Radhey were partners sharing profits and losses in the ratio of 3: 1. Shreya was admitted for 1/5th share in the profits. Shreya was unable to bring her share of goodwill premium in cash. The journal entry recorded for goodwill premium is given below:
<table>
<tr><th>Date</th><th>Particular</th><th>LF</th><th>Debit (₹)</th><th>Credit (₹)</th></tr>
<tr><td></td><td>Shreya's Current A/c. Dr.
To Navya's Capital A/c.
To Radhey's Capital A/c
(Being entry for goodwill treatment passed)</td><td></td><td>24,000</td><td>
8,000
16,000</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
</table>
The new profit-sharing ratio of Navya, Radhey and Shreya will be:
a) 41: 7: 12
b) 13:12: 10
c) 3:1: 1
d) 5:3: 2</td><td>1</td></tr>
</table>

2. Assertion (A):- Commission provided to partner is shown in Profit and Loss A/c. Reason (R):- Commission provided to partner is charge against profits and is to be provided at fixed rate. 1

a) (A) is correct but (R) is wrong
b) Both (A) and (R) are correct, but (R) is not the correct explanation of (A)
c) Both (A) and (R) are incorrect.
d) Both (A) and (R) are correct, and (R) is the correct explanation of (A)

3. A share of ₹ 10 each, issued at ₹ 4 premium out of which ₹ 7 (including ₹ 1 premium) was called up and paid up. The uncalled Capital will be ___________. 1

a) ₹ 7 per share	b) ₹ 4 per share
c) ₹ 8 per share	d) ₹ 3 per share

OR

While issuing ___________ type of Debentures, company doesn't give any undertaking for the repayment of money borrowed by issuing such debentures.

a) Zero Coupon Rate Debentures	b) Non-Convertible Debentures
c) Secured Debentures	d) Non-Redeemable Debentures

4. Samiksha, Arshiya and Divya were partners in a firm sharing profits and losses in the ratio of 5: 3: 2. With effect from 1st April 2022, they agreed to share future profits and losses in the ratio of 2: 5: 3. Their Balance Sheet showed a debit balance of ₹ 50,000 in the Profit and Loss Account and a balance of ₹ 40,000 in the Investment Fluctuation Fund. The market value of an investment is ₹30,000 against the book value of ₹50,000. Partners have decided, not to show revised valued in the balance sheet and to pass an adjusting entry for it. Which of the following is the correct treatment of the above? 1

a)	Samiksha's Capital A/c. Dr. To Arshiya's Capital A/c. To Divya's Capital A/c	9,000	 6,000 3,000
b)	Arshiya's Capital A/c. Dr. To Samiksha's Capital A/c. To Divya's Capital A/c.	5,000	 2,000 3,000
c)	Arshiya's Capital A/c. Dr. Divya's Capital A/c. Dr. To Samiksha's Capital A/c	2,000 1,000	 3,000
d)	Arshiya's Capital A/c. Dr. Divya's Capital A/c. Dr. To Samiksha's Capital A/c	6,000 3,000	 9,000

Or

Sohan and Mohan are partners sharing profits and losses in the ratio of 2:3 with the capitals of ₹ 5,00,000 and ₹ 6,00,000 respectively. On 1st January 2022, Sohan and Mohan granted loans of ₹ 20,000 and ₹ 10,000 respectively to the firm. Determine the amount of loss to be borne by each partner for the year ended 31st March 2022 if the loss before interest for the year amounted to ₹ 2,500.

a) Share of Loss Sohan –₹ 1,250 Mohan – ₹ 1,250
b) Share of Loss Sohan –₹ 1,000 Mohan – ₹ 1,500
c) Share of Loss Sohan –₹ 820 Mohan – ₹ 1,230
d) Share of Loss Sohan –₹ 1,180 Mohan – ₹ 1,770

