

## ACCOUNTANCY ANSWER KEY 2024

### Part -A

**I. Choose the correct answer from the choices given:**

**5 x 1 = 5**

1. b) Two persons

2. a) 3: 1

3. a) Rs.70000

4. d) 12 months

5. b) Horizontal Analysis

**II. Fill in the blanks by choosing the appropriate answers from those given in the brackets. 5 x 1 = 5**

6. remains fixed

7. death

8. creditors

9. capital reserve

10. inflows and outflows

**III. Match the following:**

**5 x 1 = 5**

11. a. ii) admission of a partner  
b. iv) Acknowledgement of debt  
c. v) helps in decision making  
d. iii) percentage  
e. i) Investing activity

**IV. Answer the following questions in ONE word or ONE sentence each:**

**5 x 1 = 5**

12. Dissolution by agreement

13. False

14.

Basis	Dissolution of Partnership	Dissolution of Partnership firm
Termination of business	The business is terminated	The business of the firm is closed

15. Bills receivable

16. Earnings Per Share

### PART - B

**V. Answer any THREE questions, each question carries TWO marks.**

**03×02=06**

17. a) Profit Sharing Ratio b) Capitals of Partners

18. Partner's Capital A/c Dr xxx .....  
To Realisation A/c ... xxx  
(Being Assets taken over by partner)

19. The amount remaining unpaid on allotment or on call is called calls in arrears.

20. Financial statements are the basic and formal annual reports through which the corporate management communicates financial information to its owners and various other external parties

21. a) Useful in assessing the ability of the enterprise  
b) Helps in checking the accuracy of past assessments

### PART -C

Answer any THREE questions, each question carries SIX marks.

03×06=18

22. Statement showing calculation of interest on drawings

Date	Amount	Period	Product
30.06.2022	4000	9	36000
01.11.2022	12000	5	60000
31.12.2022	8000	3	24000
01.02.2023	4000	2	8000
			128000

$$\begin{aligned}\text{Interest on drawings} &= \text{Total product} \times \text{rate} \times 1/12 \\ &= 128000 \times 12\% \times 1/12 \\ &= \text{Rs.1280}\end{aligned}$$

23. Gain ratio = New ratio – Old ratio

$$\text{Sanju's Share} = \frac{5}{8} - \frac{3}{10} = \frac{13}{40}$$

$$\text{Manju's Share} = \frac{3}{8} - \frac{2}{10} = \frac{7}{40}$$

Gain ratio = 13 : 7

24.

Dr	Geeta's Executor A/c		Cr
Particulars	Amount	Particulars	Amount
		By capital	60000
		By interest on capital	5400
		60000X12%x9/12	
		By salary	36000
To balance c/d	140100	4000 x 9	
		By P&L Suspense A/c	13500
		60000 x 3/10 x 9/12	
		By seeta's Capital A/c	18000
		25200 x 5/7	
		By kavita's Capital A/c	7200
		25200 x 2/7	
	140100		140100

25.

Note No.1 Employee benefit expenses

Particulars	Amount
Salaries to employees	50,000
Leave encashment	10,000
	60,000

Note No.2 other expenses

Particulars	Amount
Rent & taxes	20,000
Repairs to machinery	20,000
	40,000

Statement of Profit and Loss for the year ended 31.03.2023

Particulars	Note No.	Rs.
Revenue from operations		8,00,000
<b>Total Revenue</b>		<b>8,00,000</b>
Less: Expenses		
Purchase of stock in trade		2,00,000
Employee benefit expenses	1	60,000
Other expenses	2	40,000
<b>Total Expenses</b>		<b>3,00,000</b>
Profit before tax		5,00,000
Less :- Tax		1,50,000
<b>Profit after tax</b>		<b>3,50,000</b>

26. Cash flow from operating activities

Particulars	Amount
Net profit before tax and extraordinary items	6,00,000
Add:- Depreciation	1,00,000
Loss on the sale of old machinery	<u>40,000</u>
Operating profit before working capital changes	7,40,000
Add:- Decrease in inventories	<u>40,000</u>
	7,80,000
Less:- Decrease in current liabilities	<u>20,000</u>
Net cash flow from operating activities	7,60,000

