

BK BIRLA CENTRE FOR EDUCATION

SARALA BIRLA GROUP OF SCHOOLS SENIOR SECONDARY CO-ED DAY CUM BOYS' RESIDENTIAL SCHOOL

PRE BOARD I (2024-25)

ACCOUNTANCY (055)



MARKING SCHEME

Class : XII Commerce Date : 18/Nov/2024

Duration: **3 Hr** Max. Marks: **80**

1.	(A) Must be a written document signed by all partners and stamped by the registrar	(1)
2.	(A) Both A and R are correct, and R is the correct explanation of A.	(1)
	OR I I I I I I I I I I I I I I I I I I I	
	(A) Both A and R are correct, and R is the correct explanation of A.	
3.	(B) Interest on drawings	(1)
4.	(D) All firms and companies must amortize goodwill within 10 years	(1)
5.	(A) Rs.3,50,000	(1)
_	OR	
	(A) Rs.3,50,000	
6.	(A) Debit Aman and Amar's capital A/c by 20,000 each.	(1)
7.	(D) 11:7:2	(1)
	OR	
	(C) 45:27:8	
8.	(D) 19,200 Udit and 12,800 Vincent	(1)
9.	(C) 25,600	(1)
10.	(D) All the three partners	(1)
11.	(A) Compulsory Dissolution	(1)
	OR	
	(B) Section 41	
12.	(A) Equity share allotment A/c Dr	(1)
	To Equity share capital A/c	
	To Securities premium A/c(A) Offer to existing shareholders to first buy newly issued stock in open market	(4)
13.	(A) Oner to existing shareholders to first buy newry issued stock in open market	(1)
14.	(D) A is incorrect but R is correct	(1)
	OR	
	(D) A is incorrect but R is correct	
15.	(A) Rs.10,470	(1)
16.	(D) Underwriters' A/c Dr	(1)
	To % Debenture A/c	

Increase	tion of net effect of revaluation e in value of Land		50,000		(3)
Liecrea	se in value of Creditors		10,000		
			,	40.000	
LC35. D	cerease in value of I failt and Machinery		(20,000)	40,000	
Calcula	tion of Sacrificing/Gaining ratio				
		5 = (7 -	(-8)/20 = -1/20		
			,		
So Aak	ash and Disha gain and Gautam Sacrifice.				
Date	Particulars	LF	Amount(Dr)	Amount(Cr)	
	Aakash's capital A/c		2,000		
	Disha's capital A/c		2,000		
	To Gautam's capital A/c			4,000	
	(Being adjustment made on revaluation profit)				
		-		• • •	
		kram	and Bikram on	Chakram's	(3)
	1 0				
Goodw		_ ?	2 15 000/2 - 1 0	5 000	
So Cha	c	= 3	5,13,000/3 = 1,0	15,000	
-		IF	$\Delta mount(Dr)$	$\Delta mount(Cr)$	1
Date			, ,	/ mount(Cr)	
			00,000	30,000	
				,	
	1			,	
				10,000	
	(Denng general reserve aburbated among partitets)				
	Akram's Capital A/c Dr		21,000		
				35,000	
	4				
1 mark	for calculation of share of goodwill of retiring partne	rs and	1 mark each fo	or the two	J
journal	entries. (1+1+1)				
Case I)	·	\sqrt{c} is 6	0,000 (Credit)		(3)
Date	Particulars	LF	Amount	Amount	
	Loan by Mohan A/c Dr.		1,20,000		
	To Bank A/c			1,20,000	
	(Being loan repaid)				
	As the capital is (Cr) Loan have to be repaid				
	before repayment of capital				
Case II				z)	,
Date	Particulars	LF	Amount	Amount	
	Loan by Mohan A/c Dr.		1,20,000		
	To Bank A/c			20,000	
	To Mohan's Capital A/c			1,00,000	
				1	11
	(Being capital adjusted and excess of loan repaid) Debit balance in capital transferred to loan a/c				
	Calcula Aakash So Aak Date .5 mark As no in retireme Goodwi So Chal 35,000 Date 	6/20 - So Aakash and Disha gain and Gautam Sacrifice. Date Particulars Aakash's capital A/c Disha's capital A/c Image: Comparison of the experiment of the e	Calculation of Sacrificing/Gaining ratio Aakash : Disha : Gautam 7:7:6 to 2:2:1 $7/20 - 2/5 = (7 - 6/20 - 1/5 = 5)$ So Aakash and Disha gain and Gautam Sacrifice. Date Particulars LF Aakash's capital A/c Image: Capital A/c Disha's capital A/c Image: Capital A/c To Gautam's capital A/c Image: Capital A/c Smark each for calculation of net effect and sacrificing/gaining ratio of Akram retirement so it is equal to their original ratio. 3:2 Goodwill of the firm is = 1,20,000 + 1,00,000 + 95,000 3 3 3 5 or Chakram's share = 1,05,000/3 3 35,000 in 3:2 = 21,000 and 14,000 Dr Date Particulars LF General Reserve A/c Dr Image: Capital A/c To Bikram's Capital A/c Image: Capital A/c Image: Capital A/c Makram's Capital A/c Image: Capital A/c Image: Capital A/c Caleing goodwill of Chakram's Capital A/c Image: Capital A/c Image: Capital A/c To Chakram's Capital A/c Image: Capital A/c Image: Capital A/c Image: Capital A/c To Bikram's Capital A/c Image: Capital A/c Image: Capital A/c Image: Capital A/c <	Calculation of Sacrificing/Gaining ratio Aakash : Disha : Gautam 7:7:6 to 2:2:1 $7/20 - 2/5 = (7 - 8)/20 = -1/20$ $6/20 - 1/5 = (6 - 4)/20 = 2/2$ So Aakash and Disha gain and Gautam Sacrifice. Date Particulars LF Amount(Dr) Aakash's capital A/c 2,000 Disha's capital A/c 2,000 So For Gautam's capital A/c 2,000 To Gautam's capital A/c 2,000 So mark each for calculation of net effect and sacrificing/gaining ratio 2 marks for As no information of new PSR is given the gaining ratio of Akram and Bikram on retirement so it is equal to their original ratio. 3:2 Goodwill of the firm is = 1,20,000 + 1,00,000 + 95,000 3 = 3,15,000/3 = 1,0 So Chakram's share = 1,05,000/3 35,000 in 3:2 = 21,000 and 14,000 Date Particulars LF Amount(Dr) General Reserve A/c Dr To Bikram's Capital A/c 1 To O chakram's Capital A/c 1 To O chakram's Capital A/c 21,000 Bikram's Capital A/c 1 Atram's Capital A/c 1 Date Particulars LF	Calculation of Sacrificing/Gaining ratio Aakash : Disha : Gautam 7:7:6 to 2:2:1 $7/20 - 2/5 = (7 - 8)/20 = -1/20$ $6/20 - 1/5 = (6 - 4)/20 = 2/20$ So Aakash and Disha gain and Gautam Sacrifice.Date ParticularsLF Amount(Dr) Amount(Cr) Aakash's capital A/cDate Sacrificing/gaining ratio 2Aakash's capital A/cDate Calculation of net effect and sacrificing/gaining ratio 2 marks for journal (1+2)So mark each for calculation of net effect and sacrificing/gaining ratio 2 marks for journal (1+2)As no information of new PSR is given the gaining ratio of Akram and Bikram on Chakram's retirement so it is equal to their original ratio. 3:2Goodwill of the firm is = 1.20.000 + 10.0000 + 95.000 33a 3,15,000/3 = 1,05,000So Chakram's Sare = 1,05,000/3Soudou 1.2000Date ParticularsLF Amount(Dr) Amount(Cr)General Reserve A/cDr60,000To Chakram's Capital A/c1000Dr14,000To Chakram's Capital A/cImage and span and

