

Sample Question Paper
Accountancy (320)

Time: 3 Hours

Maximum Marks: 100

Note:

- i. This question paper consists of 47 questions in all.
- ii. All questions are compulsory. Internal choices are given wherever required.
- iii. Marks are given against each question.
- iv. Attempt these questions as per the instructions given for each of the questions.
- v. **Section A** consists of 36 questions from **Qu. 1 to 36**.
- vi. **Section B** consists of 11 questions from **Qu. 37 to 47**.

SECTION-A

1.	Which of the following transactions is entered into the Journal Proper? a. Cash Payment to an employee for expenses b. Cash purchase of goods for resale c. Correction of an error d. Credit purchase of goods for resale	(1)
2.	What will be the effect of the following transaction on the accounting equation? Goods sold on credit to Ram (costing ₹ 20,000 for ₹ 25000) a. Assets, (₹25000); Liabilities, (₹ 25000); and Capital, 0 b. Assets, (₹ 20000); Liabilities, (₹ 25000), and Capital, ₹ 5000 c. Assets, Liabilities and Capital d. None of these.	(1)
3.	Error of principle is a) Credit purchase of machinery is recorded in the purchase book. b) Credit purchase of machinery is recorded in the journal proper. c) Credit purchases of goods are recorded in the purchase book. d) None of these	(1)

4.	After providing the trial balance the accountant finds that the total of debit side is short by Rs 2500. This difference will be a) Credited to suspense account b) Debited to suspense account c) Adjusted to any of debit balance account. d) Adjusted to any of credit balance account	(1)
5.	Which of the following is not an item of income of non-trading concerns? a) Entrance fees b) Interest c) Government aid d) Salary	(1)
6.	The trial balance of firm shows Debtor ₹ 40,000, Bad debts ₹ 200 and Provision for doubtful debts at ₹ 1400. A 5% provision for doubtful debts is to be created on debtors. The amount of debtors to be shown on Assets a) ₹ 36400 b) ₹ 38000 c) ₹ 41200 d) None of these	(1)
7.	Out of the following items, which is shown in the 'Receipts and Payments A/c' of not-for-profit organization a) Subscription in received in advance b) Last year subscription received c) Current year subscription received d) All of these	(1)
8.	At the time of dissolution of partnership an unrecorded asset taken by Ram a partner is debited to: a) Ram Capital account b) Realisation account c) Cash account d) None of these	(1)
9.	Ram, Sita and Geeta are equal partners. Ram and Sita died in a car accident; this accident results in? a. Dissolution of partnership b. Dissolution of firm c. Dissolution of partnership as well as firm d. None of the of the above	(1)
10.	Which account is used for the revaluation of assets and reassessment of liabilities? a. Reassessment account b. Revaluation Account c. Asset Account d. Liabilities Account	(1)
11.	Super Profit = Actual Profit – a. Simple Profit b. Average Profit c. Normal Profit d. Actual Average Profit	(1)

12.	i) The discount on re-issue of forfeited shares is debited to ____ account a) Share capital b) Share forfeited c) Bank d) Discount on issue of share	(1)
13.	i) When shares are forfeited, the Share Capital account is debited with: a. Nominal value of shares b. Called-up value of shares c. Paid-up value of shares d. Market value of shares	(1)
14.	i) If a share of ₹ 10 is issued at a premium of ₹ 3 on which the full amount has been called and ₹ 8 (including premium) paid is forfeited the capital account should be debited with : a) 5 b) 8 c)10 d)13	(1)
15	Fill in the blanks: A mathematical expression, which shows that the ____ and ____ are equal, is known as the accounting equation.	(1x2)
16	Give one word answer for the following: i. In which basis of accounting, income statement will show relatively higher income if there are items of prepaid expenses and accrued income. ii. Another name for Journal is	(1x2)
17	Complete the following sentence: On the basis of impact on ledger accounts errors can be ____ and ____	(1x2)
18	Give one word answer to the following: (i) Wrong totaling of account is (ii) Software that are developed not for any specific user but for the users in general is known as	(1x2)
19	Give one word answer i. In which condition a partnership firm is deemed to be dissolved? ii. The credit balance of Revaluation account shows	(1x2)
20	Fill in the blanks: i. The firm is dissolved by when a partner becomes of unsound mind. ii. The terms and conditions of retirement of a partner are normally provided in the.....	(1x2)
21.	Write the names of affected accounts in the following transactions: (i) Furniture purchased from Shahrukh (ii) Commission paid by cheque (iii) Started business with cash (iv) Credit purchases of goods	(1x4)

