



Delhi Public School, Howrah

PERIODIC TEST I - (2024-2025)

Class-XII

Care must be taken not to write anything on the question paper. All the questions must be attempted in the correct sequence.

SUBJECT: ACCOUNTANCY (CODE-055)

Time Allowed: - 3 HOURS

Maximum Marks - 80

General Instructions:

Read the following instructions very carefully:

1. This question paper contains 34 questions. All questions are compulsory.
2. This question paper is divided into two parts, Part A and B.
3. Part – A is compulsory for all candidates.
4. Part - B has two options i.e. (i) Analysis of Financial Statements and (ii) Computerised Accounting. Students must attempt only one of the given options as per subject opted.
5. Question 1 to 16 and 27 to 30 carries 1 mark each.
6. Questions 17 to 20, 31 and 32 carries 3 marks each.
7. Questions from 21, 22 and 33 carries 4 marks each
8. Questions from 23 to 26 and 34 carries 6 marks each
9. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

Q.No.	PART A (Accounting for Partnership Firms and Companies)	Marks										
1.	<p>Narayan and Gopal were partners sharing profits and losses in the ratio of 3:1. Shelly was admitted for 1/5th share in the profits. Shelly was unable to bring her share of goodwill premium in cash. The journal entry recorded for goodwill premium is given below:</p> <table border="1"><thead><tr><th>DATE</th><th>PARTICULARS</th><th>L.F</th><th>DEBIT (Rs.)</th><th>CREDIT (Rs.)</th></tr></thead><tbody><tr><td></td><td>Shelly's current A/c. Dr. To, Narayan's capital A/c. To, Gopal's capital A/c. (Being entry for goodwill treatment passed)</td><td></td><td>24,000</td><td>8,000 16,000</td></tr></tbody></table> <p>The new profit-sharing ratio of Narayan, Gopal and Shelly will be:</p> <ol style="list-style-type: none">a) 41:7:12b) 13:12:10c) 3:1:1d) 5:3:2	DATE	PARTICULARS	L.F	DEBIT (Rs.)	CREDIT (Rs.)		Shelly's current A/c. Dr. To, Narayan's capital A/c. To, Gopal's capital A/c. (Being entry for goodwill treatment passed)		24,000	8,000 16,000	1
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2.	<p>Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R):</p> <p>Assertion (A): Undistributed profits or losses appearing in the balance sheet at the time of admission should be transferred to old capital/current account.</p> <p>Reason (R): Undistributed profits or losses appearing in the balance sheet at the time of admission belong to the old partners as they are earned by them.</p> <p>In the context of the above statements, which one of the following is correct?</p>	1										