t)	ebit)	ebit)	(Debit)	1.50,000 (D	c is 1	oital A	ance in ca) and his bal	Aohan 1,20,00	Case III) Loan by		
Amount				Amount	ĹF					Date Particular		
)	1,20,000				Dr.	Iohan A/c	Loan by N		
				30,000				D		Bank A/c		
1,50,000	1,50,000	1,50,000		,					ohan's Capita			
7- 7		,,				1	ital a/c an		ance of loan t			
								r	brought in)			
						f	nce total o	nan loan he	ance is more t			
						-			sferred and d			
										1 mark for each ca		
									· · · ·	Balance Sheet of X	20.	
mount	Amount	Amount) Am	Note No					BILITIES	EQUITY and LIA	20.	
									ıd	Shareholder's Fu		
5,70,000	35,70,000	35,70,000	35,	1					ıl	Share Capit		
· · ·										•		
										Notes to Account		
mount	Amount	Amount	Am							Particulars		
										1. Share Capital		
										Authorised		
,00,000	50,00,000	50,00,000	50,					10 each	quity Shares o	5,00,000 E		
									tal	Issued Cap		
,00,000	40,00,000	40,00,000	40,	4,00,000 Equity Shares of 10 each								
				Subscribed Capital								
								d				
50,000	34,50,000	34,50,000	34	Subscribed and fully paid 3,45,000 Equity Shares of 10 each								
,50,000	51,50,000	51,50,000	51,						ed but not fully			
				000	,50,0				Equity Shares			
1.20.000	1,20,000	1.20.000	1	,000			2)		alls in arrears			
	35,70,000			,000	,		_/	(10,00011				
,,			,		/c	ation	Appropr	ofit and Los	P		21.	
mount	Amount	Amount	An				Partic	Amount		Particulars	21 .	
				s A/c	Loss		By Pr		oital	To Interest on Ca		
30,700	1,30,700	1,30,700	1.3				(1,54,		13,500	Bhagya A/c		
	, ,	, -,		,	,		By int		9,500	Luck's A/c		
				1,950			Bhagy	30,000	7,000	Tagdir's A/c		
3,300	3.300	3.300		1,350			Luck	, = = 0	.,			
y				,					transferred	To Share of profi		
									60,000	Bhagya A/c		
									26,400	Luck's A/c		
								1,04,000	17,600	Taqdir's A/c		
34,000	1,34,000	1,34,000	1,3					1,34,000	,	1		
adir	Taqdir	Tandir	Тал		nck		Bhanva					
A	80,000	A	-						ril 23	Capital as on 1 st A		
,	(20,000)	,	,		, ,		, ,	: 5:3:2		· · · · · · · · · · · · · · · · · · ·		
	60,000		· · ·	,	$\frac{(10,0)}{0,000}$		1,50,000		- 000 20 us pe	3,00,000 in 5:3:2		
),), ,(=	80, (20, 60,0 500 = 0 =	80, (20, 60,0 500 = 0 =	80, (20, 60,0 7,500 = 500 =	$\begin{array}{c} 000\\ 000)\\ 0\\ 0\\ 00 \ X \ 1/2 = 7,\\ X \ 1/2 = 4,50 \end{array}$	0/10 100 2	,000 X 00 X 1	000 + 1,50 000 + 90,0	$00 \ge 1/2 = 6$	1 st Oct 23 as pe 1,20,000 X 10/ 1,00,000 X 10/	Interest on Capital =		

