PUBLIC EXAM - MARCH – 2025 - ANSWER KEY
XII STANDARD – ACCOUNTANCY – ENGLISH

Time Allowed : 3 Hours **Maximum Marks : 90**

I. Choose the most suitable from the given four alternatives and write the option code and the corresponding answer 20 x 1 = 20

A			B		
1	C	Goodwill brought by new partner	1	D	Outstanding Expenses Account
2	A	6% per annum	2	C	Goodwill brought by new partner
3	C	Rs.40,000	3	D	Capital
4	B	2 : 1	4	D	Nominal A/c
5	A	Rs.1,91,500	5	B	2 : 1
6	C	Withdrawal of cash from bank for office use	6	B	Liquidity and Solvency of a business concern
7	C	Share Capital A/c	7	B	Standard Costing
8	A	Retiring Partner's Loan A/c	8	C	The Sacrificing Partners
9	A	Normal Rate of Return	9	C	Interest on Drawings – Sec 13(d)
10	D	Outstanding Expenses Account	10	B	(1) – i (2) – iv (3) – iii (4) - ii
11	B	(1) – i (2) – iv (3) – iii (4) - ii	11	A	Called up Amount
12	A	Called up Amount	12	A	Super Profit = Average Profit – Normal Profit
13	C	Interest on Drawings – Sec 13(d)	13	C	Withdrawal of cash from bank for office use
14	D	Nominal A/c	14	C	Share Capital A/c
15	D	Capital	15	A	Retiring Partner's Loan A/c
16	B	Liquidity and Solvency of a business concern	16	B	Rs.50,000
17	C	The Sacrificing Partners	17	A	6% per annum
18	A	Super Profit = Average Profit – Normal Profit	18	A	Rs.1,91,500
19	B	Standard Costing	19	A	Normal Rate of Return
20	B	Rs.50,000	20	C	Rs.40,000

II. Answer any seven questions. Question No.30 is compulsory. 7 x 2 = 14

21) **Statement of profit or loss for the year ended 31st March, 2024**

Particulars	Rs.
Closing capital (as on 31.3.2024) **Add: Drawings during the year (B/F)**	50,000 **5,000**
 Less: Additional capital introduced during the year	55,000 7,000
Adjusted closing capital **Less:** Opening capital (as on 1.4.2023)	48,000 40,000
Profit made during the year	8,000

22) Partnership Deed – Meaning:

- **Partnership deed is a document in writing that contains the terms of the agreement among the partners.**
- **It is not compulsory for a partnership to have a partnership deed as per the Indian Partnership Act, 1932. But, it is desirable to have a partnership deed as it serves as an evidence of the terms of the agreement among the partners.**

23) Financial Statements – Meaning:

- **Financial statements are the statements prepared by the business concerns at the end of the accounting period to ascertain the operating results and the financial position.**

24) Gross Profit Ratio $= \dfrac{\text{Gross Profit}}{\text{Revenue from Operations}} \times 100 = \dfrac{40,000}{2,00,000} \times 100 =$ **20%**

Gross profit = Revenue from operations – Cost of revenue from operations
= 2,00,000 – 1,60,000 = **Rs. 40,000**

25) Accounting Reports – Meaning:

- **Accounting report is a compilation of accounting information that are derived from the accounting records of a business concern.**
- **Accounting reports may be classified as routine reports and special purpose reports.**

26) Acquired Goodwill or Purchased Goodwill

- **Goodwill acquired by making payment in cash or kind is called acquired or purchased goodwill.**
- **When a firm purchases an existing business, the price paid for purchase of such business may exceed the net assets (Assets – Liabilities) of the business acquired.**

27) Computation of sacrificing ratio and new profit sharing ratio

Share sacrificed by old partners

Ananth = **1 / 5**

Suman = **0**

Sacrificing ratio = 1:0

Old ratio of Ananth and Suman is 3:2 that is 3 / 5 : 2 / 5

New share of old partner = Old share - Share sacrificed

Ananth = 3 / 5 - 1 / 5 = 2 / 5

Suman = 2 / 5 - 0 = 2 / 5

Share of new partner

Saran = 1 / 5

New profit sharing ratio of Ananth, Suman and Saran is 2 / 5 : 2 / 5 : 1 / 5 that is, 2:2:1

