

CBSE Class 12 Accountancy 2023 - Set 67-4-3

Question Paper

Conducted by the Central Board of Secondary Education (CBSE)



Time Allowed: 3 Hours

Maximum Marks: 80

General Instructions

- (i) This question paper contains **34 questions**, divided into Part A and Part B.
- (ii) Part A is compulsory for all candidates.
- (iii) Part B has two options: **Option I - Analysis of Financial Statements** and **Option II - Computerised Accounting**. Attempt only one option.
- (iv) Questions 1 to 16 and 27 to 30 carry 1 mark each.
- (v) Questions 17 to 20, 31 and 32 carry 3 marks each.
- (vi) Questions 21, 22 and 33 carry 4 marks each.
- (vii) Questions 23 to 26 and 34 carry 6 marks each.
- (viii) Attempt one alternative where an internal choice is provided. Write all parts of an answer at one place.

1. Sujata Ltd. issued 5,000, 7% Debentures of Rs. 100 each at a premium of 10%. According to the terms of issue, 40% of the amount was payable on application and the balance on allotment. The issue was fully subscribed and all amounts were duly received. The amounts received on application and allotment respectively were:

- | | |
|-----------------------------------|-----------------------------------|
| (A) Rs. 2,50,000 and Rs. 3,00,000 | (B) Rs. 2,00,000 and Rs. 3,00,000 |
| (C) Rs. 2,00,000 and Rs. 3,50,000 | (D) Rs. 2,00,000 and Rs. 2,50,000 |

2(i). Ria and Surbhi were partners in a firm sharing profits and losses in the ratio of 3:2. With effect from 1st April, 2022, they agreed to share profits equally. The goodwill of the firm was valued at Rs. 3,00,000. The adjustment will be done by which of the following transaction?

- | | |
|--|--|
| (A) Debiting Surbhi's account by Rs. 30,000 and crediting Ria's account by Rs. 30,000. | (B) Debiting Ria's account by Rs. 30,000 and crediting Surbhi's account by Rs. 30,000. |
| (C) Debiting Surbhi's account by Rs. 3,000 and crediting Ria's account by Rs. 3,000. | (D) Debiting Ria's account by Rs. 3,000 and crediting Surbhi's account by Rs. 3,000. |

OR

2(ii). Naman, Suman and Mohit were partners in a firm sharing profits in the ratio 8:5:3. With effect from 1st April, 2022, they decided that in future, they will share the profits in the ratio 5:6:5. Identify the gain or sacrifice by the partners due to change in profit sharing ratio, from the following:

- | | |
|---|---|
| (A) Naman's gain 3/16, Suman's sacrifice 1/16, Mohit's sacrifice 2/16 | (B) Naman's sacrifice 3/16, Suman's gain 1/16, Mohit's gain 2/16 |
| (C) Naman's sacrifice 3/16, Suman's gain 2/16, Mohit's gain 1/16 | (D) Naman's gain 3/16, Suman's sacrifice 2/16, Mohit's sacrifice 1/16 |

3. Part of the uncalled share capital that can be called up only at the time of winding up of the company is called:

- | | |
|---------------------|-----------------------|
| (A) Issued capital | (B) Paid-up capital |
| (C) Reserve capital | (D) Un-issued capital |

4. On dissolution of a partnership firm, furniture appearing in the Balance Sheet was Rs. 2,00,000. 50% of the furniture was taken over by a partner at Rs. 65,000 and balance 50% was sold at 20% less than the book value. The amount debited to bank account was:

- | | |
|------------------|------------------|
| (A) Rs. 1,45,000 | (B) Rs. 80,000 |
| (C) Rs. 65,000 | (D) Rs. 1,85,000 |

5. Chavi Ltd. forfeited 5,000 equity shares of Rs. 10 each issued at a premium of Rs. 5 per share for non-payment of first and final call of Rs. 4 per share. On forfeiture, 'Share Forfeiture Account' will be credited by:

- | | |
|----------------|----------------|
| (A) Rs. 20,000 | (B) Rs. 30,000 |
| (C) Rs. 50,000 | (D) Rs. 55,000 |

6. Keshav, Krishna and Murari were in partnership sharing profits and losses in the ratio of 3:2:1. Their fixed capitals were: Rs. 12,00,000, Rs. 10,00,000 and Rs. 8,00,000 respectively. It was agreed that interest on capital will be allowed at 10% per annum. Partners were entitled to salaries as follows:

Keshav Rs. 5,000 per month and Krishna Rs. 3,000 per quarter.