22.	<p>Give a name of the accounting error for the following transactions</p> <ol style="list-style-type: none"> i. Purchase of Furniture is entered in the Purchase Book ii. Sales Book is totalled Rs.25,000 instead of its ` 25,600. iii. Repairs of building is debited to Building A/c iv. Ankita 's A/c was to be debited by `Rs. 4500 and Nikita's A/c was to be debited by Rs.5500 while Ankita's A/c was debited by Rs. 5500 and that of Nikita's A/c by Rs.4500. 	(1x4)
23.	<p>Give one word answer to the following questions:</p> <ol style="list-style-type: none"> (i) The manager is entitled to a commission of 10% on Net profit after charging such commission. If Net profit is Rs 110000, calculate the manager's commission. (ii) The amount by which debit side exceeds the credit side of Profit & Loss A/c is shown as? (iii) Subscription of Rs. 3,200 has been received for 2020 and Rs 550 for 2021. How much amount will be shown as subscription received in the Receipts & Payments Account for 2020? (iv) From which side of Receipts and Payments A/c is taken the item of entrance fees to the credit of Income and Expenditure A/c? 	(1x4)
24.	<p>Give one word answer of the following :</p> <ol style="list-style-type: none"> (i) When a company receives applications for more number of shares than offered for subscription it is a case of? (ii) shares are issued to the promoters of the company in lieu of the services provided by them during the incorporation of the company. The issue price of these shares is normally debited to which account? (iii) in which fund, the balance of the reserve and surplus, whether positive or negative, should be reflected. (iv) 250 shares of Rs 10 each issued at a premium of Rs 4 per share forfeited for non-payment of call money, of Rs 2 per share premium as called with allotment is paid. 	(1x4)
25	Explain the concept of operating profit with the help of an example.	(2)
26.	<p>(i) State the meaning and any two factors affecting Goodwill.</p> <p style="text-align: center;">OR</p> <p>(ii) In what circumstances, a firm is dissolved by the agreement.</p>	(2)
27.	<p>(i) Explain the meaning of gaining ratio with its formula.</p> <p style="text-align: center;">OR</p> <p>(ii) Differentiate between Dissolution of Partnership and Dissolution of Partnership Firm.</p>	(2)

28.	i. What is over subscription? <p style="text-align: center;">OR</p> ii. What is nominal value? Enumerate the different ways of issue of shares	(2)														
29.	i. Explain the steps to convert incomplete records to complete records. <p style="text-align: center;">OR</p> ii. What do you mean by abnormal loss? Also, explain the adjustment entries of it.	(3)														
30.	Calculate cost of goods sold and gross profit from the following information. <table border="1" data-bbox="360 645 1324 1025" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: left;">Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>125000</td> </tr> <tr> <td>Sales return</td> <td>1000</td> </tr> <tr> <td>Opening stock</td> <td>12800</td> </tr> <tr> <td>Purchases</td> <td>64000</td> </tr> <tr> <td>Direct expenses</td> <td>8400</td> </tr> <tr> <td>Closing stock</td> <td>14400</td> </tr> </tbody> </table> <p>Subscription received during the year 2021 -20,000 Subscription outstanding as on 31st December 2021 -1,500</p> <p>Subscription received in the year 2020 on account of year 2021 -600</p> <p>Subscription received in the year 2021 for outstanding amount of the year 2020- 200</p> <p>Subscription received in the year 2021 for the year 2022- 1000</p> <p>Calculate the amount of subscription received to be shown in the Income and Expenditure Account for the year adding 31st Dec, 2021.</p>	Particulars	Amount (₹)	Sales	125000	Sales return	1000	Opening stock	12800	Purchases	64000	Direct expenses	8400	Closing stock	14400	(3)
Particulars	Amount (₹)															
Sales	125000															
Sales return	1000															
Opening stock	12800															
Purchases	64000															
Direct expenses	8400															
Closing stock	14400															
31.	i. Explain the accounting treatment of goodwill on retirement of a partner. <p style="text-align: center;">OR</p> ii. What will be the treatment of Accumulated Reserves and Profit/Loss on the date of dissolution.	(3)														
32.	State the meaning of forfeiture of shares. What will be the consequences of forfeiture of shares.	(3)														
33.	i. Explain the procedure of allotment of shares on pro-rata basis. <p style="text-align: center;">OR</p> ii. What is meant by 'Shares Issued at Premium'? State the purpose for which Premium can be utilized.	(3)														

34.

i. From the following Trial Balance of M/s Vihaan Brothers prepare Trading and Profit and Loss Account for the year ended 31st March 2017 and Balance Sheet as on that date.