5. Vihaan and Mann are partners sharing profits and losses in the ratio of 3:2. The firm maintains fluctuating capital accounts and the balance of the same as on 31st March 2022 is ₹ 4,00,000 and ₹ 4,65,000 for Vihaan and Mann respectively. Drawings during the year were ₹ 65,000 each. As per the partnership Deed, Interest on capital @ 10% p.a. on Opening Capital has been allowed to them. Calculate the opening capital of Vihaan given that the divisible profits during the year 2021-22 was ₹ 2,25,000. 1

a) ₹ 3,30,000
b) ₹ 4,40,000
c) ₹ 4,00,000
d) ₹ 3,00,000

6. Savitri Ltd. issued 50,000, 8% Debentures of ₹ 100 each at certain rate of premium and to be redeemed at 10% premium. At the time of writing off Loss on Issue of Debentures, Statement of Profit and Loss was debited with ₹ 2,00,000. At what rate of premium, these debentures were issued? 1

a) 10%	b) 16%
c) 6%	d) 4%

Or

Durga Ltd. issued 80,000, 10% Debentures of ₹ 100 each at certain rate of discount and were to be redeemed at 20% premium. Existing balance of Securities Premium before issuing of these debentures was ₹ 25,00,000 and after writing off Loss on Issue of Debentures, the balance in Securities Premium was ₹ 5,00,000. At what rate of discount, these debentures were issued?

a) 10%	b) 5□%
c) 25%	d) 15%

7. Attire Ltd, issued a prospectus inviting applications for 12,000 shares of ₹10 each payable ₹3 on application, ₹ 5 on allotment and balance on call. Public had applied for certain number of shares and application money was received. Which of the following application money, if received restricts the company to proceed with the allotment of shares, as per SEBI guidelines? 1

a) ₹ 36,000	b) ₹ 45,000
c) ₹ 30,000	d) ₹ 32,400

8. Amay, Bina and Chander are partners in a firm with capital balances of ₹ 50,000, ₹ 70,000 and ₹ 80,000 respectively on 31st March, 2022. Amay decides 1

to retire from the firm on 31st March, 2022. With the help of the information provided, calculate the amount to be paid to Amay on his retirement. There existed a general reserve of ₹ 7,500 in the balance sheet on that date.
The goodwill of the firm was valued at ₹ 30,000.
Gain on revaluation was ₹24,000.

a) ₹ 88,500	**b)** ₹ 90,500
c) ₹ 65,375	**d)** ₹ 70,500

Or

A, B and C are partners. A's capital is ₹ 3,00,000 and B's capital is ₹1,00,000. C has not invested any amount as capital but he alone manages the whole business. C wants 30,000 p.a. as salary, though the deed is silent. Firm earned a profit of ₹1,50,000. How much will each partner receives as an appropriation of profits?

a) A ₹ 60,000; B ₹ 60,000; C ₹ 30,000
b) A ₹ 90,000; B ₹ 30,000; C ₹ 30,000
c) A ₹ 40,000; B ₹ 40,000 and C ₹ 70,000
d) A ₹ 50,000; B ₹ 50,000 and C ₹ 50,000

Read the following hypothetical situation, Answer Question No. 9 and 10

Puneet and Raju are partners in a clay toys making firm. Their capitals were ₹ 5,00,000 and ₹ 10,00,000 respectively. The firm allowed Puneet to get a commission of 10% on the net profit before charging any commission and Raju to get a commission of 10% on the net profit after charging all commission. Following is the Profit and Loss Appropriation Account for the year ended 31st March 2022.

Dr. Profit and Loss Appropriation Account for the year ended 31st March 2022 Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To Puneet's Capital A/c (Commission) (------ x10/100)	44,000	By Profit and Loss a/c	....
To Raju's Capital A/c (Commission)	-----------		
To Profit share transferred to :-			
Puneet's Capital A/c	-----------		
Raju's Capital A/c	------------		
	=========		==========

9. Raju's commission will be:- 1

a) ₹ 40,000	b) ₹ 44,000

c) ₹ 36,000	d) ₹ 36,440

10. Puneet’s share of profit will be :-

1

a) ₹ 1,80,000	b) ₹ 1,44,000
c) ₹ 2,16,000	d) ₹ 1,60,000

11. Choose the correct sequence of the following transactions in context of Division of Profits.

1

(i) Guarantee by Firm to Partners
(ii) Guarantee by Partners to Firm
(iii) Transfer of Profits to Profit and Loss Appropriation Account
(iv) Guarantee by Partner to Partner

a) (i); (iii) ; (iv) ; (ii)	b) (iii); (i) ; (ii) ; (iv)
c) (iii) ; (ii) ; (i); (iv)	d) (ii); (iii); (iv); (i)

12. If 10,000 shares of ₹10 each were forfeited for non-payment of final call money of ₹ 3 per share and only 7,000 shares were re-issued @ ₹ 11 per share as fully paid up, then what is the amount of maximum possible discount that company can allow at the time of re-issue of the remaining 3,000 shares?