Profit of the firm for the year ended 31st March, 2022 was Rs. 6,72,000.

Amount credited to the Partners' Current Accounts on account of 'interest on capital' and 'salary' was:

- | | |
|---|---|
| (A) Keshav Rs. 1,20,000, Krishna Rs. 1,00,000 and Murari Rs. 80,000 | (B) Keshav Rs. 1,80,000, Krishna Rs. 1,12,000 and Murari Rs. 80,000 |
| (C) Keshav Rs. 60,000, Krishna Rs. 12,000 and Murari Rs. Nil | (D) Keshav Rs. 3,30,000, Krishna Rs. 2,12,000 and Murari Rs. 1,30,000 |

7. Keshav, Krishna and Murari were in partnership sharing profits and losses in the ratio of 3:2:1. Their fixed capitals were: Rs. 12,00,000, Rs. 10,00,000 and Rs. 8,00,000 respectively. It was agreed that interest on capital will be allowed at 10% per annum. Partners were entitled to salaries as follows:

Keshav Rs. 5,000 per month and Krishna Rs. 3,000 per quarter.

Profit of the firm for the year ended 31st March, 2022 was Rs. 6,72,000.

Amount of profit transferred to Partners' Current Accounts was:

- | | |
|---|---|
| (A) Keshav Rs. 1,00,000, Krishna Rs. 1,50,000 and Murari Rs. 50,000 | (B) Keshav Rs. 50,000, Krishna Rs. 1,50,000 and Murari Rs. 1,00,000 |
| (C) Keshav Rs. 1,50,000, Krishna Rs. 1,00,000 and Murari Rs. 50,000 | (D) Keshav Rs. 1,51,500, Krishna Rs. 1,01,000 and Murari Rs. 50,500 |

8(i). Anu, Monu and Sonu were partners in a firm sharing profits in the ratio of 5:3:2. Monu died on 1st January, 2022. Anu and Sonu will acquire Monu's share in the ratio of:

- | | |
|---------|---------|
| (A) 1:1 | (B) 3:2 |
| (C) 5:3 | (D) 5:2 |

OR

8(ii). Vidit, Sumit and Mita were partners in a firm sharing profits in the ratio of 4:3:1. Mita died and her entire share was taken up by Vidit. The new profit sharing ratio of Vidit and Sumit will be:

- | | |
|---------|---------|
| (A) 1:1 | (B) 5:3 |
| (C) 3:5 | (D) 5:2 |

9. Vijay and Ajay are partners in a firm. The partnership agreement provides for interest on drawings @ 12% per annum. Which of the following account will be debited to transfer interest on drawings to Profit and Loss Appropriation A/c?

- | | |
|----------------------------------|-------------------------------|
| (A) Interest on Drawings Account | (B) Bank Account |
| (C) Partners' Current Account | (D) Partners' Capital Account |

10(i). Manmohan Ltd. invited applications for issuing 50,000 equity shares of Rs. 10 each at par. The amount payable per share was as follows:

On application Rs. 3; on allotment Rs. 4 and on first and final call Rs. 3.

Applications were received for 1,45,000 equity shares. Applications for 20,000 equity shares were rejected and remaining applicants were allotted shares on a pro-rata basis. Excess application money received with application was adjusted towards sums due on allotment and first and final call. Amount credited to calls-in-advance account was:

- | | |
|------------------|----------------|
| (A) Rs. 2,25,000 | (B) Rs. 25,000 |
| (C) Rs. 1,75,000 | (D) Nil |

OR

10(ii). Which of the following statement is correct regarding subscribed capital?

