ACCOUNTANCY 055

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PART-A

1 (D); 10%

2 (A); Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A)

[a] 3 (A); credited, ₹ 3,000

[a] 4 (B); ₹ 3,72,000

5 (C); ₹ 5,09,000

[a] 6 (A); It is a primary security

[a] 7 (B); Old profit sharing ratio

8 (C); ₹ 2400

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[a]9 (C); 4:1

10 (C); Nidhi ₹9,000 ; Kunal ₹6,000

11 (B); ₹72,000

12 (C); ₹8 per share

13 (C); ₹2,45,000

14 (C); ₹10,000 will be credited to realisation account

15 (B); 31:41:18

16 (D); ₹2,70,000

4

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17 Given:-

Average profit = ₹8,00,000 —(i)

Normal rate of return = 10%.

Assets = ₹60,00,000

External liabilities = ₹20,00,000

(i) Goodwill by capitalisation of super profits.

Capital Employed = Assets - External liabilities

= ₹60,00,000 - ₹20,00,000

= ₹40,00,000

∴ Normal profit = Capital Employed × Normal rate of return

= ₹40,00,000 × 10/100

= ₹4,00,000 —(ii)

Super profit = Average profit * — Normal Profit

= ₹8,00,000 - ₹4,00,000 [(i) - (ii)]

= ₹4,00,000

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$$\text{Goodwill} = \frac{\text{Super. Profit} \times 100}{\text{Normal Rate of Return}}$$

$$= \frac{₹4,00,000 \times 100}{10}$$

$$= \boxed{₹\,40,00,000}$$ Ans

(ii) Four Years's purchase of super profits

Goodwill = Super Profit × Nor No of years purchased

$= ₹\,4,00,000 \times 4$

$= \boxed{₹\,16,00,000}$ Ans

18

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Given fixed Capital :- Sultan ₹6,00,000 ; Singh ₹5,00,000 ; Tulsi ₹4,00,000

18 (a) In the books of Sultan, Singh & Tulsi

Journal

Date	Particulars	L/F	Dr.	Cr.
	Tulsi's Current A/c	Dr	2000	
	To Sultan's Current A/c			1500
	To Singh's Current A/c			500
	(being adjustment entry passed)			

Table Showing Adjustment

Particulars		Sultan	Singh	Tulsi	Total.
Excess Interest on Capital given @ 2% now debited	Dr.	(12,000)	(19,000)	(8,000)	(30,000)
39,000 to be divided in 9:7:4	Cr.	13,500	10,500	6,000	30,000
Net Effect		1500 Cr.	500 Cr.	(2000) Dr.	—

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19 (a) In the books of Ravinak Cotton Ltd.

Date	Particulars	L/F	Dr. ₹	Cr. ₹
i)	Machinery A/c	Dr.	6,89,000	
	To Heavy Machines Ltd.			6,89,000
	(being Machinery purchased)			
ii)	Heavy Machines Ltd.	Dr.	6,89,000	
	To Equity Share Capital A/c [10500 × 50]			5,25,000
	To Securities Premium A/c [10500 × 10]			1,05,000
	To Bank A/c			59,000
	(being purchase consideration paid by issue of 10500 equity shares @ 20% and the balance by cheque)			

Balance amount paid by cheque = 6,89,000 − (10500 × 60)
= 6,89,000 − 6,30,000
= ₹ 59,000

8

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20

In the books of Shree and Hari

Journal

	Date	Particulars		L/F	Dr.	Cr.
	2025					
(i)	31 Mar	Hari's Commission A/c	Dr.		5000	
		To Hari's Current A/c				5000
		(being Hari given commission @ 5% on net profit)				
(ii)	31 Mar	Profit & Loss Appropriation A/c	Dr.		5000	
		To Hari's Commission A/c				5000
		(being Hari's Commission transferred to Profit & Loss Appropriation A/c)				

Working Note:-

Calculation of Hari's Commission

Hari's Commission = 5% of Net profit

$= \frac{5}{100} \times 1,00,000 = ₹5,000$

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21

In the books of Bhumika Ltd.