	<p>a) (A) is correct, but (R) is wrong. b) Both (A) and (R) are correct. c) (A) is wrong, but (R) is correct a) Both (A) and (R) are wrong.</p>	
3.	<p>A, B, and C are partner's sharing profits in the ratio of 5:3:2. According to the partnership agreement C is to get a minimum amount of Rs. 10,000 as his share of profits every year. The net profit for the year ended 31st March, 2019 amounted to Rs. 40,000. How much amount is contributed by A?</p> <p>a) Rs. 1,350 b) Rs. 750 c) Rs. 1,250 d) Rs. 1,225</p> <p style="text-align: center;">OR</p> <p>Rajiv, Binod and Wasim 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 1st April, 2019. Their Balance Sheet as on that date showed a balance of Rs.22,500 in Deferred Revenue Expenditure Account. The amount to be debited respectively to the capital accounts of Rajiv,Binod and Wasim for writing off Deferred Revenue Expenditure will be:</p> <p>a) Rs. 7,500, Rs. 7,500 and Rs. 7,500 b) Rs. 10,500, Rs. 7,500 and Rs. 4,500 c) Rs. 4,500, Rs. 9,000 and Rs. 9,000 d) Rs. 11,250, Nil and Rs. 11,250</p>	1
4.	<p>Ajay and Vansh are partners in the ratio of 3: 2. Their Fixed Capital were Rs.3,00,000and Rs.4,00,000 respectively. After the closing of accounts for the year it was observed that the Interest on Capital which was agreed to be provided at 5% p.a. was erroneously provided at 10% p.a. By what amount will Ajay's account be affected if partners decide to pass an adjustment entry for the same?</p> <p>a) Ajay's Current A/c will be debited by Rs.15,000. b) Ajay's Current A/c will be credited by Rs.6,000. c) Ajay's Current A/c will be credited by Rs.35,000. d) Ajay's Current A/c will be debited by Rs.20,000.</p> <p style="text-align: center;">OR</p> <p>On the reconstitution of a firm, the value of land was to be appreciated by Rs. 2,00,000 and plant and machinery was to be reduced to Rs. 7,00,000 from Rs. 10,00,000. Gain or Loss on revaluation will be:</p> <p>a) Gain Rs.1,00,000 b) Loss Rs.1,00,000 c) Loss Rs.5,00,000 d) Gain Rs.5,00,000</p>	1
5.	<p>Tangible Assets of the firm are Rs. 14,00,000 and Outside liabilities are Rs. 4,00,000, Profit of the firm is Rs. 1,50,000 and normal rate of return is 10%. Calculate capital employed.</p> <p>a) Rs.10,00,000 b) Rs.1,00,000 c) Rs.50,000 d) Rs.20,000</p>	1
6.	<p>X and Y are partners sharing profits in the ratio of 5 : 3. They admitted Z for 1/5th share in profits, for which he paid Rs. 1,20,000 as Capital and Rs. 60,000 as Goodwill. Capitals for each partner, taking Z's capital as base capital will be:</p> <p>a) Rs.3,00,000, Rs.1,20,000 and Rs.1,20,000 b) Rs.3,00,000 Rs.1,20,000 and Rs.1,80,000 c) Rs.3,00,000 Rs.1,80,000 and Rs.1,20,000 d) Rs.3,00,000 Rs.1,80,000 and Rs.1,80,000</p> <p style="text-align: center;">OR</p>	1

Arun and Vijay are partners in a firm sharing profits and losses in the ratio of 5:1.

Liabilities	Rs.	Assets	Rs.
		Machinery	40,000

If the value of machinery reflected in the balance sheet is overvalued by $33\frac{1}{3}\%$, find out the value of Machinery to be shown in the new Balance Sheet:

- a) Rs.44,000
- b) Rs.48,000
- c) Rs.30,000
- d) Rs.32,000

7. **Assertion (A):** Commission provided to partner is shown in Profit and Loss A/c.
Reason(R): Commission provided to partner is charge against profit and is to be provided at fixed rate.
- a) Assertion (A) is true but Reason(R) is false.
 - b) Both Assertion(A) and Reason(R) are true but Reason(R) is not the correct explanation of Assertion(A)
 - c) Both Assertion (A) and Reason(R) are incorrect.
 - d) Both Assertion(A) and Reason(R) are true and Reason(R) is the correct explanation of Assertion(A)

8. Goodwill of the firm on the basis of 2 years' purchase of average profit of the last 3 years is Rs. 25,000. Find average profit.
- a) Rs.12500
 - b) Rs.25000
 - c) Rs.10000
 - d) Rs.50000

OR

'A' and 'B' are partners in a firm sharing profits in 3:2 ratio. They admitted 'C' as a new partner and the new profit-sharing ratio will be 2:1:1. 'C' brought in Rs. 40,000 as premium for goodwill for its share. What will be the share of goodwill of old partners?