(5)

Particulars	Dr balance	Particulars	Cr balance
Cash in hand	1000	Capital	140000
Motor car	50000	Discount	4000
		Received	
Drawings	96000	Sales	4,60,000
Legal charges	3000	Creditors	92000
Plant &	120000	Interest on	10400
Machinery		Investment	
Investment	80000	Purchase return	7600
Opening stock	70000	Bills payable	68000
Sales Return	5000		
Salaries	24000		
Discount	1200		
Received			
Carriage Inward	3600		
Wages	42000		
Postage	800		
Debtors	120000		
Interest	3000		
Insurance	2400		
premium			
Purchases	160000		
	782000		782000

Closing stock as on 31.3.2017 Rs 56,000

OR

ii. The following is the Receipts and Payments Account of Help AID Society of India for the year ended 31st December, 2021.

Receipts and Payments A/C			
Receipts	Amount	Payment	Amount
Balance b/d	8400	Salaries	12000
Subscriptions	7800	Rent	6000
Entrance fees	600	Purchase of Vans	28000
Government Grant	32000	Expenses of motor vans	8400
Donation for Building Fund	25000	Laundry Charges	5200
Interest Received	2800	Drugs and incidental charges	10000
		Publicity expenses	4000
		Balance c/d	3000
	76600		76600

Additional Information

1. Subscription outstanding amounted to Rs.2,500
2. Interest accrued but not received Rs 600
3. Salary outstanding is Rs 1,200
4. Provide depreciation on Motor Van @ 20%

Prepare Income & Expenditure A/c.

35.

Ram, Shyam and Mohan are partners sharing profits and losses in the ratio of 3: 3: 2. Their balance sheet as on 31st March 2017 was as follows: (5)

Liabilities	Amount	Assets	Amount
Sundry creditors	1,20,000	Cash at bank	1,85,000
General Reserve	1,80,000	Sundry Debtors	2,20,000
Capital accounts		Stock	6,00,000
Ram 10,00,000			
Shyam 7,50,000			
Mohan 7,50,000			
		Machinery	7,95,000
		Building	10,00,000
	28,00,000		28,00,000

Partners decided that with effect from 1st April 2017, they would share profits and losses in the ratio of 4: 3: 2.

It was agreed that:

- i. Stock be valued at Rs5,50,000
- ii. Machinery is to be depreciated by 10%.
- iii. A provision for doubtful debts is to be made on debtors @5%.
- iv. Building to be appreciated by 20%.
- v. A liability for Rs 12,500 included in sundry creditors is not likely to arise. Partners agreed that the revised values are to be recorded in the books. They do not, however want to distribute the general reserve.

You prepare capital accounts of the partners and the revised balance sheet.

36.	<p>i. M/s ABC Ltd. was registered with a capital of Rs 10,00,000 divided into equity shares of Rs 100 each. The company offered to public 5000 shares at a premium of Rs 20 per share. The amount on shares was payable as:</p> <p>Rs 25 on application Rs 50 (including Rs 20 premium) on allotment Rs 20 on first call and Rs 25 on final call.</p> <p>Applications were received for 7500 shares. Shares were allotted to the applicants on prorata basis. X's who was allotted 50 shares did not pay the allotment money. He also failed to pay the first call. His shares were forfeited. Y's holding 20 shares did not pay the first call. Final call was not made. Make journal entries in the books of the company.</p> <p style="text-align: center;">OR</p> <p>ii. B Products Ltd. registered with capital of ₹ 900000 divided into 9000 equity shares of ₹ 100 each. The company issued prospectus inviting applications for 5000 equity shares of ₹ 100 each payable as</p> <p style="padding-left: 40px;">₹ 20 on application, ₹ 30 on allotment, ₹20 on first call and balance on second call. Applications were received for ₹ 4000 shares. Rohit to whom 160 shares were allotted failed to pay final call money and these shares were forfeited. Of the forfeited shares, 60 shares were reissued to Sukhi credited as fully paid for ₹ 90 per share. Make Journal entries. Prepare an extract of the balance sheet.</p>	(5)
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Section-B

<i>Attempt any one of the Optional Module</i>		
OPTIONAL MODULE-1		
37.	<p>Which of the following transactions will improve the quick ratio?</p> <p>a. Sale of goods for cash b. Sale of goods on credit c. Issue of new shares for cash d. All of these</p>	(1)