Journal

Date	Particulars		L.F	Dr. ₹	Cr. ₹
2024					
1 April	Bank A/c (500 × 450)	Dr.		2,25,000	
	To Debenture Application & Allotment A/c				2,25,000
	(being application money received)				
1 April	Debenture Application & Allotment A/c	Dr		2,25,000	
	Loss on issue of Debentures A/c	Dr.		40,000	
	To 9% Debentures A/c (500 × 500)				2,50,000
	To Premium on Redemption of Debentures A/c (500 × 30)				15,000
	(being 500 debentures issued @ ₹ 450 redeemable @ ₹ 530)				~~+5,000~~

Answer Continued to next page.

10

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Date	Particulars		L.F.	Dr. Amount	Cr. Amount
2025 31 March	Securities Premium A/c	Dr.		39000	
	Statement of Profit & Loss A/c	Dr.		19,000	
	To Loss on Issue of Debentures A/c				40,000
	(being loss on issue of debentures written off)				

Dr. Loss on Issue of Debentures A/c Cr.

Date	Particulars	₹	Date	Particulars	₹
2024 1 April	To 9% Debentures A/c	25000	2025 31 Mar	By Securities Premium A/c	39,000
1 April	To Premium on Redemption of Debentures A/c	15000	31 Mar	By Statement of Profit & Loss A/c	19,000
		40,000			40,000

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22

(i) Calculation of Goodwill on Hina's Death

Average profit of last 3 years = $\frac{4,75,000 + 4,05,000 + 3,20,000}{3}$

$= \frac{12,00,000}{3}$

= ₹4,00,000

∴ Goodwill = Average Profit × ~~No of years~~ 4

= ₹4,00,000 × 4

= **₹16,00,000**

Hina's Share of Goodwill = Goodwill × Her Share of Profit

$= 16,00,000 \times \frac{2}{10}$

= **₹3,20,000**

(ii) Calculation of Hina's Share of Profit till date of her death

Her share of profit = last yr's profit × Her share × Time period

$= 3,20,000 \times \frac{2}{10} \times \frac{3}{12}$

$= ₹16,000$

(iii)

In the books of Kiran, Ravena & Hina

Date	Particulars	L.F.	Dr.	Cr.
2025				
1 July	Kiran's Capital A/c	Dr.	2,00,000	
	Ravena's Capital A/c	Dr.	1,20,000	
	To Hina's Capital A/c			3,20,000
	(being Hina given her share of goodwill by remaining in ~~sacrifice~~ gaining ratio 5:3)			
1 July	Profit & Loss Suspense A/c	Dr.	16,000	
	To Hina's Capital A/c			16,000
	(being hina's share of profit provided)			

23 Dr. Realisation A/c Cr.

Particulars		₹	Particulars A		₹
To Stock A/c	2,50,000		By Creditors A/c		4,50,000
To Debtors A/c	2,00,000		By bank A/c :-		
To Plant & Machinery A/c	5,50,000	10,00,000	Plant & Machinery	4,87,000	
To bank A/c (Creditors)		4,50,000	Stock (2,50,000 - 50,000)	2,00,000	
To Ramveet's Capital A/c		9000	Debtors	1,40,000	8,27,000
			By Loss on Realisation		
			Ramveet's Capital A/c	1,27,400	
			Manmeet's Capital A/c	54600	1,82,000
		14,59,000			14,59,000

Note:- I have assumed that realisation expense of ₹7500 is paid by Ramveet.

Answer continued in next page

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Dr. Partner's Capital A/c Cr.

Particulars	Ravneet	Manmeet	Particulars	Ravneet	Manmeet
To Realisation A/c	1,27,400	54,600	By balance b/d	5,00,000	3,00,000
To bank A/c	3,81,600	2,45,400	By Realisation A/c	9000	
	5,09,000	3,00,000		5,09,000	3,09,000

24 (b)

(i)

In the books of Diksha Ltd.

Journal.

