

7

Total Assets= ₹1,20,000

Capital Employed = Total Assets – Current Liabilities

$$= 1,20,000 - 10,000$$

$$= ₹1,10,000 \quad \boxed{1/2}$$

Normal Profits = 8% of 1,10,000

$$= ₹8,800 \quad \boxed{1/2}$$

Goodwill = Super Profits X No. of Years Purchase $\boxed{1/2}$

Super Profits = Actual Average Profits – Normal Profits $\boxed{1/2}$

Given Goodwill = ₹ 60,000

60,000 = 4 (Average Actual Profits – Normal Profits)

15,000 = Average Actual Profits – 8,800 $\boxed{1/2}$

Average Actual Profits= 15,000 + 8,800= ₹23,800 $\boxed{1/2}$

½ X 6=
3
Marks

8

JOURNAL

| Date | Particulars | L.F | Amount (₹) | Amount (₹) |
|-----------------|--|-----|------------|------------|
| 2018 June 30 | 12% Debentures A/c Dr To Debenture holders A/c (Being amount due for redemption) | | 10,00,000 | 10,00,000 |
| June 30 | Debenture holders A/c Dr To Bank A/c (Being payment made to debenture holders on redemption) | | 10,00,000 | 10,00,000 |

1

1

Note: According to Section 71(4) of the Companies Act, 2013 and Rule 18(7)(b) of Companies Rules, 2014, an All India Financial Institution is not required to create Debenture Redemption Reserve.

1

9

JOURNAL

| Date | Particulars | L.F. | Amount (₹) | Amount (₹) |
|-----------------|--|------|-----------------------|-----------------------|
| 2018 April 1 | Sundry Assets A/c Dr Goodwill A/c Dr To Sundry Liabilities A/c To Shiv Shankar Ltd. (Being Shiv Shankar Ltd. was taken over by Parvati Ltd. for a purchase consideration of ₹18,20,000) | | 25,00,000 1,00,000 | 7,80,000 18,20,000 |
| April 1 | Shiv Shankar Ltd. Dr Discount on issue of Debentures A/c Dr To Bills Payable A/c To 8% Debentures A/c (For paying Shiv Shankar Ltd. by issuing a bill of ₹ 20,000 and the balance was paid by issue of 8% Debentures of ₹ 100 each at a discount of 10%) | | 18,20,000 2,00,000 | 20,000 20,00,000 |

½ X
6=3
Marks

Or

(i) Journal

| Date | Particulars | L F | Dr. Amount (₹) | Cr. Amount (₹) |
|------|--|-----|----------------|----------------|
| | Bank Account Dr. To Bank Loan Account (Being loan obtained from State Bank of India @ 10 % p.a. interest, against collateral security of 7,500 10 % debentures of ₹100 each) | | 5,00,000 | 5,00,000 |

1

| | (ii) | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|----------|-------------------|--------------------------|--|---|--------|---|--------|--|----------|--|--------|------------------------|-----------------|---|----------|---------------------------------------|--------|--|----------|---|---------------|--|
| | Date | Particulars | L F | Dr. Amount (₹) | Cr. Amount (₹) | | | | | | | | | | | | | | | | | | | | |
| | | Bank Account Dr. To Bank Loan Account (Being loan obtained from State Bank of India @ 10 % p.a. interest, against collateral security of 7,500 10 % debentures of ₹100 each) | | 5,00,000 | 5,00,000 | 1 | | | | | | | | | | | | | | | | | | | |
| | Debenture Suspense Account Dr. 10 % Debentures Account (Being 10 % Debentures issued as collateral security in favour of State Bank of India) | | 7,50,000 | 7,50,000 | 1 | | | | | | | | | | | | | | | | | | | | |
| 10 | Calculation of amount of sports material to be transferred to Income and Expenditure Account of Raman Bhalla Sports Club, Ludhiana for the year ended on 31st March, 2018 | | | | | 1.5 Marks for total purchases and 1.5 marks For final amount=3 Marks | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>Payment to creditors of sports material</td> <td>91,000</td> </tr> <tr> <td>Add: Closing creditors of sports material</td> <td>45,000</td> </tr> <tr> <td>Less: Opening creditors of sports material</td> <td>(37,000)</td> </tr> <tr> <td>Add: Cash purchases of sports material</td> <td>40,000</td> </tr> <tr> <td>Total purchases</td> <td>1,39,000</td> </tr> <tr> <td>Less: Sports material sold during the year (Book Value)</td> <td>(50,000)</td> </tr> <tr> <td>Add: Opening stock of sports material</td> <td>50,000</td> </tr> <tr> <td>Less: Closing stock of sports material</td> <td>(55,000)</td> </tr> <tr> <td>Amount to be shown to Income and Expenditure Account</td> <td>84,000</td> </tr> </tbody> </table> | | | | Particulars | Amount (₹) | Payment to creditors of sports material | 91,000 | Add: Closing creditors of sports material | 45,000 | Less: Opening creditors of sports material | (37,000) | Add: Cash purchases of sports material | 40,000 | Total purchases | 1,39,000 | Less: Sports material sold during the year (Book Value) | (50,000) | Add: Opening stock of sports material | 50,000 | Less: Closing stock of sports material | (55,000) | Amount to be shown to Income and Expenditure Account | 84,000 | |
| Particulars | Amount (₹) | | | | | | | | | | | | | | | | | | | | | | | | |
| Payment to creditors of sports material | 91,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| Add: Closing creditors of sports material | 45,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| Less: Opening creditors of sports material | (37,000) | | | | | | | | | | | | | | | | | | | | | | | | |
| Add: Cash purchases of sports material | 40,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| Total purchases | 1,39,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| Less: Sports material sold during the year (Book Value) | (50,000) | | | | | | | | | | | | | | | | | | | | | | | | |
| Add: Opening stock of sports material | 50,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| Less: Closing stock of sports material | (55,000) | | | | | | | | | | | | | | | | | | | | | | | | |
| Amount to be shown to Income and Expenditure Account | 84,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| 11 | JOURNAL | | | | | | | | | | | | | | | | | | | | | | | | |
| | Date | Particulars | L.F. | Amount (₹) | Amount (₹) | | | | | | | | | | | | | | | | | | | | |
| | 31.3.18 | Investment Fluctuation Fund A/c Dr To Investment A/c To Bhavya's Capital A/c To Sakshi's Capital A/c (Being Investment Fluctuation Fund adjusted against the Fluctuations in market Value and balance was distributed amongst partners) | | 20,000 | 10,000 6,000 4,000 | 1 | | | | | | | | | | | | | | | | | | | |
| | 31.3.18 | Sakshi's Capital A/c Dr To Bhavya's Capital A/c (Being adjustment of goodwill made between partners due to change in profit sharing ratio between partners) | | 2,400 | 2,400 | 1 | | | | | | | | | | | | | | | | | | | |
| | 31.3.18 | Sakshi's Capital A/c Dr To Bhavya's Capital A/c (Being General Reserve adjusted among the partners without writing it off) | | 2,340 | 2,340 | 1 | | | | | | | | | | | | | | | | | | | |
| | Workings: Sacrificing ratio = Old ratio – New Ratio | | | | | | | | | | | | | | | | | | | | | | | | |