- | | |
|--|--|
| (A) It is the amount of share capital which a company is authorised to issue by its Memorandum of Association. | (B) It is that part of authorised capital which is actually issued to the public for subscription. |
| (C) It is that part of the issued capital which has been actually subscribed by the public. | (D) It is that part of the called-up capital which has been actually received from shareholders. |

11(i). Anuradha Ltd. issued 2,00,000, 7% debentures of Rs. 100 each at a discount of 5% redeemable at a premium of 5%. Discount on issue and premium on redemption were accounted for through 'Loss on Issue of Debentures Account.' On issue of debentures, 'Loss on Issue of Debentures Account' will be:

- | | |
|----------------------------------|----------------------------------|
| (A) Credited by Rs.
10,00,000 | (B) Debited by Rs.
10,00,000 |
| (C) Debited by Rs.
20,00,000 | (D) Credited by Rs.
20,00,000 |

OR

11(ii). Diksha Ltd. issued 4,000, 9% Debentures of Rs. 100 each at a discount of 10%, redeemable at a premium. 'Discount on Issue of Debentures' and 'Premium on Redemption of Debentures' were accounted for through 'Loss on Issue of Debentures Account'. If the amount of 'Loss on Issue of Debentures Account' was Rs. 60,000, then the amount of premium on redemption was:

- | | |
|----------------|----------------|
| (A) Rs. 60,000 | (B) Rs. 40,000 |
| (C) Rs. 20,000 | (D) Rs. 80,000 |

12. On dissolution of the firm of Ramesh, Suresh and Naresh, Naresh had agreed to bear all realisation expenses for which he was paid Rs. 14,500. Actual expenses on realisation amounted to Rs. 11,000 which were paid by Naresh. The amount to be credited to Naresh's capital account will be:

- | | |
|----------------|----------------|
| (A) Rs. 11,000 | (B) Rs. 3,500 |
| (C) Rs. 14,500 | (D) Rs. 25,500 |

13(i). On 1st October 2020, Amit, a partner, advanced a loan of Rs. 1,20,000 to the firm. In the absence of partnership deed, the amount of interest on loan to be paid on 31st March, 2021 will be:

- | | |
|----------------|---------------|
| (A) Rs. 3,600 | (B) Rs. 7,200 |
| (C) Rs. 12,000 | (D) Rs. 6,000 |

OR

13(ii). Vijay, Ajay and Sanjay are partners in a firm sharing profits and losses in the ratio of 7:5:8. Sanjay died on 28th August, 2021. His share in the profits of the firm till the date of his death was determined at Rs. 75,000. It will be debited to which of the following accounts?

- | | |
|---|---|
| (A) Profit and Loss
Suspense Account | (B) Profit and Loss
Account |
| (C) Profit and Loss
Appropriation
Account | (D) Profit and Loss
Adjustment Account |

14. Assertion (A): Increase in the value of liabilities on reconstitution of a firm is debited to Revaluation Account.

Reason (R): Increase in the value of liabilities is a loss.

Select the correct alternative from the following:

- | | |
|---|--|
| (A) Assertion (A) is correct, but Reason (R) is wrong. | (B) Assertion (A) is wrong, but Reason (R) is correct. |
| (C) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A). | (D) Both Assertion (A) and Reason (R) are wrong. |

15. The goodwill of a firm was valued on the basis of 3 years purchase of average profits for the last four years. The profits of last four years ending 31st March were as follows:

Year	Profit/Loss (Rs.)
2018-19	(14,500)
2019-20	15,400
2020-21	32,900
2021-22	16,800

The value of goodwill of the firm was:

- (A) Rs. 8,885 (B) Rs. 37,950
(C) Rs. 58,950 (D) Rs. 20,690

16. Niva, Naman and Nityam were partners sharing profits in the ratio of 4:3:2. Niva and Naman each give $\frac{1}{9}$ from their share to Nityam on reconstitution of the firm. The new profit sharing ratio among Niva, Naman and Nityam will be:

- (A) 3:4:2 (B) 2:3:4
(C) 4:2:3 (D) 3:2:4

17. Mahesh and Suresh were partners in a firm sharing profits and losses in the ratio of 2:1. They decided to admit Nita into partnership with $\frac{1}{4}$ th share in the profits. Nita brought Rs. 2,00,000 for her capital and the requisite amount of goodwill premium in cash. The goodwill of the firm is valued at Rs. 12,00,000. The new profit sharing ratio of the partners is 2:1:1. Mahesh and Suresh withdraw their share of goodwill.