1

a) ₹ 28,000	b) ₹ 21,000
c) ₹ 9,000	d) ₹ 16,000

13. As per Companies Act 2013, Securities Premium Balance can be utilised for which of the following purpose?

1

a) Issuing bonus to existing shareholders to convert partly paid up into fully paid-up bonus shares.	b) Providing for Premium payable on Redemption of Debentures.
c) Writing off all Capitalised Expenditures	d) Buy Back of Debentures

14. Ganga and Jamuna are partners sharing profits in the ratio of 2:1. They admit Saraswati for 1/5th share in future profits. On the date of admission, Ganga’s capital was ₹ 1,02,000 and Jamuna’s capital was ₹ 73,000. Saraswati brings ₹ 25,000 as her share of goodwill and she agrees to contribute proportionate capital of the new firm. How much capital will be brought by Saraswati?

1

a) ₹ 43,750
b) ₹ 37,500
c) ₹ 50,000
d) ₹ 40,000

15. Green and Orange are partners. Green draws a fixed amount at the beginning of every month. Interest on drawings is charged @8% p.a. At the end of the year interest on Green's drawings amounts to ₹ 2,600. Monthly drawings of Green were:

1

a) ₹ 8,000

b) ₹ 60,000
c) ₹ 7,000
d) ₹ 5,000

Or

Girdhar, a partner withdrew ₹ 5,000 in the beginning of each quarter and interest on drawings was calculated as ₹ 1,500 at the end of accounting year 31 March 2022. What is the rate of interest on drawings charged?

a) 6% p.a.
b) 8% p.a.
c) 10% p.a.
d) 12% p.a.

16.

1

At the time of dissolution of a firm, Creditors are ₹ 70,000; Firm's Capital is ₹ 1,20,000; Cash Balance is ₹ 10,000. Other assets realised ₹ 1,50,000. Gain/Loss in the realisation account will be:

a) ₹ 30,000 (Gain)
b) ₹ 40,000 (Gain)
c) ₹ 40,000 (Loss)
d) ₹ 30,000 (Loss)

17.

3

Nirmala, Divisha and Sara were partners in a firm sharing profits and losses in the 3:4:3. Books were closed on 31st March every year. Sara died on 1st February, 2022. As per the partnership deed Sara's executors are entitled to her share of profit till the date of death on the basis of Sales turnover. Sales for the year ended 31st March 2021 was ₹ 10,00,000 and profit for the same year was ₹ 1,20,000. Sales show a positive trend of 20% and percentage of profit earning is reduced by 2%.

Journalise the transaction along with the working notes.

18.

3

Amay, Anmol and Rohan entered into partnership on 1st July, 2021 to share profits and losses in the ratio of 3:2:1. Amay guaranteed that Rohan's share of profit after charging interest on capital @ 6% p.a would not be less than ₹ 36,000 p.a. Their fixed capital balances are: ₹ 2,00,000, ₹ 1,00,000 and ₹ 1,00,000 respectively. Profit for the year ended 31st March, 2022 was ₹1,38,000.

Prepare Profit and Loss Appropriation A/c.

Or

Ajay, Manish and Sachin were partners sharing profits in the ratio 5:3:2. Their Capitals were ₹ 6,00,000; ₹ 8,00,000 and ₹ 11,00,000 as on April 01, 2021. As per Partnership deed, Interest on Capitals were to be provided @ 10% p.a. For the year ended March 31, 2022, Profits of ₹ 2,00,000 were distributed without providing for Interest on Capitals.

Pass an adjustment entry and show the workings clearly.