28) Retirement of a Partner:

- **When a partner leaves from partnership firm it is known as retirement.**
- **The reasons for the retirement of a partner may be illness, old age and disagreement with other partners, etc.**

29) Over – Subscription – Meaning:

- **When the number of shares applied for is more than the number of shares offered for subscription it is said to be over subscription.**

30) Examples of Non Cash items of Not-for-Profit organisation: (Any 2)

1) **Depreciation**
2) **Outstanding Expenses**
3) **Accrued Income**
4) **Expenses yet to be paid**

PART - III

III. Answer any seven questions. Question No.40 is compulsory. 7 x 3 = 21

31) Limitations of Incomplete Records:

1. **Lack of proper maintenance of records:**
   - It is an unscientific and unsystematic way of maintaining records.
   - Real and nominal accounts are not maintained properly.

2. **Difficulty in preparing trial balance:**
   - As accounts are not maintained for all items, the accounting records are incomplete.
   - Hence, it is difficult to prepare trail balance to check the arithmetical accuracy of accounts.

3. **Errors and frauds cannot be detected easily:**
   - As only partial records are available, it may not be possible to have internal checks in maintaining accounts to detect errors and frauds.

32) **Balance sheet as on 31st March, 2024**

Liabilities	Rs.	Rs.	Assets	Rs.
Tournament fund	90,000		Tournament fund investment	90,000
Add: Interest received on Tournament fund investment	9,000			
Add: Donation for Tournament fund	10,000			
	1,09,000			
Less: Tournament Expenses	60,000	49,000		

33) **Calculation of interest on drawings under product method:**

Date of drawings	Amount withdrawn Rs.	Period up to December 31 (months)	Product Rs.
March 1	6,000	10	60,000
June 1	4,000	7	28,000
September 1	5,000	4	20,000
December 1	2,000	1	2,000
Sum of product			1,10,000

Interest on drawings = Sum of product x Rate of interest

= 1,10,000 x 12/100 x 1/12 = Rs.1,100

34) **Goodwill = Average profit × Number of years of purchase**

Average profit $= \dfrac{\text{Total profit}}{\text{Number of years purchase}}$

$= \dfrac{5,000 + 8,000 + 6,000 - 3,000}{4}$

$= \dfrac{16,000}{4}$ = **Rs.4,000**

Goodwill = Average profit × Number of years of purchase

= 4,000 × 3 = **Rs. 12,000**

35) **Journal Entries**

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
	Premises A/c Dr. To Revaluation A/c (Appreciation in value of Premises recorded)		60,000	60,000
	Revaluation A/c Dr. To Stock A/c To Furniture A/c To Machinery A/c To Outstanding Liability A/c (Decrease in assets recorded and)		10,500	 5,000 2,000 2,500 1,000

	Revaluation A/c Dr. To Kayalvizhi's capital A/c To Maanvizhi's capital A/c To Kuzhali's capital A/c (Profit on revaluation transferred)		49,500	 24,750 14,850 9,900

36) **Differences between the sacrificing ratio and the gaining ratio (Any 3)**

Basis	Sacrificing ratio	Gaining ratio
1. Meaning	It is the proportion of the profit which is sacrificed by the old partners in favour of a new partner.	It is the proportion of the profit which is gained by the continuing partners from the retiring partner.
2. Purpose	It is calculated to determine the amount to be adjusted towards goodwill for the sacrificing partners.	It is calculated to determine the amount to be adjusted towards goodwill for the gaining partners.
3. Time of calculation	It is calculated at the time of admission of a new partner.	It is calculated at the time of retirement of a partner.
4. Method of calculation	It is the difference between the old ratio and the new ratio	It is the difference between the new ratio and the old ratio.
5. Formula	Sacrificing ratio = Old profit sharing ratio – New profit sharing ratio	Gaining ratio = New profit sharing ratio - Old profit sharing ratio

37) **In the books of Nivetha Ltd.,**
Journal Entries

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
	Equity share capital A/c (100 × 8) Dr. To Equity share final call A/c (100 × 2) To Forfeited shares A/c (100 × 6) (150 Shares forfeited)		800	 200 600
	Bank A/c (75 × 7) Dr. Forfeited shares A/c (75 × 1) Dr. To Equity share capital A/c (75 × 8) (100 Forfeited shares reissued)		525 75	 600
	Forfeited shares A/c Dr. To Capital reserve A/c (Gain on reissue of forfeited shares transferred to capital reserve account)		375	 375