Pass necessary journal entries in the books of the firm for the above transactions.

18(a). On 1st April, 2021, Hitesh Ltd. took over assets of Rs. 8,00,000 and liabilities of Rs. 40,000 of Pranjal Ltd. at an agreed value of Rs. 8,30,000. Hitesh Ltd. paid the amount to Pranjal Ltd. as follows:

- (i) Gave an acceptance payable after 3 months for Rs. 2,00,000, and
(ii) Issued 10% Debentures of Rs. 100 each at a discount of 10% to Pranjal Ltd. in satisfaction of the balance amount of purchase consideration.

Pass the necessary journal entries to record the above transaction in the books of Hitesh Ltd.

OR

18(b). Disha Ltd. forfeited 500 shares of Rs. 100 each issued at 10% premium, Rs. 90 called up, on which the shareholders did not pay Rs. 30 per share on allotment (including premium) and first call of Rs. 20 per share. Out of these, 300 shares were reissued for Rs. 80 per share, fully paid up.

Pass necessary journal entries for forfeiture and reissue of shares.

19(a). Monika, Bhoomika and Kamolika are partners sharing profits in the ratio of 6:4:1. Kamolika is guaranteed a minimum amount of Rs. 3,00,000 as her share in profits. The firm earned a net profit of Rs. 22,00,000 for the year ended 31st March 2022.

Prepare Profit and Loss Appropriation Account of the firm for the year ended 31st March, 2022.

19(b). Ananya, Bhavi and Chandni were partners in a firm with capitals of Rs. 3,00,000, Rs. 2,00,000 and Rs. 1,00,000 respectively.

According to the provisions of the partnership deed:

- (i) Ananya and Chandni were each entitled to a monthly salary of Rs. 1,500.
- (ii) Bhavi was entitled to a salary of Rs. 4,000 per annum.

The profit for the year ended 31st March, 2022, Rs. 80,000 was divided between the partners in their profit sharing ratio of 3:3:2 without providing for the above adjustments.

Pass the necessary adjustment entry to rectify the above omissions in the books of the firm. Show your working notes clearly.

20. Aditi, Bobby and Krish were partners in a firm sharing profits and losses in the ratio of 5:3:2. Their capitals were Rs. 5,00,000, Rs. 4,00,000 and Rs. 2,00,000 respectively. The partnership deed provided for the following:

- (a) Interest on capital @ 10% per annum.
- (b) Interest on drawings @ 6% per annum.
- (c) Interest on partner's loan to the firm @ 9% per annum.

During the year, Aditi had withdrawn Rs. 60,000 and Bobby Rs. 50,000. On 1st September, 2021, Krish had given a loan of Rs. 40,000 to the firm.

Pass necessary journal entries in the books of the firm for the following transactions for the year ended 31st March, 2022:

- (i) Allowing interest on Bobby's capital.
- (ii) Charging interest on Aditi's drawings.
- (iii) Providing interest on Krish's loan to the firm.

Also pass transfer entries in the Profit and Loss Account/Profit and Loss Appropriation Account, as the case may be.

21. Prakash, Aakash and Vikas were partners in a business sharing profits in the ratio of 2:2:1. Their Balance Sheet as at 31st March, 2022 was as follows:

Balance Sheet of Prakash, Aakash and Vikas as at 31st March, 2022

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Creditors	2,00,000	Bank	40,000
General Reserve	1,00,000	Stock	60,000
Capitals: Prakash 1,20,000 Aakash 2,00,000 Vikas 80,000	4,00,000	Debtors	1,60,000
		Investments	1,40,000
		Furniture	70,000
		Building	2,30,000
	7,00,000		7,00,000

Vikas died on 30th September, 2022. On the death of a partner the partnership deed provided for the following:

- (i) Deceased partner will be entitled to his share of profit up to the date of death calculated on the basis of previous year's profit.
- (ii) His share in the Goodwill of the firm, calculated on the basis of 3 years purchase of average profits of last four years. Profits for last four years ended 31st March were as follows: 2018-19, Rs. 1,60,000; 2019-20, Rs. 1,00,000; 2020-21, Rs. 80,000 and 2021-22, Rs. 60,000.
- (iii) Drawings of the deceased partner up to the date of death were Rs. 20,000.
- (iv) Interest on capital was allowed @ 12% per annum.