19.	Anthony Ltd. issued 20,000, 9% Debentures of ₹ 100 each at 10% discount to Mithoo Ltd. from whom Assets of ₹ 23,50,000 and Liabilities of ₹ 6,00,000 were taken over. Pass entries in the books of Anthony Ltd. if these debentures were to be redeemed at 5% premium. **Or** Random Ltd. took over running business of Mature Ltd. comprising of Assets of ₹ 45,00,000 and Liabilities of ₹ 6,40,000 for a purchase consideration of ₹ 36,00,000. The amount was settled by bank draft of ₹ 1,50,000 and balance by issuing 12% preference shares of ₹ 100 each at 15% premium. Pass entries in the books of Random Ltd.	3
20.	Doremon, Shinchan and Nobita are partners sharing profits and losses in the ratio of 3:2:1. With effect from 1st April, 2022 they agree to share profits equally. For this purpose, goodwill is to be valued at two year's purchase of the average profit of last four years which were as follows: Year ending on 31st March,2019 ₹ 50,000 (Profit) Year ending on 31st March,2020 ₹ 1,20,000 (Profit) Year ending on 31st March,2021 ₹ 1,80,000 (Profit) Year ending on 31st March,2022 ₹ 70,000 (Loss) On 1st April, 2021 a Motor Bike costing ₹ 50,000 was purchased and debited to travelling expenses account, on which depreciation is to be charged @ 20% p.a by Straight Line Method. The firm also paid an annual insurance premium of ₹ 20,000 which had already been charged to Profit and Loss Account for all the years. Journalise the transaction along with the working notes.	3
21.	Altaur Ltd. was registered with an authorised Capital of ₹ 4,00,00,000 divided in 25,00,000 Equity Shares of ₹ 10 each and 1,50,000, 9% Preference Shares of ₹ 100 each. The company issued 8,00,000 Equity Shares for public subscription at 20% premium, payable ₹ 3 on application; ₹ 7 on allotment (including premium) and balance on call. Public had applied for 10,00,000 shares. Excess Applications were sent letters of regret. All the dues on allotment received except on 15,000 shares held by Sanju. Another shareholder Rocky paid his call dues along with allotment on his holding of 25,000 shares. You are required to prepare the Balance Sheet of the company as per Schedule III of Companies Act, 2013, showing Share Capital balance and also prepare Notes to Accounts.	4
22.	Charu, Dhwani, Iknoor and Paavni were partners in a firm. They had entered into partnership firm last year only, through a verbal agreement. They contributed Capitals in the firm and to meet other financial requirements, few partners also provided loan to the firm. Within a year, their conflicts arisen due	4

to certain disagreements and they decided to dissolve the firm. The firm had appointed Ms. Kavya, who is a financial advisor and legal consultant, to carry on the dissolution process. In the first instance, Ms. Kavya had transferred various assets and external liabilities to Realisation A/c. Due to her busy schedule; Ms. Kavya has delegated this assignment to you, being an intern in her firm. On the date of dissolution, you have observed the following transactions:

(i) Dhwani's Loan of ₹ 50,000 to the firm was settled by paying ₹ 42,000.
(ii) Paavni's Loan of ₹ 40,000 was settled by giving an unrecorded asset of ₹ 45,000.
(iii) Loan to Charu of ₹ 60,000 was settled by payment to Charu's brother loan of the same amount.
(iv) Iknoor's Loan of ₹ 80,000 to the firm and she took over Machinery of ₹ 60,000 as part payment.

You are required to pass necessary entries for all the above mentioned transactions.

23. OTUA Ltd. was registered with an authorised capital of 2,00,000 equity shares of ₹ 100 each. The company offered 60,000 shares for public subscription at 25% premium. The share was payable as ₹ 40 on application and balance on allotment, with premium. Public had applied for 85,000 shares. Pro-rata allotment was made in the ratio of 5:4 and remaining applications were sent letters of regret.

6

Mr. Anand holding 4,000 shares failed to pay allotment money and his shares were forfeited. Out of these 3,000 shares were re-issued at a discount of ₹ 20 per share. Pass necessary entries in the books of the OTUA Ltd.

Or

Pass entries for forfeiture and re-issue in both the following cases.

(a) Vikram Ltd. forfeited 5,000 shares of Rahul, who had applied for 6,000 shares for non-payment of allotment money of ₹ 5 per share and first and final call of ₹ 2 per share. Only application money of ₹ 3 was paid by him. Out of these 3,000 shares were re-issued @ ₹ 12 per share as fully paid.