| | Bhavya's = $3/5 - 1/2 = 1/10$ Sacrifice Sakshi's = $2/5 - 1/2 = (1/10)$ Gain | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|-----------------|----------------------|--|-------------|------------|-------------|------------|-------------|------------|------------------------|--|---|----------|-------------------------------------|--------|---------|-------|------------------------------------|-------|----------------------------------|--------|--------------------------|-----|----------------------------|--------|--------------------------------------|--------|-----------------------------------|--------|--|--|---------------------------------------|--------|--|--|------------|--------|---|--------|--|---------------|--|-----------------|---|-----------------|--|--|----|--|-------------------------|--|----|--|-------------|------------|-------------|------------|--|--|---------------------------|--------|-------------------------|--------|--|--|------------------------------------|--------|--|--|--|--|--|---------------|--|---------------|--|--|----------------------------|
| 12 | <table border="1"> <thead> <tr> <th colspan="2">Dr</th> <th colspan="2">Dinesh's Capital A/c</th> <th colspan="2">Cr</th> </tr> <tr> <th>Particulars</th> <th>Amount (₹)</th> <th>Particulars</th> <th>Amount (₹)</th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>To Deferred Revenue Expenditure $\frac{1}{2}$</td> <td>7,000</td> <td>By Balance b/d</td> <td>30,000</td> <td></td> <td></td> </tr> <tr> <td>To Dinesh's Loan A/c $\frac{1}{2}$</td> <td>2,500</td> <td>By General Reserve $\frac{1}{2}$</td> <td>20,000</td> <td></td> <td></td> </tr> <tr> <td>To Dinesh's Executor's A/c</td> <td>95,500</td> <td>By Alwin's Capital A/c $\frac{1}{2}$</td> <td>15,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>By Pramod's Capital A/c $\frac{1}{2}$</td> <td>10,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>By Profit and Loss Suspense A/c $\frac{1}{2}$</td> <td>30,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td>1,05,000</td> <td></td> <td>1,05,000</td> <td></td> <td></td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="2">Dr</th> <th colspan="2">Dinesh's Executor's A/c</th> <th colspan="2">Cr</th> </tr> <tr> <th>Particulars</th> <th>Amount (₹)</th> <th>Particulars</th> <th>Amount (₹)</th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>To Cash A/c $\frac{1}{2}$</td> <td>47,750</td> <td>By Dinesh's Capital A/c</td> <td>95,500</td> <td></td> <td></td> </tr> <tr> <td>To Bills payable A/c $\frac{1}{2}$</td> <td>47,750</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>95,500</td> <td></td> <td>95,500</td> <td></td> <td></td> </tr> </tbody> </table> <p>Working Note :- Share of Profit = ₹ 3,60,000 X $1/6$ X $5/10$ = ₹ 30,000</p> | Dr | | Dinesh's Capital A/c | | Cr | | Particulars | Amount (₹) | Particulars | Amount (₹) | | | To Deferred Revenue Expenditure $\frac{1}{2}$ | 7,000 | By Balance b/d | 30,000 | | | To Dinesh's Loan A/c $\frac{1}{2}$ | 2,500 | By General Reserve $\frac{1}{2}$ | 20,000 | | | To Dinesh's Executor's A/c | 95,500 | By Alwin's Capital A/c $\frac{1}{2}$ | 15,000 | | | | | By Pramod's Capital A/c $\frac{1}{2}$ | 10,000 | | | | | By Profit and Loss Suspense A/c $\frac{1}{2}$ | 30,000 | | | | 1,05,000 | | 1,05,000 | | | Dr | | Dinesh's Executor's A/c | | Cr | | Particulars | Amount (₹) | Particulars | Amount (₹) | | | To Cash A/c $\frac{1}{2}$ | 47,750 | By Dinesh's Capital A/c | 95,500 | | | To Bills payable A/c $\frac{1}{2}$ | 47,750 | | | | | | 95,500 | | 95,500 | | | $\frac{1}{2} \times 8 = 4$ |
| Dr | | Dinesh's Capital A/c | | Cr | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Particulars | Amount (₹) | Particulars | Amount (₹) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| To Deferred Revenue Expenditure $\frac{1}{2}$ | 7,000 | By Balance b/d | 30,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| To Dinesh's Loan A/c $\frac{1}{2}$ | 2,500 | By General Reserve $\frac{1}{2}$ | 20,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| To Dinesh's Executor's A/c | 95,500 | By Alwin's Capital A/c $\frac{1}{2}$ | 15,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | By Pramod's Capital A/c $\frac{1}{2}$ | 10,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | By Profit and Loss Suspense A/c $\frac{1}{2}$ | 30,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1,05,000 | | 1,05,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dr | | Dinesh's Executor's A/c | | Cr | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Particulars | Amount (₹) | Particulars | Amount (₹) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| To Cash A/c $\frac{1}{2}$ | 47,750 | By Dinesh's Capital A/c | 95,500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| To Bills payable A/c $\frac{1}{2}$ | 47,750 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 95,500 | | 95,500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 13 | <p style="text-align: center;">Income And Expenditure A/c For the year ended 31st March, 2018</p> <table border="1"> <thead> <tr> <th colspan="2">Dr</th> <th colspan="2">Cr</th> </tr> <tr> <th>Particulars</th> <th>Amount (₹)</th> <th>Particulars</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>To Salaries</td> <td>31,500</td> <td>By Subscription 60,000</td> <td></td> </tr> <tr> <td>To Postage</td> <td>1,250</td> <td>Add Outstanding Subscription 15,000</td> <td>75,000</td> </tr> <tr> <td>To Rent</td> <td>9,000</td> <td>By Entrance Fees</td> <td>1,100</td> </tr> <tr> <td>To Printing and Stationery</td> <td>14,000</td> <td>By Sale of old magazines</td> <td>450</td> </tr> <tr> <td>To Miscellaneous Expenses</td> <td>3,100</td> <td>By Interest on Investment</td> <td>3,500</td> </tr> <tr> <td>To Consumption of Sports Material</td> <td>10,000</td> <td></td> <td></td> </tr> <tr> <td>To Depreciation on Furniture</td> <td>1,000</td> <td></td> <td></td> </tr> <tr> <td>To Surplus</td> <td>10,200</td> <td></td> <td></td> </tr> <tr> <td></td> <td>80,050</td> <td></td> <td>80,050</td> </tr> </tbody> </table> <p>Working Notes:-</p> <p>i) Consumption of Sports Material = Opening stock of sports material + Purchases of sports material during the year – Closing stock of sports material = ₹ 3,000 + ₹ 11,500 – ₹ 4,500 = ₹ 10,000</p> <p>ii) Depreciation of Furniture = ₹ 20,000 X $(6/12)$ X $(10/100)$ = ₹ 1,000</p> <p>iii) Interest on Investment = ₹ 70,000 X $(10/100)$ X $(6/12)$ = ₹ 3,500</p> | Dr | | Cr | | Particulars | Amount (₹) | Particulars | Amount (₹) | To Salaries | 31,500 | By Subscription 60,000 | | To Postage | 1,250 | Add Outstanding Subscription 15,000 | 75,000 | To Rent | 9,000 | By Entrance Fees | 1,100 | To Printing and Stationery | 14,000 | By Sale of old magazines | 450 | To Miscellaneous Expenses | 3,100 | By Interest on Investment | 3,500 | To Consumption of Sports Material | 10,000 | | | To Depreciation on Furniture | 1,000 | | | To Surplus | 10,200 | | | | 80,050 | | 80,050 | <p style="text-align: center;">4</p> <p style="text-align: center;">1</p> <p style="text-align: center;">$\frac{1}{2}$</p> <p style="text-align: center;">$\frac{1}{2}$</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dr | | Cr | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Particulars | Amount (₹) | Particulars | Amount (₹) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| To Salaries | 31,500 | By Subscription 60,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| To Postage | 1,250 | Add Outstanding Subscription 15,000 | 75,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| To Rent | 9,000 | By Entrance Fees | 1,100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| To Printing and Stationery | 14,000 | By Sale of old magazines | 450 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| To Miscellaneous Expenses | 3,100 | By Interest on Investment | 3,500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| To Consumption of Sports Material | 10,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| To Depreciation on Furniture | 1,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| To Surplus | 10,200 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 80,050 | | 80,050 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14 | <table border="1"> <thead> <tr> <th colspan="2">Dr</th> <th colspan="2">Realisation A/c</th> <th colspan="2">Cr</th> </tr> <tr> <th>Particulars</th> <th>Amount (₹)</th> <th>Particulars</th> <th>Amount (₹)</th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>To Building</td> <td>1,20,000</td> <td>By Provision on Debtors</td> <td>4,000</td> <td></td> <td></td> </tr> </tbody> </table> | Dr | | Realisation A/c | | Cr | | Particulars | Amount (₹) | Particulars | Amount (₹) | | | To Building | 1,20,000 | By Provision on Debtors | 4,000 | | | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dr | | Realisation A/c | | Cr | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Particulars | Amount (₹) | Particulars | Amount (₹) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| To Building | 1,20,000 | By Provision on Debtors | 4,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | | |
|---|-----------------|------------------------------------|-----------------|
| To Investment | 30,600 | By Creditors | 80,000 |
| To Debtors | 34,000 | By Mrs Pradeep's Loan | 40,000 |
| To Bills Receivable | 37,400 | By Investment Fluctuation Fund | 8,000 |
| To Goodwill | 4,000 | By Bank A/c $1\frac{1}{2}$ Debtors | 12,000 |
| To Pradeep's Capital A/c $1\frac{1}{2}$ | 40,000 | Building | 1,52,000 |
| To Bank A/c (expenses) $1\frac{1}{2}$ | 2,500 | Bill Recievable <u>36,000</u> | 2,00,000 |
| To Bank A/c (creditors) $1\frac{1}{2}$ | 59,000 | By Cash A/c $1\frac{1}{2}$ | 27,000 |
| To Pradeep's Capital A/c $1\frac{1}{2}$ | 1,000 | | |
| To Partner's Capital A/cs: 1 | | | |
| Pradeep | 18,300 | | |
| Rajesh | 12,200 | | |
| | 3,59,000 | | 3,59,000 |