Prepare Vikas's Capital account to be rendered to his executors.

22. Sunstar Ltd. has an authorised capital of Rs. 20,00,000 divided into equity shares of Rs. 10 each. The company invited applications for issuing 60,000 shares. Applications were received for 58,000 shares.

All calls were made and were duly received except the final call of Rs. 3 per share on 2,000 shares. These shares were forfeited.

Present the 'Share Capital' in the Balance Sheet of the Company as per Schedule III, Part I of the Companies Act, 2013. Also prepare 'Notes to Accounts' for the same.

23. Pass necessary journal entries for the following transactions on the dissolution of a firm after various assets (other than cash) and outside liabilities have been transferred to Realisation Account:

- Realisation expenses of the firm amounting to Rs. 2,600 were paid by partner, Aman.
- A creditor of Rs. 4,500 took over stock valued at Rs. 5,200 in full settlement.
- An unrecorded asset realised Rs. 3,500.
- Remaining creditors amounting to Rs. 20,000 were paid at a discount of 5%.
- Remaining stock of Rs. 30,000 was taken over by Bimal, a partner, at a discount of 20%.
- Investment whose face value was Rs. 10,000 was realised at 40%.

24. Pass the necessary journal entries for the issue of debentures in the books of Amrit Ltd. for the following transactions:

- Issued Rs. 10,00,000, 9% Debentures of Rs. 100 each at a discount of 10%, redeemable at a premium of 5% after three years.
- Issued Rs. 30,00,000, 8% Debentures of Rs. 100 each at par, redeemable at a premium of 5%.
- Issued 6,000, 9% Debentures of Rs. 100 each at a premium of 10%, redeemable at a premium of 5%.

25(a). Bhumi and Chavi were partners in a firm sharing profits and losses in the ratio of 5:3. They admitted Aditi in the firm on 1st April, 2022. On that date their Balance Sheet was as follows:

Balance Sheet of Bhumi and Chavi as at 1st April, 2022

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Capitals: Bhumi 3,20,000 Chavi 3,40,000	6,60,000	Machine ry	3,80,000
General Reserve	80,000	Furnitur e	50,000
Bank loan	60,000	Debtors	2,30,000
Creditors	60,000	Stock	1,50,000
		Cash	50,000
	8,60,000		8,60,000

Aditi was admitted in the firm with 1/3 share in profits on the following terms:

- Aditi will bring Rs. 3,00,000 as her capital.
- Aditi will bring her share of goodwill premium in cash. Goodwill of the firm was valued on the basis of two years purchase of average profits of the last three years. Average profits of the last three years were Rs. 60,000.
- Machinery was revalued at Rs. 4,60,000.
- The capitals of Bhumi and Chavi were adjusted on the basis of Aditi's capital by opening current accounts.

Prepare Revaluation Account and Partners' Capital Accounts.

OR

25(b). Anna, Bina and Teena were partners sharing profits and losses in the ratio of 5:3:2. Their Balance Sheet on 31st March, 2022 was as follows:

Balance Sheet of Anna, Bina and Teena as at 31st March, 2022

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Creditors	66,000	Furniture	1,12,000
Bills Payable	59,000	Stock	1,77,000
Capitals : Anna 2,00,000 Bina 2,00,000 Teena 1,00,000	5,00,000	Debtors 2,80,000 Less - provision for bad debts 7,000	2,73,000
		Cash	63,000
	6,25,000		6,25,000

On the above date, Anna retired on the following terms:

- Goodwill of the firm was valued at Rs. 60,000 and Anna's share of goodwill was adjusted through the capital accounts of remaining partners.
- Furniture was depreciated by Rs. 10,000.
- Anna was to be paid through cash brought in by Bina and Teena in such a way as to make their capitals proportionate to their new profit sharing ratio of 1:1.

Prepare Revaluation and Partners' Capital Accounts.