(b) Ratan Ltd. forfeited 3,000 shares of ₹ 10 each (issued at ₹ 2 premium) for non-payment of first call of ₹ 2 per share. Final call of ₹ 3 per share was not yet made. Out of these 2,000 shares were re-issued at ₹ 10 per share as fully paid.

24. X and Y were partners in the profit-sharing ratio of 3: 2. Their balance sheet as at March 31, 2022 was as follows:

6

Balance Sheet as at March 31, 2022

Liabilities		**Amount (₹)**	**Assets**		**Amount (₹)**
Creditors		56,000	Plant and Machinery		70,000
General Reserve		14,000	Buildings		98,000
Capital Accounts:			Stock		21,000
X	1,19,000		Debtors	42,000	
Y	1,12,000	2,31,000	(-)Provision	7,000	35,000
			Cash in Hand		77,000
		3,01,000			3,01,000

Z was admitted for 1/6th share on the following terms:

(i) Z will bring ₹ 56,000 as his share of capital, but was not able to bring any amount to compensate the sacrificing partners.
(ii) Goodwill of the firm is valued at ₹. 84,000.
(iii) Plant and Machinery were found to be undervalued by ₹ 14,000 Building was to brought up to ₹ 1,09,000.
(iv) All debtors are good.
(v) Capitals of X and Y will be adjusted on the basis of Z's share and adjustments will be done by opening necessary current accounts.

You are required to prepare revaluation account and partners' capital account.

Or

P, Q and R were partners in a firm sharing profits in the ratio of 3:2:1 respectively. On March 31st, 2022, the balance sheet of the firm stood as follows:

Balance Sheet

Liabilities		Amount (₹)	Assets	Amount (₹)
Creditors		13,000	Cash	4,700
Bills Payable		590	Debtors	8,000
Capital Accounts:			Stock	11,690
P	15,000		Buildings	23,000
Q	10,000		Profit and Loss Account	1,200
R	10,000	35,000		
		48,590		48,590

Q retired on the above-mentioned date on the following terms:

(i) Buildings to be appreciated by ₹7,000
(ii) A provision for doubtful debts to be made at 5 % on debtors.
(iii) Goodwill of the firm is valued at ₹ 18,000 and adjustment to be made by raising and writing off the goodwill.
(iv) ₹ 2,800 was to be paid to Q immediately and the balance in his capital account to be transferred to his loan account carrying interest as per the agreement.
(v) Remaining partner decided to maintain equal capital balances, by opening current account.

Prepare the revaluation account and partner's capital accounts.

25. A, B and C were partners sharing P&L in the ratio 5:3:2. A died on 30th June, 2019. Entry for treatment of goodwill after his death was passed as follows:- 6

Date	Particulars	L.F	Debit (₹)	Credit (₹)
	B's Capital A/c Dr.		1,80,000	
	C's Capital A/c Dr.		1,20,000	
	To A's Capital A/c			3,00,000
	(Entry for goodwill treatment passed at the time of death of partner)			

A's profit till date of death was estimated as ₹ 1,20,000, based on the average profits of past three years. Final dues payable to A's executors on the date of death was calculated as ₹ 8,40,000 out of which ₹ 2,40,000 was paid immediately by giving him Furniture valued for the same and balance was to be paid in three equal annual instalments starting from 30 June, 2020, together with interest rate as specified in Section 37 of Indian Partnership Act, 1932..

Pass necessary entry for profit share to be credited to A's Capital and also prepare A's executors account till final settlement.

26. Health2Wealth Ltd. had share capital of ₹ 80,00,000 divided in shares of ₹ 100 each and 20,000, 8% Debentures of ₹ 100 each as part of capital employed. 6

The company need additional funds of ₹ 55,00,000 for which they decided to issue debentures in such a way that they got required funds after issuing debentures of the same class as earlier, at 10% premium. These debentures were to be redeemed at 20% premium after 4 years. These debentures were issued on 01 October, 2021.

You are required to

(a) Pass entries for issue of Debentures.

(b) Prepare Loss on Issue of Debentures Account assuming there was existing balance of Securities Premium Account of ₹ 2,80,000.