- a) A's Share 16,000 and B's Share Rs. 24,000
- b) A's Share 20,000 and B's Share Rs. 20,000
- c) A's Share 10,000 and B's Share Rs. 30,000
- d) A's Share 24,000 and B's Share Rs. 16,000

Read the following hypothetical situation and Answer Question No. 9 and10: -

Puneet and Raju are partners in a clay toy making firm. Their capitals were Rs.5,00,000and Rs.10,00,000 respectively. The firm allowed Puneet to get a commission of 10% on the net profit before charging any commission and Raju to get a commission of 10% on the net profit after charging all commission. Following is the Profit and Loss Appropriation Account for the year ended 31st March 2022.

Profit and Loss Appropriation Account

Dr. For the year ended 31st March, 2022

Cr.

Particulars	Amt. (Rs.)	Particulars	Amt. (Rs.)
To Puneet's Capital A/c(Commission) (_____ X 10/100)	44,000	By, Profit and Loss A/c	_____
To Raju's Capital A/c(Commission)	_____		
To Profit share transferred to: - Puneet's Capitals A/c	_____		
Raju's Capitals A/c	_____		
	_____		_____

14.	<p>Match the following 'Column A' with 'Column B' and choose the correct option below:</p> <table border="1" data-bbox="277 121 1312 352"> <thead> <tr> <th data-bbox="277 121 938 180">Column A</th> <th data-bbox="938 121 1312 180">Column B</th> </tr> </thead> <tbody> <tr> <td data-bbox="277 180 938 239">I. When drawings are made at the end of quarter</td> <td data-bbox="938 180 1312 239">a. 5.5</td> </tr> <tr> <td data-bbox="277 239 938 298">II. When drawings are made in middle of every quarter</td> <td data-bbox="938 239 1312 298">b. 4.5</td> </tr> <tr> <td data-bbox="277 298 938 352">III. When drawings are made at the end of each month</td> <td data-bbox="938 298 1312 352">c. 6</td> </tr> </tbody> </table> <p>a) I-b; II-c; III-a b) I-a; II-c; III-b c) I-c; II-b; III-a d) I-b; II-a; III-c</p>	Column A	Column B	I. When drawings are made at the end of quarter	a. 5.5	II. When drawings are made in middle of every quarter	b. 4.5	III. When drawings are made at the end of each month	c. 6	1
Column A	Column B									
I. When drawings are made at the end of quarter	a. 5.5									
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III. When drawings are made at the end of each month	c. 6									
15.	<p>A and B are partners in the ratio of 3:2. C is admitted as a partner and he takes 1/4th of his share from A. B gives 3/16 from his share to C. What is the share of C?</p> <p>a) 1/4 b) 1/16 c) 1/6 d) 1/16</p> <p style="text-align: center;">OR</p> <p>At the time of admission of a partner, what will be the effect of the following information? Balance in Workmen compensation reserve Rs. 40,000. Claim for workmen compensation Rs.45,000.</p> <p>a) Rs.45,000 Debited to the Partner's capital Accounts. b) Rs.40,000 Debited to Revaluation Account. c) Rs.5,000 Debited to Revaluation Account. d) Rs.5,000 Credited to Revaluation Account.</p>	1								
16.	<p>A, B and C are partners sharing profits in the ratio of 4:3:2, decided to share profit equally. Goodwill of the firm is value at Rs. 10,800. The adjusting entry will be:</p> <p>a) A's capital A/c Cr. By Rs.4,800; B's capital A/c Dr. By Rs. 3,600; C's capital A/c Dr. By Rs.1,200 b) A's capital A/c Dr. By Rs.3,600; B's capital A/c Cr. By Rs. 3,600; C's capital A/c Cr. By Rs.2,400 c) A's capital A/c Cr. By Rs.1,200; C's capital A/c Dr. By Rs.1,200 d) A's capital A/c Dr. By Rs.1,200; C's capital A/c Cr. By Rs.1,200</p>	1								
17.	<p>A and B are partners sharing profits and losses in the ratio 3:2 respectively. They admit C as partner who is unable to bring goodwill in cash but pays Rs 96,000 as his capital. The goodwill of the firm is to be valued at two years' purchase of three years' profits. The profits for the three years were Rs. 30,000, Rs. 24,000 and Rs. 27,000. The new ratio will be 5 : 2 : 2. Pass the adjustment entry for C's share of goodwill and show the necessary workings.</p>	3								
18.	<p>Amay, Anmol and Rohan entered into partnership on 1st July, 2021 to share profits and losses in the ratio of 3:2:1. Amay guaranteed that Rohan's share of profit after charging interest on capital @ 6% p.a. would not be less than Rs. 36,000 p.a. Their fixed capital balances are: Rs.2,00,000, Rs.1,00,000 and Rs.1,00,000 respectively. Profit for the year ended 31st March, 2022 was Rs.1,38,000.</p> <p>Prepare Profit and Loss Appropriation A/c.</p> <p style="text-align: center;">OR</p> <p>On 31st March, 2019, after the closing of the accounts, the Capital Accounts of P, Q and R stood in the books of the firm at Rs. 40,000; Rs. 30,000 and Rs. 20,000 respectively. Subsequently, it was noticed that interest on capital @ 5% had been omitted. Profit for the year ended 31st March, 2019 was Rs. 60,000 and the partners' drawings had been P – Rs. 10,000, Q – Rs. 7,500 and R – Rs. 4,500. Profit-sharing ratio of P, Q and R is 3 : 2 : 1. Give necessary adjustment entry and show workings properly.</p>	3								