Working Notes :-

i) Payment to creditors = (₹80,000 - ₹ 20,000) - { ₹ 60,000 X (10/100) X (2/12) }
= ₹ 60,000 - ₹ 1,000
= ₹ 59,000

* $\frac{1}{2}$ mark each for transferring assets and liabilities to realization account

15

Adjustment Table:

| Firm's | | Particular's | Mudit's | | Sudhir's | | Uday's | |
|--------|----------|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Dr | Cr | | Dr | Cr | Dr | Cr | Dr | Cr |
| | 1,00,000 | Profits Given | 60,000 | | 20,000 | | 20,000 | |
| 17,000 | | Interest on Capital | | 10,000 | | 4,000 | | 3,000 |
| 18,000 | | Salary | | 18,000 | | | | |
| 15,000 | | Commission | | 3,000 | | | | 12,000 |
| 50,000 | | Profit to be credited | | 30,000 | | 10,000 | | 10,000 |
| | | | 60,000 | 61,000 | 20,000 | 14,000 | 20,000 | 25,000 |

Mudit's Commission = (53,000 X 6/106) = 3,000

RECTIFYING JOURNAL ENTRY

| Date | Particulars | L.F. | Amount (₹) | Amount (₹) |
|------|---|------|------------|----------------|
| | Sudhir's Current A/c Dr To Mudit's Current A/c To Uday's Current A/c (Being interest on capital, salary and commission to partners missed in distributing profits, now adjusted) | | 6,000 | 1,000 5,000 |