38) Comparative income statement for the years 2022 - 23 and 2023 - 24

Particulars	2022 - 23 Rs.	2023 – 24 Rs.	Absolute amount of increase (+) or decrease (–)	Percentage increase (+) or decrease (–)
Revenue from operations	30,000	45,000	+15,000	+50
Add: Other income	4,000	6,000	+2,000	+50
Total revenue	**34,000**	**51,000**	**+17,000**	+50
Less: Expenses	10,000	15,000	+5,000	+50
Profit before tax	**24,000**	**36,000**	**+12,000**	+50
Less: Tax (30%)	7,200	10,800	+3,600	+50
Profit after tax	**16,800**	**25,200**	**+8,400**	+50

Note - 1 : Computation of percentage increase for revenue from operations

$$= \frac{\text{Absolute amount of increase or decrease}}{\text{Year 1 amount}} \times 100$$

$= \frac{15,000}{30,000} \times 100 = 50\%$	$= \frac{12,000}{24,000} \times 100 = 50\%$
$= \frac{2,000}{4,000} \times 100 = 50\%$	$= \frac{3,600}{7,200} \times 100 = 50\%$
$= \frac{17,000}{34,000} \times 100 = 50\%$	$= \frac{8,400}{16,800} \times 100 = 50\%$
$= \frac{5,000}{10,000} \times 100 = 50\%$	

Note – 2 : Calculation of income tax:

For 2022-23: 24,000 x 30 / 100 = **Rs. 7,200** - **For 2023-24**: 36,000 x 30 / 100 = **Rs. 10,800**

39) Calculation of Debt-equity Ratio:

$$\text{Current Ratio} = \frac{\text{Current assets}}{\text{Current liabilities}} = \frac{4,50,000}{1,50,000} = 3:1$$

Current assets = Current investments + Inventories + Trade debtors + Bills Receivable + Cash and cash equivalents
= 40,000 + 2,00,000 + 1,20,000 + 80,000 + 10,000 = **Rs. 4,50,000**

Current liabilities = Trade creditors +Bills payable + Expenses payable
= 80,000 + 50,000 + 20,000 = **Rs. 1,50,000**

40) To View the profit and loss statement in Tally.ERP9

- F10: A/c Reports > Profit and Loss A/c > Alt FI (detailed)

(or)

- Gateway of Tally > Reports > Profit and Loss A/c > Alt FI (detailed)

PART - IV

IV. Answer all the questions. 7 x 5 = 35

41.a.

In the books of David

Calculation of opening capital

Statement of affairs as on 1st April, 2023

Liabilities		Assets	
Sundry creditors	1,05,000	Cash	43,000
Loan	25,000	Stock of goods	1,20,000
Capital (balancing figure)	4,00,000	Sundry debtors	84,000
		Business premises	2,50,000
		Furniture	33,000
	5,30,000		5,30,000

Calculation of closing capital

Statement of affairs as on 31st March, 2024

Liabilities		Assets	
Sundry creditors	1,02,000	Cash	29,000
Loan	20,000	Stock of goods	1,30,000
Capital (balancing figure)	4,42,000	Sundry debtors	1,10,000
		Business premises	2,50,000
		Furniture	45,000
	5,64,000		5,64,000

Statement of profit or loss for the year ending 31st March, 2024

Particulars	
Closing capital as on 31.3.2024	4,42,000
Add: Drawings during the year (2,500 x 12)	30,000
	4,72,000
Less: Additional capital introduced during the year	45,000
Adjusted closing capital	4,27,000
Less: Opening capital as on 1.4.2023	4,00,000
Profit made during the year ending 31.3.2024 (B/F)	27,000

[OR]

41.b. **Dr.** **Total debtors account** **Cr.**

Particulars	Rs.	Particulars	Rs.
To Balance b/d	1,30,000	By Cash A/c (received)	3,40,000
To Sales A/c (credit)	2,90,000	**By Balance c/d (balancing figure)**	**80,000**
	4,20,000		4,20,000

In the books of Mary

Dr. Trading and Profit and loss account for the year ended 31st March, 2023 Cr.