19. X, Y and Z who are sharing profits in the ratio of 5 : 3 : 2, decide to share profits in the ratio of 2 : 3 : 5 with effect from 1st April, 2019. Workmen Compensation Reserve appears at Rs.1,20,000 in the Balance Sheet as at 31st March, 2019 and Workmen Compensation Claim is estimated at Rs. 1,50,000. Pass Journal entries for the accounting treatment of Workmen Compensation Reserve.

OR

Nitin, Tarun and Amar are partners sharing profits equally and decide to share profits in the ratio of 2 : 2 : 1 w.e.f. 1st April, 2019. The extract of their Balance Sheet as at 31st March, 2019 is as follows:

Liabilities	Rs.	Assets	Rs.
Investments Fluctuation Reserve	60,000	Investments (At Cost)	4,00,000

Pass the Journal entries when its Market Value is Rs. 3,10,000.

20. A, B and C are partners in a firm. They do not have a Partnership Deed. At the end of the first year of the commencement of the firm, they have faced the following problems :
- (i) A wants that interest on capital should be allowed to the partners but B and C do not agree.
 - (ii) B wants that the partners should be allowed to draw salary but A and C do not agree.
 - (iii) C wants that the loan given by him to the firm should bear interest @ 10% p.a. but A and B do not agree.
- State how you will settle these dispute if the partners approach you for purpose.

21. A, B and C are partners sharing profits and losses in the ratio of 5 : 3 : 2. Their Balance Sheet as at 31st March, 2019 stood as follows:

Liabilities		Amount (Rs.)	Assets		Amount (Rs.)
Capital A/cs:			Land and Building		3,50,000
A	2,50,000		Machinery		2,40,000
B	2,50,000		Computers		70,000
C	2,00,000	7,00,000	Investments (Market value Rs. 90,000)		1,00,000
General Reserve		60,000	Sundry Debtors		50,000
Investments Fluctuation Reserve		30,000	Cash in Hand		10,000
Sundry Creditors		90,000	Cash at Bank		55,000
			Advertisement Suspense		5,000
		8,80,000			8,80,000

They decided to share profits equally w.e.f. 1st April, 2019. They also agreed that:

- (i) Value of Land and Building be decreased by 5%.
 - (ii) Value of Machinery is increased by 5%.
 - (iii) A Provision for Doubtful Debts is created @ 5% on Sundry Debtors.
 - (iv) A Motor Cycle valued at Rs. 20,000 was unrecorded and is now to be recorded in the books.
 - (v) Out of Sundry Creditors, Rs. 10,000 is not payable.
 - (vi) C was to carry out the work for reconstituting the firm at remuneration (including expenses) of Rs. 5,000. Expenses came to Rs.3,000.
- Prepare Revaluation Account.

