

- Q1.** Which of the following statements does not relate to 'Reserve Capital': **1 Marks**
- A. It is part of uncalled capital of a company.                      B. It cannot be used during the lifetime of a company.  
C. It can be used for writing off capital losses.                      D. It is part of subscribed capital.
- Q2.** Mona and Tina were partners in a firm sharing profits in the ratio of 3 : 2. Naina was admitted with  $\frac{1}{6}$ th share in the profits of the firm. At the time of admission, Workmen's Compensation Reserve appeared in the Balance Sheet of the firm at ₹ 32,000. The claim on account of workmen's compensation was determined at ₹ 40,000. Excess of claim over the reserve will be: **1 Marks**
- A. Credited to Revaluation Account.                      B. Debited to Revaluation Account.  
C. Credited to old partner's Capital Account.                      D. Debited to old partner's Capital Account.
- Q3.** Which of the following is not included in cash and cash equivalents? **1 Marks**
- A. Balances with banks.                      B. Bank deposits with 100 days of maturity.  
C. Cheques and drafts on hand and.                      D. Cash on hand.
- Q4.** Amongst the following, 'Payment of bonus to the employees' by an insurance company is which type of activity. **1 Marks**
- A. Operating activity.                      B. Investing activity.  
C. Financing activity.                      D. Both operating and financing activity.
- Q5.** Joy Ltd. issued 1,00,000 equity shares of ₹ 10 each. The amount was payable as follows: **1 Marks**  
On application – ₹ 3 per share.  
On allotment – ₹ 4 per share.  
On 1<sup>st</sup> and final call – balance.  
Applications for 95,000 shares were received and shares were allotted to all the applicants. Sonam to whom 500 shares were allotted failed to pay allotment money and Gautam paid his entire amount due including the amount due on first and final call on the 750 shares allotted to him along with allotment. The amount received on allotment was
- A. ₹ 3,80,000.                      B. ₹ 3,78,000.  
C. ₹ 3,80,250.                      D. ₹ 4,00,250.
- Q6.** Which of the following transactions will result into flow of cash? **1 Marks**
- A. Cash withdrawn from bank ₹ 20,000.                      B. Issued ₹ 20,000, 9% debentures for the vendors of machinery.  
C. Received ₹ 19,000 from debtors.                      D. Deposited cheques of ₹ 10,000 into bank.
- Q7.** A, B and C were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. C retired and his capital balance after adjustments regarding reserves, accumulated profits/ losses and his share of gain on revaluation was ₹ 2,50,000. C was paid ₹ 3,22,000 including his share of goodwill. The amount credited to C's capital account, on his retirement, for goodwill will be: **1 Marks**
- A. ₹ 72,000                      B. ₹ 7,200                      C. ₹ 24,000                      D. ₹ 36,000
- Q8.** In the absence of partnership deed the profits of a firm are divided among the partners: **1 Marks**
- A. In the ratio of capital.                      B. Equally.  
C. In the ratio of time devoted for the firm's business.                      D. According to the managerial abilities of the partners.
- Q9.** Which of the following is not an objective of Analysis of Financial Statements: **1 Marks**