Particulars		Rs.	Particulars	Rs.	
To Opening stock		**1,10,000**	**By Sales**		
To Purchases			Cash	**3,60,000**	
Cash	1,50,000		Credit	2,90,000	6,50,000
Credit	1,80,000	3,30,000	**By Closing stock**		1,80,000
To Wages		70,000			
To Gross profit c/d (Transferred to Profit & Loss A/C)		**3,20,000**			
		8,30,000			8,30,000
To Sundry Expenses		**1,27,000**	**By Gross profit b/d**		**3,20,000**
To Depreciation on Furniture and Fittings		**8,000**			
To Net profit (Transferred to capital account)		**1,85,000**			
		3,20,000			3,20,000

Balance Sheet as on 31st March, 2023

Liabilities	Rs.	Rs.	Assets	Rs.	
Capital	**2,80,000**		**Cash**		**2,23,000**
Add: Net Profit	**1,85,000**	**4,65,000**	**Debtors**		**80,000**
			Furniture and		
Sundry Creditors		**90,000**	**Fittings**	**80,000**	
			(-) Depreciation 10%	**8,000**	**72,000**
			Stock		**1,80,000**
		5,55,000			**5,55,000**

42.a). **In the books of Tenkasi Thiruvalluvar Manram**

Dr. Income and Expenditure Account for the year ended 31st March, 2022 Cr.

Expenditure	Rs.	Income	Rs.
To Salaries	20,000	By Interest received	5,000
To Rent	24,000	By Subscription	55,000
To Travelling Expenses	2,000	By Entrance Fees	7,000
To Printing and Stationery	6,000		
To Loss on sale of Furniture	1,000		
To Surplus (Excess of income over expenditure)	**14,000**		
	67,000		**67,000**

[OR]

42.b.

Comparative balance sheet of Malar Ltd as on 31st March 2021, and 31st March 2022

Particulars	31st March 2021 Rs.	31st March 2022 Rs.	Absolute amount of increase (+) or decrease (–)	Percentage increase (+) or decrease (–)
I EQUITY AND LIABILITIES				
1. Shareholders' Fund				
a) Share capital	2,00,000	2,50,000	+50,000	+25
b) Reserves and surplus	50,000	50,000	-	-
2. Non-current liabilities				
Long-term borrowings	30,000	60,000	+30,000	+100
3. Current liabilities				
Trade payables	20,000	60,000	+40,000	+200
Total	**3,00,000**	**4,20,000**	**+1,20,000**	**+40**
II ASSETS				
1. Non-current assets				
a) Fixed assets	1,00,000	1,50,000	+50,000	+50
b) Non-current investments	50,000	75,000	+25,000	+50
2. Current assets				
Inventories	75,000	1,50,000	+75,000	+100
Cash and cash equivalents	75,000	45,000	–30,000	–40
Total	**3,00,000**	**4,20,000**	**+1,20,000**	**+40**

Note - 1 : Computation of percentage increase for revenue from operations

$$= \frac{\text{Absolute amount of increase or decrease}}{\text{Year 1 amount}} \times 100$$

$= \frac{50,000}{2,00,000} \times 100 = 25\%$	$= \frac{50,000}{1,00,000} \times 100 = 50\%$
$= \frac{30,000}{30,000} \times 100 = 100\%$	$= \frac{25,000}{50,000} \times 100 = 50\%$
$= \frac{40,000}{20,00} \times 100 = 200\%$	$= \frac{75,000}{75,000} \times 100 = 100\%$
$= \frac{1,20,000}{3,00,000} \times 100 = 40\%$	$= \frac{30,000}{75,000} \times 100 = 40\%$
	$= \frac{1,20,000}{3,00,000} \times 100 = 40\%$

43.a. Dr. Partners' Capital Account Cr.

Date	Particulars	Valarmathi Rs.	Aathirai Rs.	Date	Particulars	Valarmathi Rs.	Aathirai Rs.
2020 Mar. 31	To Balance c/d	**88,000**	**66,000**	2019 Apr. 1	By Balance b/d By Bank (Additional capital)	70,000 18,000	50,000 16,000
		88,000	**66,000**			**88,000**	**66,000**
				2020 Apr 1	**By Balance b/d**	**88,000**	**66,000**

Dr. Partners' Current Account Cr.