22.	A partnership firm earned net profits during the past three years as follows:			4
	Year ended	31st March, 2019	31st March, 2018	31st March, 2017
	Net Profit (Rs.)	2,30,000	2,00,000	1,70,000

Capital investment in the firm throughout the above-mentioned period has been Rs.4,00,000. Having regard to the risk involved, 15% is considered to be a fair return on the capital. The remuneration of the partners during this period is estimated to be Rs.1,00,000 p.a. Calculate value of goodwill on the basis of two years' purchase of average super profit earned during the above-mentioned three years.

23.	<p>X and Y entered into partnership on 1st April, 2017. Their capitals as on 1st April, 2018 were Rs.2,00,000 and Rs. 1,50,000 respectively. On 1st October, 2018, X gave Rs. 50,000 as loan to the firm. As per the provisions of the partnership deed:</p> <p>(i) 20% of Profits before charging interest on Drawings but after making appropriations to be transferred to General Reserve.</p> <p>(ii) Interest on capital at 12% p.a. and Interest on Drawings @ 10% p.a.</p> <p>(iii) X to get monthly salary of Rs. 5,000 and Y to get salary of Rs. 22,500 per quarter.</p> <p>(iv) X is entitled to a commission of 5% on sales. Sales for the year were Rs. 3,50,000.</p> <p>(v) Profit to be shared in the ratio of their capitals up to Rs. 1,75,000 and balance equally.</p> <p>Profit for the year ended 31st March, 2019 before allowing or charging interest was Rs. 4,61,000. The drawings of X and Y were Rs. 1,00,000 and Rs. 1,25,000 respectively.</p> <p>Prepare Profit and Loss Appropriation Account and the Partners' Capital Accounts.</p> <p style="text-align: center;">OR</p> <p>Mita and Usha are partners in a firm sharing profits in the ratio of 2 : 3. Their Capital Accounts as on 1st April, 2015 showed balances of Rs. 1,40,000 and Rs. 1,20,000 respectively. The drawings of Mita and Usha during the year 2015-16 were Rs. 32,000 and Rs. 24,000 respectively. Both the amounts were withdrawn on 1st January 2016. It was subsequently found that the following items had been omitted while preparing the final accounts for the year ended 31st March, 2016:</p> <p>(a) Interest on Capital @ 6% p.a.</p> <p>(b) Interest on Drawings @ 6% p.a.</p> <p>(c) Mita was entitled to a commission of Rs. 8,000 for the whole year.</p> <p>Showing your working clearly, pass a rectifying entry in the books of the firm.</p>	6
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24.	<p>Following is the Balance Sheet of Abha and Binay as at 31st March, 2014:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2">Liabilities</th> <th>Rs.</th> <th colspan="2">Assets</th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td colspan="2">Creditors</td> <td>13,000</td> <td>Bank</td> <td colspan="2">15,000</td> </tr> <tr> <td colspan="2">Employees Provident Fund</td> <td>8,000</td> <td>Debtors</td> <td>22,000</td> <td></td> </tr> <tr> <td>Workmen Compensation Fund</td> <td></td> <td>15,000</td> <td>Less: Provision for Doubtful Debts</td> <td>1,000</td> <td>21,000</td> </tr> <tr> <td colspan="2">Capital A/cs:</td> <td></td> <td>Stock</td> <td colspan="2">10,000</td> </tr> <tr> <td>Abha</td> <td>55,000</td> <td></td> <td>Plant and Machinery</td> <td colspan="2">60,000</td> </tr> <tr> <td>Binay</td> <td>30,000</td> <td>85,000</td> <td>Goodwill</td> <td colspan="2">10,000</td> </tr> <tr> <td colspan="2"></td> <td></td> <td>Profit and Loss</td> <td colspan="2">5,000</td> </tr> <tr> <td colspan="2"></td> <td>1,21,000</td> <td></td> <td colspan="2">1,21,000</td> </tr> </tbody> </table> <p>Chitra was admitted as a partner for 1/4th share in the profits of the firm. It was decided that:</p> <p>(a) Bad Debts amounted to Rs.1,500 will be written off.</p>	Liabilities		Rs.	Assets		Rs.	Creditors		13,000	Bank	15,000		Employees Provident Fund		8,000	Debtors	22,000		Workmen Compensation Fund		15,000	Less: Provision for Doubtful Debts	1,000	21,000	Capital A/cs:			Stock	10,000		Abha	55,000		Plant and Machinery	60,000		Binay	30,000	85,000	Goodwill	10,000					Profit and Loss	5,000				1,21,000		1,21,000		6
Liabilities		Rs.	Assets		Rs.																																																			
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		1,21,000		1,21,000																																																				