- A. To judge the financial health of the firm. B. To judge the short-term and long-term liquidity position of the firm.
- C. To judge the reasons for change in the profitability of the firm. D. To judge the variations in the accounting practices of the business followed by different enterprises.
- Q10.** Red, Blue and White were partners in a firm sharing profits in the ratio of 1 : 2 : 2. They decided to share future profits in the ratio of 7 : 5 : 3 with effect from 1<sup>st</sup> April, 2019. Their Balance Sheet as on that date showed a balance of ₹ 22,500 in Deferred Revenue Expenditure Account. The amount to be debited respectively to the capital accounts of Red, Blue and White for writing off Deferred Revenue Expenditure will be: **1 Marks**
- A. ₹ 7,500, ₹ 7,500, and ₹ 7,500 B. ₹ 4,500, ₹ 9,000, and ₹ 9,000  
C. ₹ 10,500, ₹ 7,500, and ₹ 4,500 D. ₹ 11,250, Nil, and ₹ 11,250
- Q11.** Aavya, Mitansh and Praveen were partners in a firm. On 31<sup>st</sup> March, 2023, the firm was dissolved. Creditors took over furniture of book value of ₹ 50,000 at ₹ 45,000 in part settlement of their amount of ₹ 60,000. The balance amount was paid to them through cheque. The amount paid through cheque will be: **1 Marks**
- A. ₹ 10,000 B. ₹ 50,000 C. ₹ 45,000 D. ₹ 15,000
- Q12.** Piyush, Karan and Aarush were partners sharing profits in the ratio of 5 : 3 : 2. Piyush retired on 31<sup>st</sup> March, 2019. Balance in this Capital Account after all adjustments except goodwill was ₹ 7,10,000, but he was paid ₹ 8,00,000 including his share of goodwill. The amount credited to his Capital Account on account of goodwill was: **1 Marks**
- A. ₹ 45,000 B. ₹ 27,000 C. ₹ 90,000 D. ₹ 18,000
- Q13.** Milan, Khilan and Silam were partners sharing profits in the ratio of 2 : 2 : 1. They decided to share future profits in the ratio of 7 : 5 : 3 with effect from 1<sup>st</sup> April, 2019. After the revaluation of assets and re-assessment of liabilities, Revaluation Account showed a loss of ₹ 15,000. The amount to be debited in the capital account of Milan because of loss on revaluation will be: **1 Marks**
- A. ₹ 15,000 B. ₹ 6,000 C. ₹ 7,000 D. ₹ 5,000
- Q14.** An investment normally qualifies as cash-equivalent only when from the date of acquisition it has a short maturity period of: **1 Marks**
- A. One month or less. B. Three months or less.  
C. Three months or more. D. One year or less.
- Q15.** That portion of the uncalled capital which is called only in the event of winding up of the company, is called: **1 Marks**
- A. Called-up capital B. Uncalled capital  
C. Issued capital D. Reserve capital
- Q16.** The amount of interest on capital allowed to Abha will be: **1 Marks**
- A. ₹ 50,000 B. ₹ 1,00,000 C. ₹ 60,000 D. ₹ 30,000
- Q17.** Nirman Ltd. issued 50,000 equity shares of ₹ 10 each. The amount was payable as follows: **1 Marks**
- On application - ₹ 3 per share  
On allotment - ₹ 2 per share  
On first and final call - The balance
- Applications for 45,000 shares were received and shares were allotted to all the applicants. Pooja, to whom 500 shares were allotted, paid her entire share money at the time of allotment, whereas Kundan did not pay the first and final call on his 300 shares. The amount received at the time of making first and final call was:
- A. ₹ 2,25,000 B. ₹ 2,20,000

C. ₹ 2,21,000

D. ₹ 2,19,500

- Q18.** Nidhi, Kunal and Kabir are partners in a firm sharing profits in the ratio of 2 : 1 : 2. Kunal retired and the balance in his capital account after making necessary adjustments on account of reserves, revaluation of assets and reassessment of liabilities was ₹ 80,000. Nidhi and Kabir agreed to pay him ₹ 1,00,000 in full settlement of his claim. Kunal's share of goodwill of the firm, on his retirement was: **1 Marks**
- A. ₹ 4,000                                      B. ₹ 20,000                                      C. ₹ 16,000                                      D. ₹ 1,80,000
- Q19.** Meera, Myra and Neera were partners sharing profits in the ratio of 2 : 2 : 1. They decided to share future profits in the ratio of 7 : 5 : 3 with effect from 1st April, 2019. Their Balance Sheet as on that date showed a balance of ₹ 45,000 in Advertisement Suspense Account. The amount to be debited respectively to the capital accounts of Meera, Myra and Neera for writing off the amount in Advertisement Suspense Account will be: **1 Marks**
- A. ₹ 18,000, ₹ 18,000 and ₹ 9,000                                      B. ₹ 15,000, ₹ 15,000 and ₹ 15,000  
C. ₹ 21,000, ₹ 15,000 and ₹ 9,000                                      D. ₹ 22,500, ₹ 22,500 and Nil
- Q20.** Piyush, Rajesh and Avinash were partners in a firm sharing profits and losses equally. Shiva was admitted as a new partner for an equal share. Shiva brought his share of capital and premium for goodwill in cash. The premium for goodwill amount will be divided among: **1 Marks**
- A. Old partners in old ratio                                      B. New partners in new ratio  
C. New partners in sacrificing ratio                                      D. Old partners in sacrificing ratio
- Q21.** P, Q and R were partners in a firm sharing profits and losses in the ratio of 3 : 4 : 1. On 31<sup>st</sup> March, 2022, R retired. R surrendered  $\frac{1}{3}$ <sup>rd</sup> of his share in favour of P and the remaining share in favour of Q. Calculate the new profit sharing ratio of P and Q. **2 Marks**
- Q22.** Aman, Naman and Neel were partners in a firm sharing profits in the ratio of 1 : 2 : 1. Neel retires and he surrenders  $\frac{2}{3}$ <sup>rd</sup> of his share in favour of Aman and the remaining share in favour of Naman. Calculate the new profit sharing ratio of Aman and Naman. **2 Marks**
- Q23.** Pass the necessary journal entry on dissolution of a partnership firm if an unrecorded creditor of ₹ 40,000 was paid by a partner, Amar, at a discount of 10%. **2 Marks**
- Q24.** Distinguish between 'Dissolution of Partnership' and 'Dissolution of Partnership 2 Firm' on the basis of: **2 Marks**
- i. Court's intervention.  
ii. Economic relationship.
- Q25.** Anisha, Divya and Lata are partners sharing profits in the ratio of 2 : 2 : 1. Divya retires and her share is taken up by Anisha and Lata in the ratio of 3 : 2. Calculate the new profit sharing ratio of Anisha and Lata. **2 Marks**
- Q26.** A, B, C and D were partners in a firm sharing profits in the ratio of 3 : 4 : 2 : 1. On 31.38.2022, C retired and his share was taken over equally by A and D. Calculate the new profit sharing ratio of A, B and D. **2 Marks**
- Q27.** BG. Ltd. issued 2,000, 12% debentures of ₹ 100 each on 1<sup>st</sup> April 2012. The issue was fully subscribed. According to the terms of issue, interest on the debentures is payable half-yearly on 30<sup>th</sup> September and 31<sup>st</sup> March and the tax deducted at source is 10%. Pass necessary journal entries related to the debenture interest for the half-yearly ending 31<sup>st</sup> March, 2013 and transfer of interest on debentures of the year to the Statement of Profit & Loss. **3 Marks**
- Q28.** Anu, Manu, Tanu and Kanu were partners in a firm sharing profits and losses in the ratio of 2 : 1 : 2 : 1. They decided to share profits and losses in the ratio of 4 : 2 : 8 : 1 with effect from 1st April, 2022. On this date, goodwill of the firm was valued at ₹ 1,20,000 and General Reserve appeared in the books at ₹ 36,000. Pass necessary journal entries for the above transactions. Show your workings clearly. **3 Marks**