38.	Which of the following is an example of Cash outflow from financing activities? a. Issue of Debentures b. Issue of Equity c. Payment of dividends to shareholders d. Issue of preference	(1)
39.	Which one of the following is an example of an extra ordinary Items a. Loss from earthquake b. Normal loss c. Loss by theft d. Income tax	(1)
40.	Cash balance ₹ 15000; Trade Receivables ₹ 35000; Inventory ₹40000; Trade Payables ₹ 24000 and Bank Overdraft is ₹ 6000. Current ratio will be: a. 3.75:1 b. 3:1 c. 1:3 d. 1:3.75	(1)
41.	Opening Inventory ₹ 100000; Closing Inventory ₹ 150000; Purchases ₹ 60000; Carriage ₹ 25000; wages ₹ 200000. Inventory Turnover Ratio will be. a. 6.6 times b. 7.4 times c. 7 times d. 6.2 times	(1)
42.	Provision for taxation is an example of which expense? a. Non Operating b. Operating c. Cash flow d. Cash Outflow	(1)
43.	Complete the following sentences: (i) Liquid ratio means liquid assets divide by (ii) Prepaid expenses are an example of	(1x2)
44.	What do you mean by Operating and Investing activities as per Cash flow statement?	(2)
45.	Calculate Debt-Equity Ratio from the following data: Long term debts = ₹ 50000 and Shareholder fund ₹ 150000	(2)
46.	Explain the accounting treatment of interim dividends in cash flow statement.	(3)

47.	Following are the Balance sheets of A Ltd. Prepare Cash Flow Statement.			5
Particulars		Note no	31 st March 2017	31 st March 2016
EQUITY AND LIABILITIES				
1. Shareholders' funds				
a. Share Capital				
b. Reserves and Surplus				
2. Current Liabilities				
Trade payables				
Total				
250000			200000	
23000			10000	
45000			70000	
318000			318000	
II. Assets				
1. Non-Current Assets				
Fixed assets - Tangible				
Assets (Land)				
2. Current assets				
a. Investment				
b. Trade receivables				
c. Cash and Cash Equivalents				
Total				
66000			50000	
90000			80000	
115000			12000	
47000			30000	
318000			280000	
Note to Accounts				
Particulars		31 st March 2017	31 st March 2016	
1. Reserves and Surplus i.e., Balance in Statement of Profit & Loss		23000	10000	
2. Calculate gross profit ratio and net profit ratio from the following figures. Revenue from operations (Sales) Rs. 1,50,000 Cost of revenue from operations Rs. 1,20,000 Operating expenses Rs. 12,000				

OPTIONAL MODULE -2

OPTIONAL MODULE -2		
37.	<p>What is DBMS?</p> <p>a. Collection of queries b. High level language</p> <p>c. Programming language d. Stores, modifies and retrieves data</p>	(1)
38.	<p>_____Is one of the popularly used Data Base Management System to create, store and manage database.</p> <p>a. Ms word b. Ms dance</p> <p>b. Ms pain d. MS Access</p>	(1)
39.	<p>Which of the following is not an example of DBMS?</p> <p>a. MySQL b. MSAccess</p> <p>b. IBMDB2 d. Google</p>	(1)
40.	<p>After collecting and analyzing all requirements of an organization, a Conceptual diagram is developed for the database known as _____diagram</p> <p>a. EN diagram b. ET diagram</p> <p>c. ER diagram d. None of these</p>	(1)
41.	<p>Pie chart don't have more than_____categories:</p> <p>a) Ten b)Twenty Five</p> <p>c)Seven d) Three</p>	(1)
42.	<p>The default extension of MS Access(2007) file is:</p> <p>a).accbd b).exl</p> <p>c).doc d).exe</p>	(1)
43.	<p>Complete the following sentence-</p> <p>Relationship between tables is established with the help of _____ key and _____ key</p>	(1x2)
44.	<p>What do you mean by Charts and State any two basic elements of it.</p>	(2)

45.	Explain OLE object.	(2)
46.	Explain the various items of deductions used in payroll accounting.	(3)
47.	Create an imaginary accounting database for a company using MS Access - 2007.	(5)

Accountancy (320)
Suggestive Marking Scheme

Ques No.	Details	Notes	Marks
Section-A			
1	C	---	1
2	D	---	1
3	A	---	1
4	A		1
5	D		1
6	B		1
7	D		1
8	A		1
9	C		1
10	A		1
11	A		1
12	B		1
13	B		1
14	C		1
15	(i) Liabilities and assets	---	1x2
16.	(i) Accrual Basis (ii) Original book of entries/Primary Book of entries	---	1x2
17	(i) One sided error and two-sided errors	---	1x2
18	(i) Error of Commission (ii) Readymade Software	---	1x2
19	(i) On retirement of a partner (ii) Gain/Profit		1x2
20	(i) Court (ii) Partnership Deed		1x2
21	(i) Furniture A/C and Shahrukh A/C (ii) Commission A/C and Bank A/C (iii) Cash A/C and Capital A/C (iv) Goods A/C and Creditors A/C	---	1x4
22	(i) Principle Error (ii) Commission Error (iii) Principle Error (iv) Compensating Error		1x4
23	(i) 10000 (ii) Net Loss (iii) 3750 (iv) Receipts		1x4
24	(i) Over subscription (ii) Goodwill A/C (iii) Sahreholders's fund		1x4