Or

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 $1\frac{1}{2}$
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1
 $\frac{1}{2}$

| Firm's | | Particular's | Alia's | | Bhanu's | | Chand's | |
|--------|--------|-----------------------|---------------|---------------|---------------|--------------|---------------|---------------|
| Dr | Cr | | Dr | Cr | Dr | Cr | Dr | Cr |
| | 80,000 | Profits Given | 30,000 | | 30,000 | | 20,000 | |
| 36,000 | | Salary | | 18,000 | | | | 18,000 |
| 4,000 | | Commission | | | | 4,000 | | |
| 40,000 | | Profit to be credited | | 35,000 | | 5,000 | | |
| | | | 30,000 | 53,000 | 30,000 | 9,000 | 20,000 | 18,000 |

Divisible profits = ₹ 80,000 – ₹ 36,000 – ₹ 4,000 = ₹ 40,000
Alia's Share = ₹ 15,000 + ₹ 20,000 = ₹ 35,000
Bhanu's share = ₹ 15,000 - ₹ 10,000 = ₹ 5,000
Chand's share ₹ 10,000 – ₹ 10,000 = nil

JOURNAL ENTRY

| Date | Particulars | L.F. | Amount (₹) | Amount (₹) |
|------|---|------|-----------------|------------|
| | Bhanu's Capital A/c Dr Chand's Capital A/c Dr To Alia's Capital A/c (Being Salary, Commission to partners missed in distribution of profit, guarantee to Alia, now adjusted) | | 21,000 2,000 | 23,000 |

| JOURNAL | | | | |
|---------|--|------|-------------------|----------------------------------|
| Date | Particulars | L.F. | Amount (₹) | Amount (₹) |
| | Bank A/c Dr To Equity Share Application A/c (Being application money received on 3,00,000 shares) | | 18,00,000 | 18,00,000 |
| | Equity Share Application A/c Dr To Equity Share Capital A/c To Securities Premium Reserve A/c To Equity Share Allotment A/c (Being 2,00,000 shares allotted, excess amount transferred to allotment) | | 18,00,000 | 8,00,000 4,00,000 6,00,000 |
| | Equity Share Allotment A/c Dr To Equity Share Capital A/c To Securities Premium Reserve A/c (Being allotment due on 2,00,000 shares) | | 14,00,000 | 10,00,000 4,00,000 |
| | Bank A/c Dr Calls in Arrears A/c Dr To Equity Share Allotment A/c (Being allotment money received on 199,600 shares) | | 7,98,400 1,600 | 8,00,000 |
| | Equity Share First and Final Call A/c Dr. To Equity Share Capital A/c (Being share 1 st call due on 2,00,000 shares) | | 2,00,000 | 2,00,000 |
| | Bank A/c Dr Calls in Arrears A/c Dr To Equity Share First and Final Call A/c (Being first call received on 199,400 shares) | | 1,99,400 600 | 2,00,000 |

| | | | | | |
|--|----|-------|--|-------|--|
| Equity Share Capital A/c | Dr | 6,000 | | | |
| Securities Premium Reserve A/c | Dr | 800 | | | |
| To Calls in Arrears A/c | | | | 2,200 | |
| To Share Forfeited A/c | | | | 4,600 | |
| (Being forfeiture of 600 shares executed) | | | | | |
| Bank A/c | Dr | 3,200 | | | |
| Equity Share Forfeited A/c | Dr | 800 | | | |
| To Equity Share Capital A/c | | | | 4,000 | |
| (Being 400 shares reissued @ Rs 8, as fully called up) | | | | | |
| Equity Share Forfeited A/c | Dr | 2,400 | | | |
| To Capital Reserve A/c | | | | 2,400 | |
| (Being gain on reissue of forfeited shares transferred to Capital Reserve) | | | | | |

Or

| Date | Particulars | L.F. | Amount (₹) | Amount (₹) |
|------|--|------|---------------|---------------|
| | Bank A/c | Dr | 2,40,000 | |
| | To Equity Share Application A/c | | | 2,40,000 |
| | (Being application money received on 1,20,000 shares) | | | |
| | Equity Share Application A/c | Dr | 2,40,000 | |
| | To Equity Share Capital A/c | | | 1,60,000 |
| | To Equity Share Allotment A/c | | | 50,000 |
| | To Bank A/c | | | 30,000 |
| | (being 80,000 shares allotted and excess amount transferred to allotment and then refunded) | | | |
| | Equity Share Allotment A/c | Dr | 2,40,000 | |
| | To Equity Share Capital A/c | | | 2,40,000 |
| | (Being share allotment due on 80,000 shares) | | | |
| | Bank A/c | Dr | 1,84,800 | |
| | Calls in Arrears A/c | Dr | 5,200 | |
| | To Share Allotment A/c | | | 1,90,000 |
| | (Being allotment money received) | | | |
| | Equity Share Capital A/c | Dr | 10,000 | |
| | To Equity Share Forfeited A/c | | | 4,800 |
| | To Calls in Arrears A/c | | | 5,200 |
| | (Being forfeiture of 2000 shares executed) | | | |
| | Equity Share First Call A/c | Dr | 1,56,000 | |
| | To Equity Share Capital A/c | | | 1,56,000 |
| | (Being share first call due on 78,000 shares) | | | |
| | Bank A/c | Dr | 1,55,000 | |
| | Call in arrear A/c | Dr | 1,000 | |
| | To Equity Share First Call A/c | | | 1,56,000 |
| | (Being first call received on 77,500 shares) | | | |
| | Bank A/c | Dr | 9,000 | |
| | To Equity Share Capital A/c | | | 7,000 |
| | To Security Premium Reserve A/c | | | 2,000 |
| | (Being 200 shares reissued @ Rs 7 paid up, for Rs 9) | | | |
| | Equity Share Forfeited A/c | Dr. | 2,400 | |