- (b) Stock worth Rs.8,000 was taken over by Abha and Binay at Book Value in their profit-sharing ratio. The remaining stock was valued at Rs.2,500.
- (c) Plant and Machinery and Goodwill were valued at Rs.32,000 and Rs.20,000 respectively.
- (d) Chitra brought her share of goodwill in cash.
- (e) Chitra will bring proportionate capital and the capitals of Abha and Binay will be adjusted in their profit-sharing ratio by bringing in or paying off cash as the case may be.
- Prepare Revaluation Account and Partners' Capital Accounts.

OR

X and Y are partners sharing profits in the ratio of 2 : 1. Their Balance Sheet as at 31st March, 2019 was:

Liabilities		Rs.	Assets		Rs.
Sundry Creditors		25,000	Cash/Bank		5,000
General Reserve		18,000	Sundry Debtors		15,000
Capital A/cs:			Stock		10,000
X	75,000		Investments		8,000
Y	62,000	1,37,000	Printer		5,000
			Fixed Assets		1,37,000
		1,80,000			1,80,000

They admit Z into partnership on the same date on the following terms:

- (a) Z brings in Rs. 40,000 as his capital and he is given 1/4th share in profits.
- (b) Z brings in Rs. 15,000 for goodwill, half of which is withdrawn by old partners.
- (c) Investments are valued at Rs. 10,000. X takes over Investments at this value.
- (d) Printer is to be reduced (depreciated) by 20% and Fixed Assets by 10%.
- (e) An unrecorded stock of Stationery on 31st March, 2019 is Rs. 1,000.
- (f) By bringing in or withdrawing cash, the Capitals of X and Y are to be made proportionate to that of Z on their profit-sharing basis.

Pass necessary Journal entries.

25. Current Account's Balance as on 1st April, 2017 was as: Amit: Rs. 5,000 (Cr.), Namit: Rs. 2,000 (Cr.) and Ruchi: Rs. 1,000 (Dr.). Profit sharing ratio was 3:2:1. Amit gets a monthly salary of Rs. 1,500. Amit draws Rs. 2,000 on the first day of each month and Namit draws Rs. 2,000 on the last date of each month while Ruchi draws Rs. 6,000 at the end of quarter. Interest on drawings is charged @ 12% p.a. Profits for the year ended 31st March, 2018 before adjustments of interest on drawings and of salary were Rs. 74,040. Show Current Accounts.

6

26. Raghu and Rishu are partners sharing profits in the ratio 3 : 2. Their Balance Sheet as at 31st March, 2009 was as follows:

BALANCE SHEET OF RAGHU AND RISHU
as at 31st March, 2009

Liabilities		Rs.	Assets		Rs.
Creditors		86,000	Cash in Hand		77,000
Employees' Provident Fund		10,000	Debtors		42,000
Investments Fluctuation Reserve		4,000	Less: Provision for Doubtful Debts		7,000
Capital A/cs:			Investments		21,000
Raghu	1,19,000		Buildings		98,000

6

Rishu	1,12,000	2,31,000	Plant and Machinery	1,00,000
		3,31,000		3,31,000

Rishabh was admitted on that date for 1/4th share of profit on the following terms:

(a) Rishabh will bring Rs.50,000 as his share of capital.