**Q29.** X Ltd. purchased machinery for Rs. 5,50,000 from Y Ltd. Rs. 55,000 were paid by X Ltd. in cash and the balance was paid by issue of 9% debentures of Rs. 1,000 each at 10% premium redeemable after three years. Pass necessary journal entries in the books of the company. **3 Marks**

**Q30.** Hemant and Nishant were partners in a firm sharing profits in the ratio of 3 : 2. Their capitals were ₹ 1,60,000 and ₹ 1,00,000 respectively. They admitted Somesh on 1<sup>st</sup> April, 2013 as a new partner for  $\frac{1}{5}$  share in the future profits. Somesh brought ₹ 1,20,000 as his capital. Calculate the value of goodwill of the firm and record necessary journal entries for the above transactions on Somesh's admission. **3 Marks**

**Q31.** Under which sub-headings will the following items be placed in the Balance Sheet of a company as per revised Schedule VI Part I of the Companies Act, 1956: **3 Marks**

- i. Capital Reserves.
- ii. Bonds.
- iii. Loans repayable on demand.
- iv. Vehicles.
- v. Goodwill.
- vi. Loose tools.

**Q32.** State any three circumstances other than (i) death of a partner, (ii) admission of a partner and (iii) retirement of a partner when need for valuation of goodwill of a firm may arise. **3 Marks**

**Q33.** Calculate 'Cash Flows from Investing Activities' and 'Cash Flows from Financing Activities' for the year ended 31<sup>st</sup> March, 2021 from the following Balance Sheet of Kamna Ltd. as at 31<sup>st</sup> March, 2021 showing your workings clearly: **5 Marks**

Balance Sheet as at 31st March, 2021			
Particulars	Note No.	31st March, 2021 (₹)	31st March, 2020 (₹)
I. Equity and Liabilities			
1. Shareholders' funds			
(a) Share Capital		12,00,000	11,00,000
(b) Reserves and surplus	1	3,00,000	2,00,000
2. Non-Current Liabilities			
Long-term borrowings		2,40,000	1,70,000
3. Current Liabilities			
Trade payables		2,20,000	2,81,000
<b>Total</b>		<b>19,60,000</b>	<b>17,51,000</b>
II. Assets			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	2	10,70,000	8,50,000
(ii) Intangible Assets	3	40,000	1,12,000
2. Current Assets			
(a) Current Investments		2,40,000	1,50,000
(b) Inventories		1,20,000	1,21,000
(c) Trade Receivables		1,70,000	1,43,000
(d) Cash and Cash Equivalents		3,20,000	3,75,000
<b>Total</b>		<b>19,60,000</b>	<b>17,51,000</b>

**Notes to Accounts:**

Note No.	Particulars	31st March, 2021 (₹)	31st March, 2020 (₹)
1.	Reserve and Surplus Surplus i.e. Balance in Statement of Profit & Loss	3,00,000	2,00,000
2.	Tangible Assets :		
	Machinery	12,70,000	10,00,000
	Accumulated Depreciation	(2,00,000)	(1,50,000)
		<u>10,70,000</u>	<u>8,50,000</u>
3.	Intangible Assets :		
	Goodwill	<u>40,000</u>	<u>1,12,000</u>

**Additional Information:**

A piece of Machinery costing ₹ 24,000 on which accumulated depreciation was ₹ 16,000, was sold for ₹ 6,000.