	(iv) Credited by Rs 2000		
25	Operating profit is the excess of gross profit over operating expenses. Gross Profit is the excess of net sales revenue over cost of goods sold. Operating expenses includes office and administration expenses, selling and distribution expenses, cash discount allowed, interest on bills payable and other short-term debt, bad debts and so on.		2
26(i)	<ul style="list-style-type: none"> • Goodwill is the value of the reputation of a firm in respect of the profit earned in future over and above the normal profit. • Factors affecting Goodwill- Location and Nature of business 		2
(ii)	<p>A firm is dissolved when</p> <ul style="list-style-type: none"> • all the partners give consent or • as per the terms partnership agreement 		
27(i)	<p>The ratio in which retiring partner's share is distributed amongst continuing partners is known as gaining ratio.</p> <p>Gain of a partner is $\text{New Ratio} - \text{Existing Ratio}$ Gain of an existing partner = $\text{His New Share} - \text{His Existing (old) Share}$</p>		2
(ii)	Dissolution of a firm means that the firm closes its business and comes to an end. While dissolution of a partnership means termination of old partnership and a reconstitution of firm due to admission, retirement and death of a partner. In dissolution of a partnership the remaining partners may agree to carry on the business under a new agreement.		
28(i)	When company receives applications for more number of shares than the number of shares offered to the public for subscription it is a case of over subscription. A company cannot allot more shares than what it has offered.		2
(ii)	<ul style="list-style-type: none"> • Face value of a share is the par value of the share. It is also known as the Nominal value or denomination of a share • (i)For consideration other than cash (ii)For cash 		
29(i)	<p>The steps involved in conversion are :</p> <ol style="list-style-type: none"> Prepare Cash and Bank Summary Prepare Total Debtors Account to ascertain the missing information Prepare Bills Receivable Account to ascertain the missing information Prepare Total Creditors Account to ascertain the missing information Prepare Bills Payable Account to ascertain the missing information Prepare Opening Statement of Affairs to find out capital in the beginning. Now, prepare Trading Account, Profit and Loss Account and Balance Sheet from the various information given in the question and from the computation made as above. Before preparing the Financial Statements, Trial Balance may also be prepared to check the arithmetical accuracy. 		3
(ii)	<p>Abnormal losses occur because of fire, earthquakes or accidents. These may destroy some fixed assets of the firm. In such case an Asset Account is credited and the Profit and Loss Account is debited. The debit may be spread over two or three years.</p> <p>Stock of goods may also be destroyed or damaged by fire, or other causes. It is obvious that because of this, the value of the stock will be lower than otherwise. This will reduce the amount of gross and net profit. It is, however, better to ascertain the gross profit which</p>		

	<p>would have been earned without the loss since this enables the firm to judge its trading operations properly. To nullify the effect of loss of stock, the Trading Account is credited with the cost of the goods destroyed. If the goods destroyed are not insured then the cost price of the goods destroyed is debited to Profit and Loss Account. If the goods are insured, then the claim admitted by the insurance company is deducted and the claim not admitted is debited to the Profit and Loss Account.</p> <p>The adjusting entries are as follows :</p> <p>(i) Accidental Loss of Stock A/c or Loss by Fire ...Dr. [Total Value of Abnormal Loss] To Trading A/c</p> <p>(ii) Insurance Claim or Insurance Co. ...Dr. [Amount of Insurance Claim] Profit and Loss A/c ...Dr. [Value of Irrecovered Loss] To Accidental Loss of Stock A/c [Total Value of Abnormal Loss] Insurance Company's Account will be shown as an asset in Balance Sheet</p> <p>Note : If stock is not insured, following entry will be passed. Profit and Loss A/c ...Dr. [Total Value of Abnormal Loss] To Trading A/c</p>																	
30	<p>Net sales (Sales-Sales Returns i.e., 125000 – 1000) 124000</p> <p>Less : Cost of goods sold</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Opening Stock</td> <td style="width: 20%; text-align: right;">12800</td> <td style="width: 20%;"></td> </tr> <tr> <td>Add Purchases</td> <td style="text-align: right;">64000</td> <td></td> </tr> <tr> <td>Add Direct Expenses</td> <td style="text-align: right;">8400</td> <td></td> </tr> <tr> <td>Less : Closing Stock</td> <td style="text-align: right;">(14400)</td> <td style="text-align: right;">70800</td> </tr> <tr> <td>Gross Profit</td> <td></td> <td style="text-align: right;">53200</td> </tr> </table> <p>Or</p> <p>Gross profit = Net sales – cost of goods sold = 124000 – 70800= 53200</p>	Opening Stock	12800		Add Purchases	64000		Add Direct Expenses	8400		Less : Closing Stock	(14400)	70800	Gross Profit		53200		3
Opening Stock	12800																	
Add Purchases	64000																	
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Gross Profit		53200																
31 (i)	<p>In case of retirement of a partner, the goodwill is adjusted through partner's capital accounts. The retiring partner's capital account is credited with his/her share of goodwill and remaining partner's capital account is debited in their gaining ratio. The journal entry is made as under:</p> <p>Remaining Partners' Capital A/c Dr. (individually) To Retiring Partner's Capital A/c (Retiring partner's share of goodwill adjusted to remaining partners in the gaining ratio)</p> <p>Normally the goodwill is not shown in the books of the firm. If at the time of retirement/ death of a partner, goodwill appears in the Balance Sheet of the firm, it will be written off by debiting all the partners' capital accounts in their existing profit sharing ratio and crediting the goodwill account.</p> <p>In such a case, the following journal entry is made:</p> <p>Partners' Capital A/c Dr (including retiring partner's capital A/c) To Goodwill A/c</p> <ul style="list-style-type: none"> • (Existing goodwill written-off) 		3															
(ii)	<p>Any balance of accumulated reserves (e.g. general reserves), Profit and Loss Account (Cr.), Reserve Fund and other reserves on the date of dissolution will be credited to the Partners' Capital accounts on the basis of profit sharing ratio. The following journal entry will be recorded :</p> <p>Profit and Loss A/c Dr.</p>																	