Date	Particulars	L/F	Dr. ₹	Cr. ₹
(i)	Share Capital A/c (3000 × 10) Dr.		30,000	
	To Share Forfeiture A/c (3000 × 8)			24,000
	To Calls-in-Arrears / Share Final Call A/c (3000 × 2)			6000
	(being 3000 shares forfeited)			

(ii)	Bank A/c (600×9)	Dr.	5400	
	Share Forfeiture A/c (600×1)	Dr.	600	
	To Share Capital A/c (600×10)			6000
	(being 600 shares reissued @ ₹9 as fully paid)			
(iii)	Share Forfeiture A/c (600×7)	Dr.	4200	
	To Capital Reserve A/c (600×7)			4200
	(being profit on reissue transferred to capital reserve A/c)			

Calculation of Discount on reissue = $\frac{4800}{600} \quad \frac{24000 \times 600}{3000} - 4200$

$= 4800 - 4200$

$= ₹600$

(ii)

In the books of Ashoka Ltd.

Date	Particulars		L/F	Dr	Cr
(a)	Equity Share Capital A/c (2000×80)	Dr.		160000	
	Securities Premium A/c (2000×10)	Dr.		20,000	
	To Share Forfeiture A/c (2000×30)				60,000
	To Calls-in-Arrears A/c (2000×60)				1,20,000
	(being 2000 shares forfeited)				
(b)	Bank A/c (2000×70)	Dr		1,40,000	
	Share Forfeiture A/c (2000×30	Dr		60,000	
	To Sh Equity Share Capital A/c (2000×100)				2,00,000
	(being 2000 shares reissued @ ₹70 fully paid)				
	No amount will be transferred to Capital reserve A/c				

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In the books of Sanjay, ~~Ajay~~ Vijay & Babul

25(a) Journal

Date	Particulars	L/F	Dr.	Cr.

Dr. Partner's Capital A/c Cr.

Particulars	₹	Particulars	₹

25(a) In the books of Sanjay, Vijay & Babul

Date	Particulars		L/F	Dr.	Cr.
1)	Cash A/c	Dr.		428.000	
	To Babul's Capital A/c				4,00,000
	To Premium for Goodwill A/c			28	28000
	(being Capital & Share of goodwill brought by new partner in cash)				
1)	Premium for Goodwill A/c	Dr.		28000	
	To Sanjay's Capital A/c				19000
	To Vijay's Capital A/c				9000
	(being premium for goodwill distributed among partners)				

iii)	Sanjay's Capital A/c	Dr.		9500	
	Vijay's Capital A/c	Dr.		4500	
	To Cash A/c				14000
	(Being half goodwill premium withdrawn by partners)				
iv)	Sanjay's Capital A/c	Dr.		40,000	
	Vijay's Capital A/c	Dr.		39,000	
	To Revaluation A/c				79,000
	(Being loss on revaluation distributed among partners)				
v)	General Reserve A/c	Dr.		28000	
	To Sanjay's Capital A/c				16000
	To Vijay's Capital A/c				12000
	(Being general reserve distributed among partners)				

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Working Note :-

① Calculation of Sacrificing Ratio.

= Old share - New Share. = Sacrificing Share

Sanjay = $\frac{4}{7} - \frac{3}{10} = \frac{19}{70}$ (Sacrifice)

Vijay = $\frac{3}{7} - \frac{3}{10} = \frac{9}{70}$ (Gain)

∴ ~~Only Sanjay Sacrifices 19~~ ∴ Sanjay & Vijay Sacrifices in 19:9

② Calculation of Goodwill of the firm

Average profit of last 3 yrs. = $\frac{16,500 + 17,500 + 18,500}{3}$

= ₹17500

Goodwill of the firm = 17500 × 4

= ₹ 70,000

Dabul's Share of Goodwill = 70,000 × $\frac{2}{5}$ = ₹ 28,000

(2) Calculation of Babul's proportionate Capital

To Capital of old partners after all adjustment = ₹3,50,000 + ₹2,50,000
= ₹6,00,000

∴ For $\left(1 - \frac{2}{5}\right)^{th}$ Share of profit capital is 6,00,000
$\underline{5} = \left(\frac{3}{5}\right)^{th}$

∴ Total Capital of the firm = $6,00,000 \times \frac{5}{3}$

= 10,00,000

Babul's share of proportionate capital = $\frac{2}{5} \times 10,00,000$

= ₹4,00,000

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(i) (A); ₹ 30,00,000

(ii) (C); ₹ 9,00,000

(iii) (B); ₹ 8,30,000

(iv) (B); ₹ 8,59,000

(v) (D); ₹ 29,000

(vi) (D); Nil

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PART - B (Option - I)
(Analysis of Financial Statements)

[a] 27 (C); Financial Analysis

28 (A); (iv)

[b] 29 (A); Purchase of marketable securities.