Date	Particulars	Valarmathi Rs.	Aathirai Rs.	Date	Particulars	Valarmathi Rs.	Aathirai Rs.
	To Drawings To Interest on drawings **To Balance C/d**	10,000 500 **65,000**	6,000 300 **55,000**		By Balance b/d By Profit & Loss Appropriation A/c (Share of Profit) By Interest of Capital By Salary By Commission	25,000 35,000 3,500 --- 12,000	15,000 25,800 2,500 18,000 ---
		75,500	**61,300**			**75,500**	**61,300**
					By Balance b/d	**65,000**	**55,000**

[OR]

43.b. Dr. Profit and loss appropriation account for the year ended 31st March 2018 Cr.

Particulars	Rs.	Rs.	Particulars	Rs.	Rs.
To Interest on capital A/c: Salma (4,00,000 x 5%) Lydia (3,00,000 x 5%) To Salary to Salma To Commission to Lydia To Partners' capital A/c (profit) Salma (1/2) Lydia (1/2)	20,000 15,000 96,000 96,000	35,000 90,000 48,000 **1,92,000**	By Profit and loss A/c		3,65,000
		3,65,000			3,65,000

Note: Calculation of commission:

Profit before commission = 3,65,000 – (35,000+90,000) = Rs. 2,40,000

Commission = Net profit before commission × $\dfrac{\textbf{Rate of commission}}{\textbf{(100 + Rate of commission)}}$

Commission = 2,40,000 x $\dfrac{25}{125}$ **= Rs. 48,000**

44.a. Calculation of Goodwill:

Average profit = $\frac{\textbf{Total profit}}{\textbf{Number of years purchase}}$

$= \frac{(30{,}000 - 3{,}000)\ 27{,}000 + 40{,}000 + 50{,}000 + 45{,}000}{4}$

$= \frac{1{,}62{,}000}{4}$ = **Rs.40,500**

Normal profit = Capital employed × Normal rate of return

= 3,00,000 × 10/100 = **Rs. 30,000**

Super profit = Average profit – Normal profit

= 40,500 – 30,000 = **Rs. 10,500**

Goodwill = $\frac{\textbf{Super profit}}{\textbf{Normal rate of return}}$ **x 100**

$= \frac{10{,}500}{10}$ x 100 = **Rs. 1,05,000**

[OR]

44.b. Commonly used voucher types in Tally.ERP9.

- Voucher is a document which contains details of a transaction.
- Transactions are to be recorded through voucher entries.
- Tally has a set of predefined vouchers such as
  1. Purchase Voucher,
  2. Sales Voucher,
  3. Payment Voucher,
  4. Receipt Voucher and
  5. Contra Voucher.
- To view the list of voucher type
  Gateway of Tally > Masters > Accounts Info > Voucher Types > Display
- As per the requirement of users, an additional voucher type can be created.

45.a. Dr. Revaluation Account Cr.

Particulars	Rs.	Rs.	Particulars	Rs.
To Stock A/c		2,000	By Investment A/c	11,000
To Profit on revaluation transferred to				
Veena's Capital A/c	6,000			
Pearl's Capital A/c	3,000	9,000		
		11,000		11,000

Old Ratio of Veena and Pearl = 2:1 that is, 2/3 : 1/3

New Ratio of Veena, Pearl and Deri = 5:3:2 that is, 5/10 : 3/10 : 2/10

<u>Calculation of Sacrificing Ratio:</u>

Share sacrificed = Old share - New share

Veena = 2 / 3 - 5 / 10 = 20 – 15 / 30 = 5 / 30

Pearl = 1 / 3 - 3 / 10 = 10 – 9 / 30 = 1 / 30

Sacrificing ratio of Veena and Pearl is 5 / 30 : 1 / 30 that is 5:1

Dr. Partners' Capital Account Cr.