	General Reserve A/c Dr. Any Other Fund Dr. To Partners' Capital A/c (Individually) (Transfer of profit and reserve)																																						
32	<ul style="list-style-type: none"> Forfeiture of shares means cancellation of membership of a shareholder due to non payment of calls made by the company. Forfeiture of shares amount to <ul style="list-style-type: none"> ✓ Cancellation of the membership of the defaulting shareholder and Reduction of share capital of the company. 		3																																				
33(i)	<ul style="list-style-type: none"> ✓ In case the shares being over subscribed one of the scheme of allotment of shares to applicants is to allot in the ratio of shares for which applications are entertained by the company for allotment and the number of shares company has offered for subscription. This is called allotment of shares on pro-rata basis. ✓ In case of pro-rata allotment the excess money received on applications is transferred to Share Allotment A/c from Share Application A/c. <p>In case a shareholder fails to make payment on allotment and call money of shares held by him/her, the unpaid amount will be calculated as under: (i) Number of shares applied for allotment = Total Share Allotted Total No. of Shares Applied × Shares Allotted to Defaulter (ii) Excess Applications Received = Number of shares applied for (as per step) – number of shares allotted (iii) Excess application money received = Excess number of applied shares × money called per share on application. (iv) Amount unpaid on allotment = Amount due on allotment – Excess application money adjusted towards allotment</p>		3																																				
(ii)	<ul style="list-style-type: none"> If a company issues its shares at a price more than its face value, the shares are said to have been issued at Premium. According to Section 78 of this Act, the amount of premium can be utilised for : <ul style="list-style-type: none"> (i) Issuing fully-paid bonus shares (ii) Writing off preliminary expenses, discount on issue of shares and debentures, underwriting commission or expenses on issue; (iii) Paying premium on redemption of Preference shares or Debentures; <p>By Back of Shares.</p>																																						
34(i)	<p style="text-align: center;">Trading A/c for the year ended 31st March, 2017</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Particular</th> <th style="width: 15%;">Amount</th> <th style="width: 25%;">Particular</th> <th style="width: 35%;">Amount</th> </tr> </thead> <tbody> <tr> <td>Opening stock</td> <td style="text-align: right;">70000</td> <td>Sales</td> <td style="text-align: right;">4,60,000</td> </tr> <tr> <td></td> <td></td> <td>Less Sales return</td> <td style="text-align: right;">5000</td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;">80000</td> <td>Closing stock</td> <td style="text-align: right;">56000</td> </tr> <tr> <td>Less purchase return</td> <td style="text-align: right;">7600</td> <td></td> <td></td> </tr> <tr> <td>Wages</td> <td style="text-align: right;">42000</td> <td></td> <td></td> </tr> <tr> <td>Carriage inward</td> <td style="text-align: right;">3600</td> <td></td> <td></td> </tr> <tr> <td>Gross profit transferred to Profit & Loss a/c</td> <td style="text-align: right;">243000</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">511000</td> <td></td> <td style="text-align: right;">511000</td> </tr> </tbody> </table> <p style="text-align: center;">Profit & Loss A/c</p>	Particular	Amount	Particular	Amount	Opening stock	70000	Sales	4,60,000			Less Sales return	5000	Purchases	80000	Closing stock	56000	Less purchase return	7600			Wages	42000			Carriage inward	3600			Gross profit transferred to Profit & Loss a/c	243000				511000		511000		5
Particular	Amount	Particular	Amount																																				
Opening stock	70000	Sales	4,60,000																																				
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Carriage inward	3600																																						
Gross profit transferred to Profit & Loss a/c	243000																																						
	511000		511000																																				