**PART - D**

Answer any THREE questions each carrying twelve marks:

3 × 12 = 36

27. Revaluation A/C

Dr.			Cr.
Particulars	Amount	Particulars	Amount
To Provision for legal charges	700	By Building (66000 – 56000)	10000
To Motor Car (30000 x 10%)	3000		
To stock (48000 x 10%)	4800		
To Profit transferred to partner's capital			
Anita 1500 x 2/3 = 1000			
Sunita 1500 x 1/3 = 500	1500		
	10000		10000

Partners' Capital A/c

Dr.				Cr.			
Particulars	Anita	Sunita	Vinuta	Particulars	Anita	Sunita	Vinuta
To Anita's Capital A/c			20000	By balance b/d	80000	60000	
To sunita's capital A/c			10000	By Reserve fund	12000	6000	
To cash A/c (15000 x 2:1)	10000	5000		By revaluation A/c	1000	500	
				By cash A/c			40000
To balance c/d	103000	71500	40000	By cash A/c			30000
				By Vinuta's capital A/c (30000x 2:1)	20000	10000	
	113000	76500	70000		113000	76500	70000

Balance Sheet as on 1-4-2023

Liabilities	Amount	Assets	Amount
Bills payable	6000	Cash	8000
Creditors	16000	Add: Goodwill	30000
Provision for legal charges	700	Add: Capital	40000
		Less: Goodwill	<u>15000</u>
		Debtors	30000
Capitals		Stock	48000
Anita 103000		Less: Reduced	<u>4800</u>
Sunita 71500		Furniture	8000
Vinuta <u>40000</u>	214500	Building	56000
		Add :- Appreciation	<u>10000</u>
		Motor car	30000
		Less :- depreciation	<u>3000</u>
	237200		27000
			237200

28.

Realisation A/c

Dr.		Cr.	
Particulars	Amount	Particulars	Amount
To debtors A/c	50000	By bills payable A/c	20000
To stock A/c	30000	By creditor's A/c	40000
To furniture A/c	20000	By Bank loan	20000
To machinery A/c	30000		
To building A/c	90000	By bank A/c	195000
		Debtors	52000
To bank A/c	80000	Stock	39000
Bills payable 20000		Machinery	24000
Creditors 40000		Building	<u>80000</u>
Bank loan <u>20000</u>			
		By Shilpa's capital A/c	12000
To bank A/c	3000	(furniture )	
(dissolution expense)		By loss transferred to partner's capital	16000
		Shilpa 16000 x ½ = 8000	
		Amruta 16000 x ½ = 8000	
	303000		303000

**Partners' Capital A/c**

Dr.

Cr.

Particulars	Shilpa	Amruta	Particulars	Shilpa	Amruta
To realisation A/c	8000	8000	By balance b/d	70000	70000
To realisation A/c	12000		By reserve fund (20000 x 1:1)	10000	10000
To bank A/c	60000	72000			
	80000	80000		80000	80000

**Bank A/c**

Dr.

Cr.

Particulars	Amount	Particulars	Amount
To balance b/d	20000	By realization A/c	80000
To realization A/c	195000	By realization A/c	3000
		By partner's capital A/c	
		Shilpa 60000	132000
		Amruta 72000	
	215000		215000