26(a). Yash Ltd. invited applications for 50,000 equity shares of Rs. 10 each at a premium of 10%. The amount was payable as follows:

On application Rs. 3 per share; on allotment (including premium) Rs. 3 per share and on first and final call, the balance amount.

Applications were received for 1,20,000 shares and shares were allotted on pro-rata basis to all applicants. The excess money received on application was to be adjusted towards sums due on allotment. Application money in excess of sums due on allotment was refunded. A shareholder who applied for 6,000 shares could not pay the first and final call money and his shares were forfeited. The forfeited shares were reissued for Rs. 60,000 fully paid up.

Pass necessary journal entries for the above transactions in the books of Yash Ltd.

OR

26(b). Ajanta Ltd. issued a prospectus inviting applications for issuing 5,00,000 equity shares of Rs. 10 each issued at a premium of 10%. The amount was payable as follows:

On application - Rs. 3 per share
On allotment (including premium) - Rs. 5 per share
On first and final call - Rs. 3 per share

Applications were received for 6,00,000 shares and pro-rata allotment was made to all applicants. Excess money received on application was adjusted towards sums due on allotment. All amounts were duly received except from Sumit, who was the holder of 1,000 shares, and failed to pay the allotment and first and final call. His shares were forfeited.

Pass journal entries for the above transactions in the books of Ajanta Ltd. Open calls-in-arrears account wherever necessary.

27(i). Which of the following will result in flow of cash?

- | | |
|---|--|
| (A) Cash withdrawn from the bank Rs. 50,000 | (B) Rs. 2,00,000, 9% debentures issued to vendors of machinery |
| (C) Rs. 30,000 received from debtors | (D) Cheques of Rs. 20,000 deposited in the bank |

OR

27(ii). An investment normally qualifies as cash equivalent only when it has a short maturity, of say, _____ from the date of acquisition.

- | | |
|--------------------------|--------------------------|
| (A) Three months or more | (B) Six months or less |
| (C) One year or less | (D) Three months or less |

28. Which of the following is not a Solvency Ratio?

- | | |
|--------------------------|--------------------------------|
| (A) Return on Investment | (B) Interest Coverage Ratio |
| (C) Proprietary Ratio | (D) Total Assets to Debt Ratio |

29. While preparing Cash Flow Statement, 'Interest received' by a finance company is classified as:

- | | |
|------------------------|-------------------------------|
| (A) Financing activity | (B) Operating activity |
| (C) Investing activity | (D) Cash and cash equivalents |

30(i). If revenue from operations is Rs. 10,00,000 and gross profit is 25% on cost, cost of revenue from operations will be:

- | | |
|------------------|-------------------|
| (A) Rs. 2,50,000 | (B) Rs. 12,50,000 |
| (C) Rs. 2,00,000 | (D) Rs. 8,50,000 |

OR

30(ii). If the operating ratio of Aman Ltd. is 60%, its operating profit ratio will be:

- | | |
|----------|----------|
| (A) 100% | (B) 60% |
| (C) 40% | (D) 160% |

31. Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of a company as per Schedule III, Part I of the Companies Act, 2013:

- (i) Prepaid Rent
- (ii) Mortgage Loan
- (iii) Computer Software

32. 'These ratios are calculated to analyse the earning capacity of the business which is the outcome of utilisation of resources employed in the business.'

- (i) Identify the types of ratios being discussed above.
- (ii) Explain any two ratios of the type of ratios identified in (i) above.

33(i). (a) Y Ltd. has a Current Ratio of 3.5:1 and Quick Ratio of 2:1. If excess of current assets over quick assets represented by inventory is Rs. 48,000, calculate current assets and current liabilities.