(c) Pass entries for Interest on debentures on March 31, 2022 assuming interest is payable on 30 September and 31 March every year.

Part B :- Analysis of Financial Statements
(Option – I)

27. Financial statements are prepared on certain basic assumptions (pre-requisites) known as____________. 1

a) Provision of Companies Act,2013	b) Accounting Standards
c) Postulates	d) Basis of Accounting

Or

Which one of the following is correct?

(i) Quick Ratio can be more than Current Ratio.

(ii) High Inventory Turnover ratio is good for the organisation, except when goods are bought in small lots or sold quickly at low margins to realise cash.

(iii) Sum of Operating Ratio and Operating Profit ratio is always 100%.

a) All are correct.	b) Only (i) and (iii) are correct.
c) Only (ii) and (iii) are correct.	d) Only (i) and (ii) are correct

28. From the following calculate Interest coverage ratio — 1

Net profit after tax Rs 12,00,000; 10% debentures Rs 1,00,00,000; Tax Rate 40%

a) 1.2 times	b) 3 times
c) 2 times	d) 5 times

29. Insurance Claim received by Albert Co. Ltd. of ₹ 5,00,000 for Loss of Machinery due to theft will be recorded in Cash Flow Statement in which of the following manner? — 1

a) Added under Operating Activities as Extraordinary Item and Subtracted from Operating Activities also.	b) Subtracted under Operating Activities as Extraordinary Item and Added to Operating Activities also.
c) Added under Operating Activities as Extraordinary Item and Outflow under Investing Activity also.	d) Subtracted under Operating Activities as Extraordinary Item and Inflow under Investing Activities also.

Or

A company issued 20,000; 9% Debentures of ₹ 100 each at 10% Discount. These debentures were to be redeemed at 15% Premium at the end of 5 years. The balance in Securities Premium Account as on the date of Issue was ₹ 3,70,000. How this transaction will be reflected in Cash Flow Statement?

a) Added ₹ 1,30,000 under Operating Activities as Loss on Issue of Debentures written off and Inflow of ₹ 20,00,000 under Financing Activities.	b) Added ₹ 5,00,000 under Operating Activities as Loss on Issue of Debentures written off and Inflow of ₹ 18,00,000 under Financing Activities.
c) Added ₹ 1,30,000 under Operating Activities as Loss on Issue of Debentures written off and Inflow of ₹ 18,00,000 under Financing Activities.	d) Added ₹ 5,00,000 under Operating Activities as Loss on Issue of Debentures written off and Inflow of ₹ 20,00,000 under Financing Activities.

30. From the following information find out the inflow of Cash by sale of Office — 1 equipment's

	31st March, 2022	31st March, 2021
Office Equipment	₹ 2,00,000	₹ 3,00,000

Additional Information:
Depreciation for the year 2021-22 was Rs. 40,000
Purchase of Office Equipment purchased during the year Rs. 30,000
Part of Office Equipment sold at a profit of Rs. 12,000

a) ₹ 1,00,000	b) ₹ 1,02,000
c) ₹ 90,000	d) ₹ 1,12,000

31. Classify the following items under Major heads and Sub-head (if any) in the Balance Sheet of a Company as per schedule III of the Companies Act 2013.

3

(i) Current maturities of long term debts
(ii) Furniture and Fixtures
(iii) Provision for Warranties
(iv) Income received in advance
(v) Capital Advances
(vi) Advances recoverable in cash within the operation cycle

32. Lala Ltd. and Bala Ltd. use different accounting policies for inventory valuation. These variations leave a big question mark on the cross-sectional analysis and comparison of these two firms was not possible.

3

Identify the limitation of Ratio Analysis highlighted in the above situation. Also explain any two other limitations of Ratio Analysis apart from the identified above.

33. Determine Return on Investment and Net Assets Turnover ratio from the following information:-

4

Profits after Tax were ₹ 6,00,000; Tax rate was 40%; 15% Debentures were of ₹20,00,000; 10% Bank Loan was ₹ 20,00,000; 12% Preference Share Capital ₹ 30,00,000; Equity Share Capital ₹ 40,00,000 ; Reserves and Surplus were ₹ 10,00,000; Sales ₹ 3,75,00,000 and Sales Return ₹ 15,00,000.