**29. Journal entries in the books of Kalpatharu Company Limited**

Date	Particulars	LF	Debit	credit
	Bank a/c (80000x20) Dr To Equity share application a/c (Being application money received)		1600000	1600000
	Equity share application a/c (80000x20) Dr To Equity share capital a/c (Being application money transferred)		1600000	1600000
	Equity share allotment a/c (80000x40) Dr To Equity share capital a/c (80000x30) To securities premium a/c (80000x10) (Being allotment money due with premium)		3200000	2400000 800000
	Bank a/c (80000x40) Dr To Equity share allotment a/c (Being allotment money received)		3200000	3200000
	Equity share first & final call a/c (80000x50) Dr To Equity share capital a/c (Being first & final call money due)		4000000	4000000
	Bank a/c (80000 – 10000 = 70000 x 50) Dr To Equity share first & final call a/c (Being first & final call money received)		3500000	3500000
	Equity share capital a/c (10000x100) Dr To Equity share first & final call a/c (10000x50) To Forfeited shares a/c (10000x50) (Being shares forfeited for non-payment of first & final call)		1000000	500000 500000
	Bank a/c (10000x80) Dr Forfeited shares a/c (10000x20) Dr To Equity share capital a/c (10000x100) (Being shares re-issued)		800000 200000	1000000
	Forfeited shares a/c Dr To Capital Reserve a/c (500000 - 200000) (Being balance transferred to capital reserve)		300000	300000

### 30. Journal entries

Date	Particulars	LF	Debit	credit
a)	Bank a /c Dr. To 10% Debenture Application & Allotment a /c (being Receipt of application money)		90000	90000
	10% Debenture Application & Allotment a /c Dr. Discount on Issue of Debentures a /c Dr. To 10% Debentures a /c (being Allotment of debentures at a discount)		90000 10000	100000
b)	Bank a /c Dr. To 10% Debenture Application & Allotment a /c (being Receipt of application money)		220000	220000
	10% Debenture Application & Allotment a /c Dr. Loss on Issue of Debentures A/C Dr. To 10% Debentures A/c To securities premium reserve A/c To Premium on Redemption Of Debenture A/C (being Allotment of debentures at discount and Redeemable at a premium)		220000 20000	200000 20000 20000
c)	Bank A/C Dr To 10% Debenture Application & Allotment a /c (being Receipt of application money)		330000	330000
	10% Debenture Application & Allotment a /c Dr. To 10% Debentures a /c To Securities Premium a /c (being application money transferred)		330000	300000 30000
d)	Bank a /c Dr. To 10% Debenture Application & Allotment a /c (being Receipt of application money)		400000	400000
	10% Debenture Application & Allotment a /c Dr. To 10% Debentures a /c (being Allotment of debentures at a discount)		400000	400000

### 31. Comparative balance sheet

Particulars	31.03.2022	31.03.2023	Absolute increase or decrease	Percentage increase or decrease
<b>Equity and liabilities</b>				
1. Shareholder's fund				
a. Share capital	800000	900000	100000	12.5%
b. Reserve and surplus	80000	90000	10000	12.5%
2. Non-current liabilities				
a. long term borrowings	20000	30000	10000	50%
3. Current liabilities	30000	20000	(10000)	33.33%

TOTAL LIABILITIES	930000	1040000	110000	11.82%
Assets				
1. Non-current assets				
a. Fixed assets				
Building	400000	500000	100000	25%
Machinery	100000	200000	100000	100%
2. Current assets				
a. Inventory	300000	300000	0	0
b. Trade receivable	90000	20000	(70000)	77.77%
c. cash and cash equivalents	40000	20000	(20000)	50%
TOTAL ASSETS	930000	1040000	110000	11.82%

32. a. Inventory turnover ratio =  $\frac{\text{Cost of revenue from operations}}{\text{Average inventory}} = \frac{1000000}{200000} = 5 \text{ times}$

b. Trade receivable turnover ratio =  $\frac{\text{Net credit revenue from operation}}{\text{Average trade receivable}} = \frac{800000}{200000} = 4 \text{ times}$

c. Trade payable turnover ratio =  $\frac{\text{Net credit purchase}}{\text{Average trade payable}} = \frac{750000}{150000} = 5 \text{ times}$

d. Gross profit ratio =  $\frac{\text{gross profit}}{\text{net revenue from operation}} \times 100 = \frac{500000}{1500000} \times 100 = 33.33\%$

e. Operating ratio =  $\frac{\text{cost of revenue from operation} + \text{operating expense}}{\text{net revenue from operation}} \times 100 = \frac{1000000 + 50000}{1500000} \times 100 = 70\%$

f. Net profit ratio =  $\frac{\text{net profit}}{\text{net revenue from operations}} \times 100 = \frac{300000}{1500000} \times 100 = 20\%$

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