| | To Capital Reserve A/c (Being gain on reissue of forfeited shares transferred to Capital Reserve) | | | 2,400 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------|--|---------------------------------|------------------|----------|-----------------------------|------------|---------------------|------------|------------------|------------|------------------|------------|-----------------|------------|---------------------|----------|----------------------|---------|--------------|-------------|------------------|---------|--------------------------|----------|-------------------------|--------|----------------------|--------|-------------------|----------------|---------------------------------|----------|-------------------|--|----------------|----------|------------------------|-----------|----------|-------------|---------------------|------------------|--|------------------|--|--|--|--------|--|-----------------|--------|--------|-------|--|--|--|--|--|--|-----------------------------|----------|--------|--------|--|--|--|--|--|--|--------------------|-------|-------|-------|--|--|----------|----------|----------|----------|--|----------|----------|----------|----------|--------------|
| 17 | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left;">Dr</th> <th colspan="2" style="text-align: center;">Revaluation Account</th> <th colspan="2" style="text-align: right;">Cr</th> </tr> <tr> <th style="width: 30%;">Particulars</th> <th style="width: 15%;">Amount (₹)</th> <th style="width: 30%;">Particulars</th> <th style="width: 15%;">Amount (₹)</th> <th colspan="2"></th> </tr> </thead> <tbody> <tr> <td>To Creditors</td> <td style="text-align: right;">7,000</td> <td>By Machinery</td> <td style="text-align: right;">20,000</td> <td colspan="2"></td> </tr> <tr> <td>To Partner's Capital A/c</td> <td></td> <td>By Outstanding Expenses</td> <td style="text-align: right;">1,000</td> <td colspan="2"></td> </tr> <tr> <td> Divya 7,700</td> <td></td> <td></td> <td></td> <td colspan="2"></td> </tr> <tr> <td> Yasmin 4,900</td> <td></td> <td></td> <td></td> <td colspan="2"></td> </tr> <tr> <td> Fatima <u>1,400</u></td> <td style="text-align: right;">14,000</td> <td></td> <td></td> <td colspan="2"></td> </tr> <tr> <td></td> <td style="text-align: right;">21,000</td> <td></td> <td></td> <td style="text-align: right;">21,000</td> <td></td> </tr> </tbody> </table> | | | | Dr | | Revaluation Account | | Cr | | Particulars | Amount (₹) | Particulars | Amount (₹) | | | To Creditors | 7,000 | By Machinery | 20,000 | | | To Partner's Capital A/c | | By Outstanding Expenses | 1,000 | | | Divya 7,700 | | | | | | Yasmin 4,900 | | | | | | Fatima <u>1,400</u> | 14,000 | | | | | | 21,000 | | | 21,000 | | 2 ½ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dr | | Revaluation Account | | Cr | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Particulars | Amount (₹) | Particulars | Amount (₹) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| To Creditors | 7,000 | By Machinery | 20,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| To Partner's Capital A/c | | By Outstanding Expenses | 1,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Divya 7,700 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Yasmin 4,900 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fatima <u>1,400</u> | 14,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 21,000 | | | 21,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="5" style="text-align: left;">Dr</th> <th colspan="5" style="text-align: right;">Cr</th> </tr> <tr> <th style="width: 15%;">Particulars</th> <th style="width: 10%;">Divya a</th> <th style="width: 10%;">Yasm in</th> <th style="width: 10%;">Fati ma</th> <th style="width: 10%;">Adity a</th> <th style="width: 15%;">Particulars</th> <th style="width: 10%;">Divya</th> <th style="width: 10%;">Yasm in</th> <th style="width: 10%;">Fati ma</th> <th style="width: 10%;">Adity a</th> </tr> </thead> <tbody> <tr> <td>To Furniture A/c</td> <td style="text-align: right;">80,000</td> <td style="text-align: right;">80,000</td> <td style="text-align: right;">80,000</td> <td></td> <td>By Balance b/d</td> <td style="text-align: right;">5,10,000</td> <td style="text-align: right;">3,00,000</td> <td style="text-align: right;">5,00,000</td> <td></td> </tr> <tr> <td>To Balance C/d</td> <td style="text-align: right;">5,97,200</td> <td style="text-align: right;">3,76,400</td> <td style="text-align: right;">4,50,400</td> <td style="text-align: right;">4,50,000</td> <td>By Bank A/c</td> <td></td> <td style="text-align: right;">50,000</td> <td></td> <td style="text-align: right;">4,50,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>By Reserve Fund</td> <td style="text-align: right;">49,500</td> <td style="text-align: right;">31,500</td> <td style="text-align: right;">9,000</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>By Premium for goodwill A/c</td> <td style="text-align: right;">1,10,000</td> <td style="text-align: right;">70,000</td> <td style="text-align: right;">20,000</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>By Revaluation A/c</td> <td style="text-align: right;">7,700</td> <td style="text-align: right;">4,900</td> <td style="text-align: right;">1,400</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">6,77,200</td> <td style="text-align: right;">4,56,400</td> <td style="text-align: right;">5,30,400</td> <td style="text-align: right;">4,50,000</td> <td></td> <td style="text-align: right;">6,77,200</td> <td style="text-align: right;">4,56,400</td> <td style="text-align: right;">5,30,400</td> <td style="text-align: right;">4,50,000</td> </tr> </tbody> </table> | | | | Dr | | | | | Cr | | | | | Particulars | Divya a | Yasm in | Fati ma | Adity a | Particulars | Divya | Yasm in | Fati ma | Adity a | To Furniture A/c | 80,000 | 80,000 | 80,000 | | By Balance b/d | 5,10,000 | 3,00,000 | 5,00,000 | | To Balance C/d | 5,97,200 | 3,76,400 | 4,50,400 | 4,50,000 | By Bank A/c | | 50,000 | | 4,50,000 | | | | | | By Reserve Fund | 49,500 | 31,500 | 9,000 | | | | | | | By Premium for goodwill A/c | 1,10,000 | 70,000 | 20,000 | | | | | | | By Revaluation A/c | 7,700 | 4,900 | 1,400 | | | 6,77,200 | 4,56,400 | 5,30,400 | 4,50,000 | | 6,77,200 | 4,56,400 | 5,30,400 | 4,50,000 | 3 2 ½ |
| Dr | | | | | Cr | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Particulars | Divya a | Yasm in | Fati ma | Adity a | Particulars | Divya | Yasm in | Fati ma | Adity a | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| To Furniture A/c | 80,000 | 80,000 | 80,000 | | By Balance b/d | 5,10,000 | 3,00,000 | 5,00,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| To Balance C/d | 5,97,200 | 3,76,400 | 4,50,400 | 4,50,000 | By Bank A/c | | 50,000 | | 4,50,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | By Reserve Fund | 49,500 | 31,500 | 9,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | By Premium for goodwill A/c | 1,10,000 | 70,000 | 20,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | By Revaluation A/c | 7,700 | 4,900 | 1,400 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 6,77,200 | 4,56,400 | 5,30,400 | 4,50,000 | | 6,77,200 | 4,56,400 | 5,30,400 | 4,50,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Balance Sheet As at 1.4.2018 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Liabilities</th> <th style="width: 15%;">Amount (₹)</th> <th style="width: 30%;">Assets</th> <th style="width: 15%;">Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>Sundry creditors</td> <td style="text-align: right;">77,000</td> <td>Factory building</td> <td style="text-align: right;">7,35,000</td> </tr> <tr> <td>Public deposits</td> <td style="text-align: right;">1,19,000</td> <td>Plant and Machinery</td> <td style="text-align: right;">2,00,000</td> </tr> <tr> <td>Outstanding Expenses</td> <td style="text-align: right;">9,000</td> <td>Furniture</td> <td style="text-align: right;">20,000</td> </tr> <tr> <td>Capital accounts</td> <td></td> <td>Stock</td> <td style="text-align: right;">1,45,000</td> </tr> <tr> <td>Divya 5,97,200</td> <td></td> <td>Debtors 1,50,000</td> <td></td> </tr> <tr> <td>Yasmin 3,76,400</td> <td></td> <td>Less: Provision <u>(30,000)</u></td> <td style="text-align: right;">1,20,000</td> </tr> <tr> <td>Fatima 4,50,400</td> <td></td> <td>Cash at bank</td> <td style="text-align: right;">8,59,000</td> </tr> <tr> <td>Aditya <u>4,50,000</u></td> <td style="text-align: right;">18,74,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">20,79,000</td> <td></td> <td style="text-align: right;">20,79,000</td> </tr> </tbody> </table> | | | | Liabilities | Amount (₹) | Assets | Amount (₹) | Sundry creditors | 77,000 | Factory building | 7,35,000 | Public deposits | 1,19,000 | Plant and Machinery | 2,00,000 | Outstanding Expenses | 9,000 | Furniture | 20,000 | Capital accounts | | Stock | 1,45,000 | Divya 5,97,200 | | Debtors 1,50,000 | | Yasmin 3,76,400 | | Less: Provision <u>(30,000)</u> | 1,20,000 | Fatima 4,50,400 | | Cash at bank | 8,59,000 | Aditya <u>4,50,000</u> | 18,74,000 | | | | 20,79,000 | | 20,79,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Liabilities | Amount (₹) | Assets | Amount (₹) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sundry creditors | 77,000 | Factory building | 7,35,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Public deposits | 1,19,000 | Plant and Machinery | 2,00,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Outstanding Expenses | 9,000 | Furniture | 20,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital accounts | | Stock | 1,45,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Divya 5,97,200 | | Debtors 1,50,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Yasmin 3,76,400 | | Less: Provision <u>(30,000)</u> | 1,20,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fatima 4,50,400 | | Cash at bank | 8,59,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aditya <u>4,50,000</u> | 18,74,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 20,79,000 | | 20,79,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Working Notes: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1. Goodwill = 2.5 X {(₹ 60,000 + ₹ 20,00)/2} = ₹ 10,00,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2. Dr | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Bank Account | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left;">Dr</th> <th colspan="2" style="text-align: right;">Cr</th> </tr> <tr> <th style="width: 30%;">Particulars</th> <th style="width: 15%;">Amount (₹)</th> <th style="width: 30%;">Particulars</th> <th style="width: 15%;">Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>To Balance B/d</td> <td style="text-align: right;">1,59,000</td> <td>By balance c/d</td> <td style="text-align: right;">8,59,000</td> </tr> </tbody> </table> | | | | Dr | | Cr | | Particulars | Amount (₹) | Particulars | Amount (₹) | To Balance B/d | 1,59,000 | By balance c/d | 8,59,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dr | | Cr | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Particulars | Amount (₹) | Particulars | Amount (₹) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| To Balance B/d | 1,59,000 | By balance c/d | 8,59,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | | |
|-----------------------------|----------|--|----------|
| To Aditya's Capital A/c | 4,50,000 | | |
| To Premium for Goodwill A/c | 2,00,000 | | |
| To Yasmin's Capital A/c | 50,000 | | |
| | 8,59,000 | | 8,59,000 |