Or

Debt to Capital Employed ratio is 0.3:1. State whether the following transactions, will improve, decline or will have no change on the Debt to Capital Employed Ratio. Also give reasons for the same.
(i) Sale of Equipments costing ₹ 10,00,000 for ₹ 9,00,000.
(ii) Purchased Goods on Credit for ₹ 1,00,000 for a credit of 15 months, assuming operating cycle is of 18 months.
(iii) Conversion of Debentures into Equity Shares of ₹ 2,00,000.

(iv) Tax Refund of ₹ 50,000 during the year.

34. Read the following hypothetical text and answer the given questions on the basis of the same: 6

Aashna, an alumnus of CBSE School, initiated her start up Smartpay, in 2015. Smartpay is a service platform that processes payments via UPI and POS, and provides credit or loans to their clients.. During the year 2021-22, Smartpay issued bonus shares in the ratio of 5:1 by capitalising reserves. The profits of Smartpay in the year 2021-22 after all appropriations was ₹ 7,50,000. This profit was arrived after taking into consideration the following items: -

Particulars	Amount (₹)
Interim Dividend paid during the year	90,000
Depreciation on Machinery	40,000
Loss of Machinery due to fire	20,000
Insurance claim received for Loss of Machinery due to Fire	10,000
Interest on Non-Current Investments received	30,000
Tax Refund	20,000

Additional Information:

Particulars	**31.3.22 (₹)**	**31.3. 21(₹)**
Equity Share Capital	12,00,000	10,00,000
Securities Premium Account	3,00,000	5,00,000
General Reserve	1,50,000	1,50,000
Investment in Marketable Securities	1,50,000	1,00,000
Cash in hand	2,00,000	3,00,000
Machinery	3,00,000	2,00,000
10% Non-Current Investments	4,00,000	3,00,000
Bank Overdraft	2,50,000	2,00,000
Goodwill	30,000	80,000
Provision for Tax	80,000	60,000

(i) Goodwill purchased during the year was ₹ 20,000.

(ii) Proposed Dividend for the year ended March 31, 2021 was ₹ 1,60,000 and for the year ended March 31,2022 was ₹ 2,00,000.

You are required to:

1. Calculate Net Profit before tax and extraordinary items.
2. Calculate Operating profit before working capital changes.
3. Calculate Cash flow from Investing activities.
4. Calculate Cash flow from Financing activities.
5. Calculate closing cash and cash equivalents.

Part B :- Computerised Accounting
(Option – II)

27.	The syntax of PMT Function is ___________ (a) PMT (rate, pv, nper, [fv], [type]) (b) PMT (rate, nper, pv, [fv], [type]) (c) PMT (rate, pv, nper, [type], [fv]) (d) PMT (rate, nper, pv, [type], [fv]) **Or** In Excel, the chart tools provide three different options _________, _________ and __________ for formatting. (a) Layout, Format, DataMaker (b) Design, Layout, Format (c) Format, Layout, Label (d) Design, DataMaker, Layout	1
28.	Which formulae would result in TRUE if C4 is less than 10 and D4 is less than 100? (a) =AND(C4>10, D4>10) (b) =AND(C4>10, C4<100). (c) =AND(C4>10, D4<10). (d) =AND (C4<10, D4,100)	1
29.	Which function results can be displayed in Auto Calculate? (a) SUM and AVERAGE (b) MAX and LOOK (c) LABEL and AVERAGE (d) MIN and BLANK **Or** When navigating in a workbook, which command is used to move to the beginning of the current row? (a) [Ctrl]+[Home] (b) [Page Up] (c) [Home] (d) [Ctrl]+[Backspace]	1
30.	What category of functions is used in this formula: =PMT (C10/12, C8, C9,1) (a) Logical (b) Financial	1

	(c) Payment (d) Statistical	
31.	State any three types of Accounting Vouchers used for entry in Tally software.	3
32.	State any three requirements which should be considered before making an investing decision to choose between ‘Desktop database’ or ‘Server database’.	3
33.	State the features of Computerized Accounting system. **Or** Explain the use of ‘Conditional Formatting’.	4
34.	Describe two basic methods of charging depreciation. Differentiate between both of them.	6