**Q34.** From the following Balance Sheet of Anuradha Ltd. as at 31<sup>st</sup> March, 2022, calculate Cash from Operating Activities: **5 Marks**

Balance Sheet of Anuradha Ltd. as at 31 <sup>st</sup> March, 2022			
Particulars	Note No.	31.3.2022 ₹	31.3.2021 ₹
<b>I – Equity and Liabilities :</b>			
1. Shareholders' Funds			
(a) Share Capital	1	3,00,000	2,50,000
(b) Reserves and Surplus	2	1,50,000	1,00,000
2. Non-Current Liabilities			
Long-term Borrowings	3	75,000	25,000
3. Current Liabilities			
(a) Trade Payables		25,000	50,000
(b) Other Current Liabilities	4	50,000	75,000
<b>Total</b>		<b>6,00,000</b>	<b>5,00,000</b>
<b>II – Assets :</b>			
1. Non-Current Assets			
Fixed Assets			
(a) Tangible Assets	5	4,50,000	2,74,000
(b) Intangible Assets	6	24,000	26,000
2. Current Assets			
(a) Inventories		76,000	1,00,000
(b) Trade Receivables		20,000	10,000
(c) Cash and Cash Equivalents		30,000	90,000
<b>Total</b>		<b>6,00,000</b>	<b>5,00,000</b>

### Notes of Accounts:

Note No.	Particulars	31.3.2022 ₹	31.3.2021 ₹
1.	Share Capital		
	Equity Share Capital	3,00,000	2,50,000
2.	Reserves and Surplus		
	Surplus (Balance in the Statement of Profit and Loss)	1,50,000	1,00,000
3.	Long-term Borrowings		
	12% Debentures	75,000	25,000
4.	Other Current Liabilities		
	Outstanding Rent	50,000	75,000
5.	Tangible Assets		
	(a) Land and Building	4,00,000	2,00,000
	(b) Furniture	50,000	74,000
		4,50,000	2,74,000
6.	Intangible Assets		
	Patents	24,000	26,000

### Additional Information:

- ₹ 50,000, 12% Debentures were issued on 31<sup>st</sup> March, 2022.
- During the year ₹ 24,000 was charged as depreciation on furniture.

**Q35.** Pass the necessary journal entries in the books of Pankaj Limited for the issue of Debentures in the following cases:

**5 Marks**

- Issued 7500, 10% Debentures of ₹ 100 each at a discount of ₹ 10,000 redeemable at a premium of 5%.
- Issued 5000, 10% Debentures of ₹ 100 each at a premium of 10% redeemable at a premium of 10%.
- Issued 1000, 9% Debentures of ₹ 100 each at par redeemable at par.
- Issued ₹ 2,00,000, 9% Debentures of ₹ 100 each at a discount of 10% redeemable at par.
- Issued 5000, 9% Debentures of ₹ 100 each at 20% premium redeemable at par.

**Q36.** Satnam Ltd. purchased Building worth ₹ 5,00,000, Plant worth ₹ 4,60,000 and Furniture worth ₹ 2,20,000 from Gurnam Ltd. for a purchase consideration of ₹ 12,60,000. Satnam Ltd. paid the purchase consideration by issuing 10% debentures of ₹ 100 each.

**5 Marks**

Pass the necessary journal entries in the books of Satnam Ltd. for the acquisition of assets and issue of 10% debentures when:

- Debentures were issued at par.
- Debentures were issued at a premium of 25%.
- Debentures were issued at a discount of 10%.

**Q37.** B Ltd. purchased Building worth ₹ 3,00,000, Plant worth ₹ 2,80,000 and Furniture worth ₹ 20,000 from C Ltd. for a purchase consideration of ₹ 6,30,000. B Ltd. paid the purchase consideration by issuing 9% debentures of ₹ 100 each.

**5 Marks**

Pass necessary journal entries in the books of B Ltd. for the acquisition of assets and issue of debentures when:

- Debentures were issued at par.
- Debentures were issued at a premium of 25%.
- Debentures were issued at a discount of 10%.

**Q38.** Pass journal entries for issue of debentures for the following transactions:

**5 Marks**

- i. Issued 3,000, 11% debentures of ₹ 100 each at par, redeemable at 5% premium.
- ii. Issued 4,000, 12% debentures of ₹ 100 each at 5% premium, redeemable at 10% premium.
- iii. Issued ₹ 3,00,000, 9% debentures of ₹ 100 each at par redeemable at par.
- iv. Issued ₹ 7,00,000, 9% debentures at a discount of 10% redeemable at par.
- v. Issued ₹ 10,00,000, 9% debentures of ₹ 100 each at 10% discount redeemable at 5% premium.