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OR

JOURNAL

| Date | Particulars | L.F. | Amount (₹) | Amount (₹) |
|------|--|------|------------|------------|
| | Revaluation A/c Dr | | 3,400 | |
| | To Motor Car A/c | | | 900 |
| | To Stock a/c | | | 2,500 |
| | (Being assets revalued at the time of retirement) | | | |
| | Adil's Capital A/c Dr | | 1,700 | |
| | Bhavya's Capital A/c Dr | | 1,020 | |
| | Cris Capital A/c Dr | | 680 | |
| | To revaluation A/c | | | 3,400 |
| | (Being loss on revaluation transferred to all partner's capital A/c) | | | |
| | General Reserve A/c Dr | | 10,000 | |
| | To Provision for bad debts A/c | | | 2,000 |
| | To Adil's Capital A/c | | | 4,000 |
| | To Bhavya's Capital A/c | | | 2,400 |
| | To Cris Capital A/c | | | 1,600 |
| | (Being 20% of general reserve provided as provision for bad and doubtful debts and remaining distributed among old partners) | | | |
| | Investment Fluctuation Reserve A/c Dr | | 7,000 | |
| | To Investments A/c | | | 2,000 |
| | To Adil's Capital A/c | | | 2,500 |
| | To Bhavya's Capital A/c | | | 1,500 |
| | To Cris's Capital A/c | | | 1,000 |
| | (Being Investment Fluctuation Reserve amount distributed among the partners after adjusting the fluctuation in Investment's Value) | | | |
| | Adil's Capital A/c Dr | | 6,000 | |
| | Bhavya's Capital A/c Dr | | 3,600 | |
| | To Cris's Capital A/c | | | 9,600 |
| | (Being adjustment of goodwill between partners made due to retirement of a partner) | | | |
| | Bank A/c Dr | | 19,520 | |
| | To Bank Loan A/c | | | 19,520 |
| | (Being amount borrowed from the Bank on the security of Building to pay off retiring partner) | | | |
| | Cris's Capital A/c Dr | | 31,520 | |
| | To Bank A/c | | | 31,520 |
| | (Being retiring partner paid off the necessary amount) | | | |