- (b) Calculate Debt to Equity Ratio:
- | |
|-------------------------------------|
| Shareholder Funds - Rs. 2,00,000 |
| Reserves and Surplus - Rs. 1,00,000 |
| Total Debt - Rs. 4,00,000 |
| Current Liabilities - Rs. 1,00,000 |

33(ii). The Current Ratio of a company is 2:1. State giving reasons which of the following transactions would improve, reduce or not change the ratio:

- (a) Purchase of goods for cash Rs. 60,000
- (b) Purchase of fixed assets for cash Rs. 2,00,000
- (c) Sale of goods costing Rs. 20,000 for Rs. 23,000 on credit
- (d) Issue of shares Rs. 10,00,000

34. Read the following hypothetical text and answer the given question on this basis:

Madhav is a young entrepreneur. On 1st April, 2019, he formed a partnership firm with two of his friends, Mohan and Sohan. They started their business of exporting dry fruits. Their business was a successful business. Now they wanted to expand the business in many other countries. For meeting the financial requirements, they changed the form of business organisation and formed Madhav Ltd. The Balance Sheet of Madhav Ltd. as at 31.3.2022 was as follows:

Balance Sheet of Madhav Ltd. as at 31st March, 2022

34. (continued)

Particulars	Not e No.	31.3.2022 (Rs.)	31.3.2021 (Rs.)
I - Equity and Liabilities:			
1. Shareholders' Funds			
(a) Share Capital		35,00,000	25,00,000
(b) Reserves and Surplus (Statement of P & L)		12,50,000	10,00,000
2. Non-Current Liabilities			
Long-term Borrowings (10% Debentures)		12,50,000	3,50,000
3. Current Liabilities			
(a) Short-term Borrowings (Bank Overdraft)		50,000	75,000
(b) Trade Payables		2,50,000	1,50,000
(c) Short-term Provisions	1	1,50,000	75,000
Total		64,50,000	41,50,000
II - Assets:			
1. Non-Current Assets			
Fixed Assets			
(a) Tangible Assets	2	40,00,000	22,50,000
(b) Intangible Assets (Goodwill)		3,50,000	5,00,000
2. Current Assets			
(a) Inventories		6,25,000	5,00,000
(b) Trade Receivables		12,50,000	7,50,000
(c) Cash and Cash Equivalents		2,25,000	1,50,000
Total		64,50,000	41,50,000

34. (continued)

Notes to Accounts:

Not e No.	Particulars	31.3.2022 Amount (Rs.)	31.3.2021 Amount (Rs.)
1	Short term Provisions Provision for Tax	1,50,000	75,000
2	Tangible Assets Plant and Machinery Less Accumulated Depreciation	44,00,000 (4,00,000) 40,00,000	25,00,000 (2,50,000) 22,50,000

Additional Information:

(i) A part of the machine costing Rs. 1,25,000 accumulated depreciation thereon being Rs. 50,000 was sold for Rs. 45,000 during the year.

(ii) Interest of Rs. 1,25,000 was paid on Debentures.

Calculate cash flows from 'Investing activities' and 'Financing activities' of Madhav Ltd. from the information provided above.

27. Which type of software package is suitable for an organization where the volume of transactions is very low and adaptability is very high?

- (A) Generic (B) Specific
(C) Tailored (D) (b) and (c) both

28(i). The need of codification is for:

- (A) Generation of mnemonic codes. (B) The encryption of data
(C) Securing the accounts, reports, etc. (D) Easy processing of data and keeping proper records

OR

28(ii). Where are the amounts owed by customers for credit purchases found in books of accounts?

- (A) Accounts Receivable Journal (B) General Ledger
(C) Accounts Receivable Subsidiary Ledger (D) Sales Journal

29(i). To safeguard assets and optimise the use of resources, a business:

- (A) Only tries to earn maximum revenue. (B) Keeps internal controls.
(C) Only ensures accurate accounting records. (D) Only safeguards assets.

OR

29(ii). Correct ##### error appears:

- (A) When a number is divided by zero. (B) When value is not available.
(C) When column is not wide enough. (D) When formula is not available.

30. A 'value' or 'function' or an 'arithmetic expression' is recorded in ____.

- (A) Row (B) Column
(C) Cell (D) Range

31. What is meant by 'Memo Voucher', 'Post-dated Voucher' and 'User-defined voucher'?

32. Differentiate between 'Generic Software' and 'Tailored Software' on any three basis.

33(a). Explain account group 'Current Assets'.

OR

33(b). Give the meaning of 'labels' and 'values' as used in spreadsheet.

34. Name and explain the financial function which will be used to verify the total interest on a loan between any two periods.

- End of Question Paper -