30 (D); Both the Statements are false.

31

	Items	Major Head	Sub-Head
(i)	Stores & Spare Parts	Current Assets	Inventories.
(ii)	Live Stock	Non Current Assets.	Property, plant & Equipment & Intangible assets - Property plant & Equipment
(iii)	Public Deposits	Non-Current Liability	Long term Borrowings.

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Comparative Balance Sheet of Royal Sugar Mills Ltd.

Particulars	Note No.	31-03-2024	31-03-2025	Absolute Change	Percentage Change
A		B	BC	C-B	$\frac{C-B}{B} \times 100$
I Equity and Liabilities		₹	₹	₹	(%)
1 Shareholder's Fund					
Share Capital		20,00,000	24,00,000	4,00,000	20.00
2 Non-Current Liabilities					
Long-term Borrowings		10,00,000	12,00,000	2,00,000	20.00
3 Current Liabilities					
Trade Payables.		5,00,000	6,00,000	1,00,000	20.00
Total		35,00,000	42,00,000	7,00,000	20.00
II Assets					
1 Non Current Assets					
Property, plants & Equipment & Intangibles attach.		25,00,000	30,00,000	5,00,000	20.00
2 Current Assets					
(a) Inventories		4,00,000	2,00,000	(2,00,000)	(50)
(b) Cash & Cash Equivalents		6,00,000	10,00,000	4,00,000	66.67
Total		35,00,000	42,00,000	7,00,000	20.00

24

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33 (a)

(i) Current Ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}}$

Current Assets = Total Assets - Non-Current Assets

= 6,09,000 - 5,29,000

= ₹80,000

Current Liability = Total Assets - Capital Employed

= Total Assets - (Non Current Liability + Share holder's fund)

= ₹6,09,000 - (1,40,000 + 4,29,000)

= ₹6,09,000 - ₹5,69,000

= ₹40,000

∴ Current Ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}}$

= $\frac{₹80,000}{₹40,000}$

= 2:1

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(ii) Debt to Capital Employed Ratio = $\frac{\text{Non Current Liabilities}}{\text{Capital Employed}}$

Capital Employed = Share holder's fund + Non Current Liabilities

= 420,000 + 140,000

= $560,000

∴ Debt to Capital Employed = $\frac{\text{Non Current Liabilities}}{\text{Capital Employed}}$

= $\frac{140,000}{560,000}$

= 0.25 : 1

26

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Cash Flow Statement:

34

Particulars		₹	₹
Cash Flow from Operating Activities			
Net Profit before tax		5,50000	
Adjustment of Non Cash & Non Operating Items			
Add:- Depreciation charged on fixed assets.		75000	
Goodwill Written off		80000	
Less :- Gain on Sale of Machinery		(5000)	
Operating Profit before Working Capital Change		7,00,000	
Add: Decrease in Current Assets & Increase in Current Liabilities.			
Increase in Trade Payables	30,000	30000	
		7,30000	
Less: Increase in Current Assets & Decrease in Current Liabilities			
Increase in Trade Receivables	(40,000)		
Increase in Prepaid Expenses	(2000)		
Decrease in Outstanding Wages.	(20,000)	(62000)	
Cash Flow from Operating Activities			6,68,000

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Calculation of Net Profit before Tax

Particulars	₹
Profit for the year ending 31st March 2025	4,00,000
Add: Transfer to General Reserve	1,50,000
Net Profit before tax	5,50,000

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Question Number

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30

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Question Number

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Question Number

32

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Question Number

2026