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1.5

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1.5

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Part B: Analysis of Financial Statements
Option-I

| 18 | Rent received is inflow of cash from Investing Activities | | | 1 | | | | | | | | | | | | | | | | | | | | |
|------|---|---|---------------------------|-------|-----------------------------|---------------------------|----|-------------|----------------|-------------|-----|--|-------------------------|----------------------|------|---------|--------------------|--------------------------|-----|------------------------------|---------------------|---------------------------|--|-------------|
| 19 | <p>An advantage of preparing Cash Flow Statement is:-</p> <ol style="list-style-type: none"> i. Cash flow statement when used along with other financial statements provides information that enable users to evaluate changes in net assets of the enterprises, its financial structure and its ability to affect the amount and the timings of cash flows in order to adapt to changing circumstances and opportunities. ii. Cash flow information is useful in assessing the ability of enterprise to generate cash and cash equivalents and enable users to develop models to assess and compare the present value of the future cash flows of different enterprises iii. It also enhances the comparability of the reporting of operating performance by different enterprises because it eliminates the effects of using different accounting treatments for the same transactions and events. iv. It also helps in balancing the cash inflow and cash outflow, keeping in response to changing conditions. It is also helpful in checking the accuracy of the past assessment of future cash flows and in examining the relationship between profitability and net cash flow and impact of changing prices. <p>(any one)</p> | | | 1 | | | | | | | | | | | | | | | | | | | | |
| 20 | | <table border="1"> <thead> <tr> <th data-bbox="292 958 292 1025"></th> <th data-bbox="292 1025 655 1025">Items</th> <th data-bbox="655 958 999 1025">Major Head of Balance Sheet</th> <th data-bbox="999 958 1377 1025">Sub Head of Balance Sheet</th> </tr> </thead> <tbody> <tr> <td data-bbox="292 1025 292 1066">i)</td> <td data-bbox="292 1066 655 1066">Loose Tools</td> <td data-bbox="655 1025 999 1066">Current Assets</td> <td data-bbox="999 1025 1377 1066">Inventories</td> </tr> <tr> <td data-bbox="292 1066 292 1137">ii)</td> <td data-bbox="292 1137 655 1137">Retirement Benefits Payable to employees</td> <td data-bbox="655 1066 999 1137">Non-Current Liabilities</td> <td data-bbox="999 1066 1377 1137">Long Term Provisions</td> </tr> <tr> <td data-bbox="292 1137 292 1178">iii)</td> <td data-bbox="292 1178 655 1178">Patents</td> <td data-bbox="655 1137 999 1178">Non-Current Assets</td> <td data-bbox="999 1137 1377 1178">Fixed Asset (Intangible)</td> </tr> <tr> <td data-bbox="292 1178 292 1218">iv)</td> <td data-bbox="292 1218 655 1218">Interest on Calls in Advance</td> <td data-bbox="655 1178 999 1218">Current Liabilities</td> <td data-bbox="999 1178 1377 1218">Other current Liabilities</td> </tr> </tbody> </table> | | Items | Major Head of Balance Sheet | Sub Head of Balance Sheet | i) | Loose Tools | Current Assets | Inventories | ii) | Retirement Benefits Payable to employees | Non-Current Liabilities | Long Term Provisions | iii) | Patents | Non-Current Assets | Fixed Asset (Intangible) | iv) | Interest on Calls in Advance | Current Liabilities | Other current Liabilities | | 1/2X8 =4 |
| | Items | Major Head of Balance Sheet | Sub Head of Balance Sheet | | | | | | | | | | | | | | | | | | | | | |
| i) | Loose Tools | Current Assets | Inventories | | | | | | | | | | | | | | | | | | | | | |
| ii) | Retirement Benefits Payable to employees | Non-Current Liabilities | Long Term Provisions | | | | | | | | | | | | | | | | | | | | | |
| iii) | Patents | Non-Current Assets | Fixed Asset (Intangible) | | | | | | | | | | | | | | | | | | | | | |
| iv) | Interest on Calls in Advance | Current Liabilities | Other current Liabilities | | | | | | | | | | | | | | | | | | | | | |

Common Size Balance Sheet of R Ltd.
As at 31st March, 2017 and 2018

| Particulars | Note no. | Absolute Amounts | | Percentage of Balance sheet Total | |
|---------------------------------|----------|------------------|-----------------|-----------------------------------|---------------|
| | | 31.3.2017 (₹) | 31.3.2018 (₹) | 31.3.2017 (%) | 31.3.2018 (%) |
| I EQUITY AND LIABILITIES | | | | | |
| 1. Shareholder's Funds: | | | | | |
| a. Share Capital | | 2,00,000 | 2,50,000 | 66.7 | 62.5 |
| b. Reserve and Surplus | | 60,000 | 80,000 | 20 | 20 |
| 2. Current Liabilities: | | | | | |
| a. Trade Payable | | 40,000 | 70,000 | 13.3 | 17.5 |
| Total | | 3,00,000 | 4,00,000 | 100 | 100 |
| II ASSETS | | | | | |
| 1. Non-Current Assets: | | | | | |
| a. Fixed Assets: | | | | | |
| i. Tangible Assets | | 1,20,000 | 1,60,000 | 40 | 40 |
| ii. Intangible Assets | | 30,000 | 20,000 | 10 | 5 |
| 2. Current Assets | | | | | |
| a. Inventories | | 30,000 | 80,000 | 10 | 20 |
| b. Trade Receivables | | 1,00,000 | 1,20,000 | 33.3 | 30 |
| c. Cash and Cash Equivalents | | 20,000 | 20,000 | 6.7 | 5 |
| Total | | 3,00,000 | 4,00,000 | 100 | 100 |

Or

Comparative Statement of Profit and Loss of Sakhi Ltd.
For the year ending 31st March 2017 and 2018

| Particulars | Note No. | Absolute amounts | | Absolute change | Percentage change |
|--|----------|-----------------------------|-----------------------------|-----------------|-------------------|
| | | 31 st March 2017 | 31 st March 2018 | | |
| Revenue from operations | | 20,00,000 | 25,00,000 | 5,00,000 | 25% |
| Less: Expenses Employee Benefit Expenses | | | | | |
| Other Expenses | | 7,00,000 | 10,00,000 | 3,00,000 | 42.85% |
| | | 3,00,000 | 2,00,000 | 1,00,000 | 33.33% |
| Total Expenses | | 10,00,000 | 12,00,000 | 2,00,000 | 20% |
| Profit before Tax | | 10,00,000 | 13,00,000 | 3,00,000 | 30% |
| Less Tax@40% | | 4,00,000 | 5,20,000 | 1,20,000 | 30% |
| Profit after Tax | | 6,00,000 | 7,80,000 | 1,80,000 | 30% |