(b) Goodwill of the firm is valued at Rs.42,000 and Rishabh will bring his share of goodwill in cash.

(c) Buildings were appreciated by 20%.

(d) All Debtors were good.

(e) There was a liability of Rs. 10,800 included in Creditors which was not likely to arise.

(f) New profit-sharing ratio will be 2 : 1 : 1.

(g) Capital of Raghu and Rishu will be adjusted on the basis of Rishabh's share of capital and any excess or deficiency will be made by withdrawing or bringing in cash by the concerned partners as the case may be.

(h) Profit on Revaluation is Rs.37,400.

Prepare Partners' Capital Accounts and Balance Sheet of the new firm.

**PART B: - Analysis of Financial Statements
(Option – I)**

27.	Horizontal analysis is also known as: a) Dynamic Analysis b) Structural Analysis c) Static Analysis d) Both a and c OR The analysis of financial statement by Board of Directors of a company is an example of : a) Internal analysis b) External analysis c) Horizontal analysis d) Vertical analysis	1
28.	Debit balance of profit and loss statement will be shown on _____. a) Assets side of balance sheet b) Liabilities side of balance sheet c) Under the head reserve and surplus d) Under the head reserves and surplus as a negative item	1
29.	Statement I: - The authorized capital is shown by way of information in the notes to accounts. It is not added to the amount of share capital to be shown in balance Sheet. Statement II: -Financial analysis ignores qualitative factors. a) Both Statements are incorrect. b) Statement I is correct and Statement II is incorrect. c) Statement I is incorrect and Statement II is correct. d) Both Statements are correct. OR Which of the following is not a part of the financial statement of a company? a) Profit and loss A/c b) Balance sheet c) Cash flow statement d) Ledger account	1