For the year ended 31st March, 2017

Particular	Amount	Particular	Amount
Salaries	24000	Gross Profit transferred from Trading A/c	243000
Insurance premium	2400	Discount received	4000
Discount allowed	1200	Interest on Investment	10400
Postage	800		
Interest	3000		
Legal charges	3000		
Net profit Transferred to Capital A/c	223000		
	257400		257400

Balance sheet
As on 31st March 2017

Liabilities	Amount	Asset	Amount
Bills payable	68000	Cash in hand	1000
Creditors	92000	Debtors	120000
Capital 140000		Closing stock	56000
Add Net profit 223000		Investment	80000
Less drawings 96000			
	267000	Motor car	50000
		Plant & Machinery	120000
	427000		427000

34(ii)

Books of Help AID Society of India

Income & Expenditure A/c for the year ending December 31, 2021

Receipts and Payments A/C

Expenditure	Amount	Income	Amount
Salaries 12000	13200	Subscriptions 7800	10300
Add: Outstanding 1200		Add: Outstanding 2500	
Rent	6000	Entrance fees	600
Expense of Motor Van	8400	Government Grant	32000

Laundry Charges	5200	Interest 2800 Add: Interest Accrued 600	3400		
Drugs and incidental charges	10000	Deficit i.e., Excess of expenditure over income	6100		
Publicity expenses	4000				
Depreciation on Motor Van	5600				
	52400		52400		

35	Capital accounts								5
	Particular	Ram	Shyam	Mohan	Particular	Ram	Shyam	Mohan	
	To Shyam's Capital/c	7500			By Bal b/d	10,00,000	7,50,000	7,50,000	
	To Mohan's capital a/c	5000			By Revaluation a/c	27000	27000	18000	
	To bal c/d	1014500	784500	773000	By Ram's capital a/c		7500	5000	
		1027000	784500	773000		1027000	784500	773000	
Balance sheet As at 1 st April 2017									
Liabilities	Amount	Assets	Amount						
Sundry creditors	107500	Cash at bank	1,85,000						

General Reserve	1,80,000	Sundry Debtors 2,20,000 Less Provision for doubtful debts 11000	2,09,000			
Capital accounts Ram 1014500 Shyam 784500 Mohan 773000		Stock	5,50,000			
		Machinery	715,500			
		Building	12,00,000			
	28,59,500		2859500			

36(i)	M/s ABC Ltd Journal Entries					5
	Date	Particular	L.F.no	Debit	Credit	
	1.	Bank A/c Dr. To Share Application A/c (Application money received)		187500	187500	
	2.	Share Application A/c Dr To Equity Share Capital A/c To Share Allotment A/c (Application money of 5000 share transferred to share Capital A/c on their allotment and remaining adjusted towards shares allotment)		187500	125000 62500	
	3.	Share Allotment A/c Dr. To Equity Share Capital A/c To Securities Premium A/c (Allotment money due including premium)		250000	15,0000 100000	
	4.	Bank A/c Dr. To Share Allotment A/c (Allotment money received)		185625	185625	

	5.	Share First Call A/c Dr. To Equity Share Capital A/c (First call money due)		100000	100000			
	6.	Bank A/c Dr. Call-in-arrears A/c Dr. To Share First Call A/c (First call money received of 4930 shares of 20 share debited to calls-in-arrears A/c)		98600 400	99000			
	7.	Share Capital A/c Dr. Securities Premium A/c Dr. To Share Forfeited A/c To Share Allotment A/c To share First Call A/c (Forfeiture of 50 shares on non payment of allotment and call money)		3750 1000	1875 1875 1000			

(ii)

Extract of Balance sheet of B Products Ltd.

As at

Particular	Note no.	Rs
1. Equity and liabilities	1	
1. Shareholder's fund		
a. Share capital		397000

Note No.	Particulars	Amount
1.	Share capital Authorized capital 9000 Equity shares of Rs 100 each	900000
	Issued capital 5000 equity shares of Rs 100 each	500000
	Subscribed Capital Subscribed and fully Paid capital 3900 Equity shares of Rs 100 each 390000 Add : forfeited shares (100 of Rs 70 each) 70000	390000