Particulars	Veena Rs.	Pearl Rs.	Deri Rs.	Particulars	Veena Rs.	Pearl Rs.	Deri Rs.
				By Balance B/d	60,000	40,000	.....
To Bank A/c	5,000	1,000	……	By Bank	....	......	30,000
To Balance C/d	92,000	56,000	30,000	By General Reserve A/c	20,000	10,000	.....
				By Workmen Compensation Fund (10,000 – 1,000)	6,000	3,000	.....
				By Revaluation A/c	6,000	3,000	......
				By Bank A/c * (Share of goodwill)	5,000	1,000	.....
	97,000	57,000	30,000		97,000	57,000	30,000
				To Balance B/d	92,000	56,000	30,000

Goodwill of the firm is Rs.30,000

Deri's share of goodwill = 30,000 × 2/10 = Rs.6,000

It is to be distributed to Veena and Pearl in their sacrificing ratio of 5:1

Dr. Cash at bank Account Cr.

Date	Particulars	Rs.	Date	Particulars	Rs.
	To Balance B/d	30,000		**By Veena's capital A/c**	5,000
	To Deri's Capital A/c	30,000		By Pearl's capital A/c	1,000
	To Veena's capital A/c	5,000		**By Balance C/d**	60,000
	To Pearl's capital A/c	1,000			
		66,000			66,000

Balance Sheet as on 1st April 2018

Liabilities	Rs.	Rs.	Assets	Rs.	Rs.
Capital A/c			Buildings		60,000
Veena	92,000				
Pearl	56,000		Machinery		30,000
Deri	30,000	1,78,000			
			Investments		11,,000
Workmen compensation Fund (10,000 – 9,000)		1,000	Debtors		20,000
			Stock	10,000	
Sundry Creditors		10,000	(-) Decrease	2,000	8,000
			Cash at Bank		60,000
		1,89,000			1,89,000

[OR]

45.b.

Dr. Revaluation Account Cr.

Particulars	Rs.	Rs.	Particulars	Rs.
To Furniture		1,000	By Building A/c	16,000
To Provision for bad debts		2,500	By Investment A/c	6,000
To Unrecorded Liability		2,500		
By Loss on revaluation transferred to				
Saritha's capital A/c (5/8)	10,000			
Subha's capital A/c (3/8)	6,000	16,000		
		22,000		22,000

Dr. Capital Account Cr.

Date	Particulars	Saritha Rs.	Subha Rs.	Arivumathi Rs.	Date	Particulars	Saritha Rs.	Subha Rs.	Arivumathi Rs.
				-		By Balance b/d	48,000	40,000	
	To Balance c/d	**58,000**	**46,000**	**12,000**		By Bank	-	-	12,000
						By Revaluation A/c	10,000	6,000	-
		58,000	**46,000**	**12,000**			**58,000**	**46,000**	**12,000**
						By Balance b/d	**58,000**	**46,000**	**12,000**

46.a. Dr. Revaluation Account Cr.

Liabilities	Rs.	Rs.	Assets	Rs.
To Stock A/c		1,000	By Plant and Machinery A/c	9,000
To Profit on revaluation transferred to				
Vijaya's capital A/c (3/8)	3,000			
Kavitha's capital A/c (3/8)	3,000			
Roseline's capital A/c (2/8)	2,000	**8,000**		
		9,000		9,000

Dr. Capital Account Cr.

Particulars	Vijaya Rs.	Kavitha Rs.	Roseline Rs.	Particulars	Vijaya Rs.	Kavitha Rs.	Roseline Rs.
To Roseline's capital A/c	3,000	3,000	----	By Balance b/d	30,000	30,000	20,000
To Roseline's Executor Loan A/c	----	----	34,000	By General reserve	3,000	3,000	2,000
To Balance c/d	33,000	33,000	----	By Revaluation A/c (profit)	3,000	3,000	3,000
				By Profit and loss suspense A/c	-----	-----	4,000
				By Vijaya's capital A/c	-----	-----	3,000
				By Kavitha's capital A/c	-----	-----	3,000
	36,000	36,000	34,000		36,000	36,000	34,000
				By Balance b/d	33,000	33,000	-----

Balance Sheet as on 31st December, 2018

Liabilities	Rs.	Rs.	Assets	Rs.	Rs.
Capital accounts:			Plant & Machinery	45,000	
Vijaya	33,000		Add : Appreciation	9,000	54,000
Kavitha	33,000	66,000			
			Stock	22,000	
Roseline 's Executors Loan A/c		34,000	Less : Depreciation	1,000	21,000
			Debtors		15,000
Sundry creditors		8,000	Cash at bank		10,000
			Cash in hand		4,000
			Profit and loss suspense A/c		4,000
		1,08,000			1,08,000