30.	Which of the following explains the significance of financial analysis? a) Ignores qualitative aspect b) Judges' operational efficiency c) Suffers from the limitations of financial statements d) It is affected by personal ability and bias of the analysis	1																																																																						
31.	Under which of the heads and sub heads (if any) will the following items be shown, while preparing the Balance Sheet of a company, as per provisions of Companies Act, 2013, as contained in Schedule III? i. Loose Tools ii. 10% debentures iii. Proposed dividends iv. Share forfeited Account v. Patent rights vi. Work-in-progress	3																																																																						
32.	What do you understand by analysis and interpretation of financial statements?	3																																																																						
33.	Prepare Common-size Statement of Profit and Loss from the following Statement of Profit and Loss: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Particulars</th> <th style="width: 10%;">Note No.</th> <th style="width: 20%;">Year I (Rs.)</th> <th style="width: 20%;">Year II (Rs.)</th> </tr> </thead> <tbody> <tr> <td>I. Income</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Revenue from Operations (Net Sales)</td> <td></td> <td style="text-align: right;">14,00,000</td> <td style="text-align: right;">16,00,000</td> </tr> <tr> <td>II. Expenses</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Purchases of Stock-in-Trade</td> <td></td> <td style="text-align: right;">9,00,000</td> <td style="text-align: right;">10,00,000</td> </tr> <tr> <td>Change in Inventories of Stock-in-Trade</td> <td></td> <td style="text-align: right;">1,00,000</td> <td style="text-align: right;">1,80,000</td> </tr> <tr> <td>Finance Costs</td> <td></td> <td style="text-align: right;">80,000</td> <td style="text-align: right;">80,000</td> </tr> <tr> <td>Other Expenses</td> <td></td> <td style="text-align: right;">90,000</td> <td style="text-align: right;">1,30,000</td> </tr> <tr> <td style="text-align: center;">Total</td> <td></td> <td style="text-align: right;">11,70,000</td> <td style="text-align: right;">13,90,000</td> </tr> <tr> <td>III. Net Profit (I-II)</td> <td></td> <td style="text-align: right;">2,30,000</td> <td style="text-align: right;">2,10,000</td> </tr> <tr> <td>IV. Less: Tax</td> <td></td> <td style="text-align: right;">40,000</td> <td style="text-align: right;">36,000</td> </tr> <tr> <td>V. Net Profit After Tax (III-IV)</td> <td></td> <td style="text-align: right;">1,90,000</td> <td style="text-align: right;">1,74,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p style="text-align: center;">OR</p> <p>Following information is extracted from the Statement of Profit and Loss of Gold Coin Ltd. for the year ended 31st March, 2015. You are required to prepare a Comparative income Statement of Profit and Loss on the basis of the information given:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Particulars</th> <th style="width: 25%;">31st March, 2015</th> <th style="width: 25%;">31st March, 2014</th> </tr> </thead> <tbody> <tr> <td>Revenue from Operations</td> <td style="text-align: right;">Rs. 60,00,000</td> <td style="text-align: right;">Rs. 45,00,000</td> </tr> <tr> <td>Employee Benefit Expenses</td> <td style="text-align: right;">Rs. 30,00,000</td> <td style="text-align: right;">Rs. 22,50,000</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">Rs. 7,50,000</td> <td style="text-align: right;">Rs. 6,00,000</td> </tr> <tr> <td>Other Expenses</td> <td style="text-align: right;">Rs. 15,50,000</td> <td style="text-align: right;">Rs. 10,00,000</td> </tr> <tr> <td>Tax Rate</td> <td style="text-align: right;">30%</td> <td style="text-align: right;">30%</td> </tr> </tbody> </table>	Particulars	Note No.	Year I (Rs.)	Year II (Rs.)	I. Income				Revenue from Operations (Net Sales)		14,00,000	16,00,000	II. Expenses				Purchases of Stock-in-Trade		9,00,000	10,00,000	Change in Inventories of Stock-in-Trade		1,00,000	1,80,000	Finance Costs		80,000	80,000	Other Expenses		90,000	1,30,000	Total		11,70,000	13,90,000	III. Net Profit (I-II)		2,30,000	2,10,000	IV. Less: Tax		40,000	36,000	V. Net Profit After Tax (III-IV)		1,90,000	1,74,000					Particulars	31st March, 2015	31st March, 2014	Revenue from Operations	Rs. 60,00,000	Rs. 45,00,000	Employee Benefit Expenses	Rs. 30,00,000	Rs. 22,50,000	Depreciation	Rs. 7,50,000	Rs. 6,00,000	Other Expenses	Rs. 15,50,000	Rs. 10,00,000	Tax Rate	30%	30%	4
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34.

Following is the Balance Sheet of Radha Ltd. as at 31st March, 2019:

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Particulars	Note No.	31st March, 2019, (Rs.)	31st March, 2018, (Rs.)
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital		15,00,000	10,00,000
(b) Reserves and Surplus		10,00,000	10,00,000
2. Non-Current Liabilities			
Long-term Borrowings		8,00,000	2,00,000
3. Current Liabilities			
(a) Trade Payables		5,00,000	3,00,000
Total		38,00,000	25,00,000
II. ASSETS			
1. Non-Current Assets			
<i>Fixed Assets:</i>			
(i) Tangible Assets		25,00,000	15,00,000
(ii) Intangible Assets		5,00,000	5,00,000
2. Current Assets			
(a) Trade Receivables		6,00,000	3,50,000
(b) Cash and Cash Equivalents		2,00,000	1,50,000
Total		38,00,000	25,00,000

You are required to prepare Comparative Balance Sheet on the basis of the information given in the above Balance Sheet.