Optional Module-1

37	A		1
38	C		1
39	A		1
40	D		1

41	B		1																																										
42	A		1																																										
43.	(i) Current liabilities (ii) Fictitious Assets		1x2																																										
44	<ul style="list-style-type: none"> (a) Operating activities are the principal revenue generating activities of the enterprise. (b) Investing activities include the acquisition and disposal of long-term assets and other investments not included in cash equivalents. 		2																																										
45(i)	Debt equity Ratio = Debts (Total Long Term Loans) / Equity(Shareholders Fund) = 50000/150000 = 1:3		2																																										
46	<ul style="list-style-type: none"> The following procedure is followed (a) The amount of interim dividend paid during the year is shown as outflow of cash in cash flow statement. (b) It will be added back to the profits for the purpose of calculating cash provided from operating activities. (c) No adjustment is necessary if the cash provided from operating activities is calculated on the basis of revised figure of net profit. 		3																																										
47(i)	<p style="text-align: center;">A Ltd Cash flow Statement For the year ended 31st March, 2017</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Particular</th> <th style="width: 20%;">Rs</th> <th style="width: 20%;">Rs</th> </tr> </thead> <tbody> <tr> <td colspan="3">Cash flow from operating activities</td> </tr> <tr> <td>Profit for the year (difference between closing and opening surplus, i.e. Balance in Statement of Profit and Loss) (Rs 23000 – Rs 10000)</td> <td style="text-align: right;">13000</td> <td></td> </tr> <tr> <td>Add : decrease in Current Asset and increase in Current Liabilities</td> <td style="text-align: right;">5000</td> <td></td> </tr> <tr> <td>Decrease in Trade Receivables</td> <td style="text-align: right;">18000</td> <td></td> </tr> <tr> <td>Less : Increase in Current Asset and Decrease in Current Liabilities :</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Increase in Inventories (10000)</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Decrease in Trade Payables (25000)</td> <td style="text-align: right;">(35000)</td> <td></td> </tr> <tr> <td>Cash used in Operating activities</td> <td></td> <td style="text-align: right;">(17000)</td> </tr> <tr> <td colspan="3">Cash flow from Investing activities</td> </tr> <tr> <td>Cash payment for Land Purchased</td> <td style="text-align: right;">(16000)</td> <td></td> </tr> <tr> <td>Cash used in Investing activities</td> <td></td> <td style="text-align: right;">(16000)</td> </tr> <tr> <td colspan="3">Cash flow from financing activities</td> </tr> <tr> <td>Cash proceeds from Issue of shares</td> <td style="text-align: right;">50000</td> <td></td> </tr> </tbody> </table>	Particular	Rs	Rs	Cash flow from operating activities			Profit for the year (difference between closing and opening surplus, i.e. Balance in Statement of Profit and Loss) (Rs 23000 – Rs 10000)	13000		Add : decrease in Current Asset and increase in Current Liabilities	5000		Decrease in Trade Receivables	18000		Less : Increase in Current Asset and Decrease in Current Liabilities :			Increase in Inventories (10000)			Decrease in Trade Payables (25000)	(35000)		Cash used in Operating activities		(17000)	Cash flow from Investing activities			Cash payment for Land Purchased	(16000)		Cash used in Investing activities		(16000)	Cash flow from financing activities			Cash proceeds from Issue of shares	50000			5
Particular	Rs	Rs																																											
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	Cash flow from financing activities		50000			
	Net increase in Cash and Cash Equivalents		17000			
	Add: Cash and Cash equivalents in the beginning		30000			
	Cash and cash Equivalents at the end		47000			

Optional Module-2

37	C				1
38	B				1
39	B			---	1
40	C			---	1
41	C				1
42	A				1
43.	Primary and foreign				1x2
44	<p>A Chart/graph is a pictorial presentation of data. basic elements of the chart.</p> <ol style="list-style-type: none"> 1. The chart area : The entire chart including all elements. 2. The plot area: In a 2-D chart, the area is bounded by the X and Y axis. In a 3- D chart, the area is bounded by the three (X, Y and Z) axis. <p>Any two</p>				2
45	Stands for Object Linking and Embedding, Refers to object such as photograph, bar code, image or any other document created in another application				2
46	<ul style="list-style-type: none"> • Professional Tax (Applicable in some states) (PT): It is a statutory deduction according to the legislature of the State Government. • Provident Fund (PF): It is a statutory deduction, as part of social security. It is decided by the Government under the Provident Fund Act and is computed as a percentage of (Basic Pay + Dearness Pay, if applicable). • Tax Deduction at Source (TDS): It is a statutory deduction, which is deducted monthly towards Income Tax liability of an employee. It is essentially an apportionment of yearly Income Tax liability over 12 months. • Recovery of Loan Installment (LOAN): Any amount signified by the employee for deduction on account of any loan taken up by him/her. 				3
47(i)	<ol style="list-style-type: none"> 1. Create file Accounting Transaction 2. Create Table1, Table 2 and Table 3 and save as Account type, Accounts and Vouchers respectively. 3. In the design view, define the data fields and fill in the data in the tables. 4. Establish a relationship between tables. 5. Create query and Generate Reports 				5