Working Notes:

(i) Profit Sharing Ratio:

Profit sharing ratio = Capital Ratio = 30,000 : 30,000 : 20,000 That is, 3 : 3 : 2

Gaining ratio between Vijaya and Kavitha = Old profit sharing ratio = 3:3 that is, 1:1

(ii) Calcualtion of Roseline's share of current year's profit:

Average Profit $= \dfrac{66{,}000 + 60{,}000 + 66{,}000}{3} = \dfrac{1{,}92{,}000}{3} = \text{Rs.}64{,}000$

Current years' profit upto the date of death = 64,000 x 3 / 12 = Rs.16,000

Roseline's share of current years' profit = 16,000 x 2/8 = Rs.4,000

(iii) Calcualtion of Roseline's share of goodwill:

= 24,000 x 2 / 8 = Rs.6,000

It is to be borne by Vijaya and Kavitha in the gaining ratio of 1:1

[OR]

46. b. Calculation of

(i) Current Ratio = $\frac{\text{Current assets}}{\text{Current liabilities}} = \frac{1,50,000}{50,000} =$ **3 : 1**

Current assets = Inventories + Trade receivables + Cash and cash equivalents + Prepaid expenses
= 45,000 + 70,000 + 30,000 + 5,000 = **Rs. 1,50,000**

Current liabilities = Short term borrowings + Trade payables + Expenses payable + Short term provisions
= 17,000 + 25,000 + 3,000 + 5,000 = **Rs. 50,000**

Quick Ratio = $\frac{\text{Quick assets}}{\text{Current liabilities}} = \frac{1,00,000}{50,000} =$ **2 : 1**

Quick assets = Total current assets – Inventories – Prepaid expenses
= 1,50,000 – 45,000 – 5,000 = **Rs. 1,00,000**

47.a)

In the books of Vairam Ltd.,

Journal entries

(i) Issued at Par

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
	Furniture A/c Dr. To Ravi Furniture A/c (Purchase of Assets)		5,50,000	 5,50,000
	Ravi Furniture A/c **Dr.** To Equity share capital A/c (Issue of 55,000 shares of Rs.10 each fully paid)		5,50,000	 5,50,000

(ii) Issued at a Premium of 10%

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
	Furniture A/c Dr. To Ravi Furniture A/c (Purchase of Assets)		5,50,000	 5,50,000
	Ravi Furniture A/c (50,000 x 11) **Dr.** To Equity share capital A/c (50,000 x 10) To Securities Premium A/c (50,000 x 1) (Issue of 50,000 shares of Rs.10 each at a premium of 10%)		5,50,000	 5,00,000 50,000

Workings:

Total Amount = Rs.5,50,000

Face Value of the Shares = Rs.10

Premium = 10 %; Therfore, premium amount = 10 x 10/100 = Rs. 1

Issue price = Face Value + Premium = 10 + 1 = 11

Number of equity shares to be issued = $\frac{\text{Total Amount}}{\text{Issue Price}}$ = $\frac{5,50,000}{11}$ = 50,000 Shares

[OR]

47.b

In the books of Saranya Ltd.,
Journal entries

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
	Bank A/c (30,000 x 3) Dr. To Equity share application A/c (Application money received)		90,000	90,000
	Equity share application A/c (20,000 x 3) **Dr.** To Equity share capital A/c (Transfer of share application money to share capital)		60,000	60,000
	Equity share application A/c (10,000 x 3) **Dr.** To Bank A/c (Excess share application money refunded)		30,000	30,000
	Equity share allotment A/c (20,000 x 4) **Dr.** To Equity share capital A/c (Share allotment money due)		80,000	80,000
	Bank A/c **Dr.** To Equity share allotment A/c (Allotment money received)		80,000	80,000
	Equity share first and final call A/c (20,000 x 3) **Dr.** To Equity share capital A/c (Share first and final call money due)		60,000	60,000
	Bank A/c **Dr.** To Equity share first and final call A/c (Share first and final call money received)		60,000	60,000

************* All The Best *************