Vishva Ltd

Cash Flow Statement for the year ended on 31st March, 2018

| Particulars | Details | Amount (₹) |
|---|----------|---------------|
| I. Cash Flow from Operating Activities | | |
| Net profit before tax and Extraordinary Items (W.N. 1) ¹ | | 26,640 |
| Adjustment for Non cash and non-operating Expenses | | |
| Add: Interest on Debentures | 4,800 | |
| Depreciation on Land and Building | 1,200 | |
| Depreciation on Plant and Machinery ¹ | 14,400 | 20,400 |
| Operating Profit before Working Capital changes | | 47,040 |
| Add: Increase in Current Liability and decrease in Current Assets | | |
| Debtors | 4,800 | 4,800 |
| Less: Decrease in Current Liability and increase in Current Assets | | |
| Trade Payables | (7,200) | |
| Inventories | (16,200) | |
| Bills Receivables | (10,800) | (34,200) |
| Cash Flow from Operating Activities before payment of Tax | | 17,640 |
| Less : Tax paid | | (14,400) |
| Cash Flow from Operating Activities ¹ | | 3,240 |
| II Cash Flow from Investing Activities | | |
| Purchase of Plant and Machinery | | (2,400) |
| Cash used in Investing Activity ¹ | | (2,400) |
| III Cash Flow from Financing Activities | | |
| Issue of Equity Shares | 18,000 | |
| 10 % Debentures raised | 12,000 | |
| Interest on Debenture Paid | (4,800) | |
| Proceeds from Bank Overdraft | 5,000 | 30,200 |
| Cash Flow from Financing Activities ^{1.5} | | |
| IV Increase in Cash and Cash Equivalents (I +II+ III) | | 31,040 |
| V Opening Cash and Cash Equivalents | | 8,360 |
| Closing Cash and Cash Equivalents (IV + V) ^{1/2} | | 39,400 |

Working Notes:

Calculation of Net Profit before Tax and Extraordinary items:

| | |
|--|--------|
| Surplus i.e. Balance in Statement of Profit and Loss | 9,840 |
| Add: Transfer to General Reserve | 3,600 |
| Add: Provision for Tax | 13,200 |
| Net profit before tax and Extraordinary Item | 26,640 |

| Dr | | Provision For Income Tax Account | | Cr | |
|------------------------|------------|----------------------------------|------------|----|--|
| Particulars | Amount (₹) | Particulars | Amount (₹) | | |
| To Bank A/c (Tax Paid) | 14,400 | By Balance b/d | 18,000 | | |
| To Balance C/d | 16,800 | By Profit and Loss A/c | 13,200 | | |
| | 31,200 | | 31,200 | | |

| Dr | | Machinery Account | | Cr | |
|----------------|------------|---------------------|------------|----|--|
| Particulars | Amount (₹) | Particulars | Amount (₹) | | |
| To Balance B/d | 34,800 | By depreciation A/c | 14,400 | | |
| To Bank A/c | 2,400 | By Balance C/d | 22,800 | | |
| | 37,200 | | 37,200 | | |

**Part B: Computerised Accounting
Option II**

| | | |
|-----|--|-------|
| 18. | The function PMT is used to compute the loan repayment schedule. | 1 |
| 19 | Data validation is a feature to define restrictions on type of data entered into a cell. We can configure data validation rules for cells data that will not allow users to enter invalid data. | 1 |
| 20 | (Any four differences) 1. Application : Desktop database can be used by a single user server data base can be used by many users at the same time. 2. Additional provision for reliability: Desktop database doesn't present this but these provisions are available in server based database. 3. Cost: Desktop database tend to cost less than the server database. 4. Flexibility regarding the performance in front ends applications: It is not present in desktop database but server database provide this flexibility. 5. Suitability: Desktop database are suitable for small/home offices and server database are more suitable for large business organizations. | 1X4=4 |
| 21 | For installation of computerised accounting system, the following steps are required: 1. Insert CD in the system . 2. After inserting CD select the option in following steps ; a. Select any (C: or E: or D:) from My Computer icon on the desktop. Double click on install.exe OR b. Select start > run > type the file name E:\install.exe 3. After the above process the default directories of application , data and Configuration opens in a window. In case, the user wants to change the default directories then it can be changed by providing the desired drive and file name/directory name for example : D:\software name, instead of C :\accounting software (default name) 4. Click on install and installation process begins, accounting software displays the Message of successful installation, then this CD can be removed. | 1X4=4 |
| 22 | Following are the salient features of computerized accounting system : (any four) 1. It is designed to automate, integrate and simplify all the business operations, such as sales, finance, purchase, inventory and manufacturing. CAS is integrated to provide accurate, up-to-date business information rapidly in a cost effective manner. 2. It provides sufficient time to plan, increases data accessibility and enhances user satisfaction. With computerised accounting, the organisation will have greater transparency for day-to-day business operations and access to the vital information. 3. It provides user -definable templates (data entry screens or forms) for fast, accurate data entry of the transactions. It also helps in generalizing desired documents and reports. 4. It enables in changing the volume of data processing in tune with the change in the size of the business. The software can be used for any size of the business and type of the organisation. 5. It makes sure that the generalised critical financial information is accurate, controlled and secured. | 1x4=4 |
| | OR | |
| | Limitations of Computerised accounting system : Following are the limitation of CAS software: | |

| | | |
|----|--|-------|
| | <ol style="list-style-type: none"> 1. Faster obsolescence of technology necessitates investment in shorter period of time. 2. Data may be lost or corrupted due to power interruptions. 3. Data are prone to hacking. 4. Un-programmed and un-specified reports cannot be generated. | |
| 23 | <p>Features of Tally 9.0 software are (any six)</p> <ol style="list-style-type: none"> i) Gateway - Gateway is the starting of Tally. In other words we can say that gateway is the gate to enter in Tally. ii) Company creation - Before inputting accounting transactions, first we create a company through company creation. iii) Chart of accounts - Chart of accounts is the segmentation of Liabilities and Assets of Balance Sheet and preparation of Profit and Loss account. iv) Account master - Account master basically used for account group and ledger. v) Voucher entry - After creation of account user inputs accounting voucher entry in the book of accounts. In computerized accounting system all entries are inputted through a voucher entry. vi) Trial Balance - Trial balance is the statement of different closing balances of ledger. vii) Balance Sheet - The balance sheet is constructed by simply posting all items of liabilities and assets for the finalization of journal entry. | 1x6=6 |