	Distributab	Luck = $30,000 \times 4.5/12 \times 12/100 = 1,350$ le profit = 1,04,000 in 5:3:2 = 52,000 31,200	20,80)0		
	Adj	ustment 8,000 (4,800) working and 2 marks for P& L app A/c	(3,20			
22.	2 111/01/05 101	Xavier Ltd				(
	Date	Particulars	LF	Amount(Dr)	Amount(Cr)	`
	15 th June	Share Capital A/c Dr (2,000 X 8)		16,000		
		Securities Premium A/c Dr (2,000 X1)		2,000		
		To Share Allotment A/c (2,000 X5)		7	10,000	
		To Share 1^{st} Call A/c (2,000 X1)			2,000	
		To Share forfeiture A/c $(2,000 \times 3)$			6,000	
		(Being 2,000 shares forfeited for non- payment			,	
		of allotment and first call money)				
		CASE I				
	30 th June	Bank A/c Dr (1,000 X9)		9,000		
		To Share Capital A/c (1,000 X8)			8,000	
		To Securities Premium A/c			1,000	
		(Being 1,000 shares forfeited issued at premium)			,	
		Forfeited share A/c Dr		3,000		
		To Capital Reserve A/c			3,000	
		(Being profit on reissue transferred)				
	-	CASE II				
	30 th June	Bank A/c Dr (1,500 X7)		10,500		
		Forfeited shares A/c Dr		1,500		
	-	To Share Capital A/c			12,000	
		(Being 1,500 of forfeited share reissued)				
		Forfeited share A/c Dr		3,000		
		To Capital Reserve A/c			3,000	
		(Being profit on reissue transferred)				
	Used in real 2 mark for	share forfeiture entry 2 mark each for Case I and C	ase II		,	
3.		haring Ratio as on 1 st April 2021 based on capital = ofit sharing ratio after additional capital = 8:6:3:3 or Journal		rl sacrifice hal	f of his share.	
		rticulars	LF	Amount Dr	Amount Cr	
	Ba	ank A/c Dr		4,00,000		
		To Dilip's capital A/c			3,00,000	
		To Premium for Goodwill			1,00,000	
	(B	eing capital and premium for goodwill brought in				
	Pr	emium for Goodwill A/c Dr		1,00,000		
		To Carl's Capital A/c			1,00,000	
		eing premium transferred to sacrificing partner)				
	(B	eng premium transferred to sacrifieng partier)				
		arl's Capital A/c Dr		1,00,000		
	Ca			1,00,000	1,00,000	

	Revaluation A/c Dr		10,000	
	To Furniture			10,000
	(Being value of furniture depreciated)			
			60.000	
	Investment A/c Dr		60,000	60.000
	To Revaluation A/c			60,000
	(Being market value of investment increased)			
	Revaluation A/c Dr		50,000	
·	To Adil's capital A/c		20,000	20,000
	To Bibek's capital A/c			15,000
	To Carl's Capital A/c			15,000
	*			13,000
	(Being profit on revaluation transferred to capital) 5 mark each for calculation of Old and New PSR. 5 marks f	or 6 ioi	rals = (1+5)	
24.	Journal	01 0 J00	$\lim (1+3)$	
24.	Date Particulars	LF	F Amount (Dr)	Amount (Cr
•	Bank A/c Dr		3,20,000	
	To Equity Share Application A/c		2,20,000	3,20,000
	(Being application money received on 1,60,000 share)			
	Equity Share Application A/c Dr		3,20,000	
	To Equity Share Capital A/c		, ,	3,20,000
	(Being application money transferred to share capital)			
	Equity Share Allotment A/c Dr		9,60,000	
	To Equity Share Capital A/c			6,40,000
	To Securities premium reserve A/c			3,20,000
	(Being allotment money due at Rs.6 including premium)			
	Bank A/c Dr		8,70,000	
	Calls in arrears A/c Dr		90,000	
	To Equity Share Allotment A/c		, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	9,60,000
	(Being allotment money received on all but 15,000 shares	s)		
	Equity Share first and final call A/c Dr		6 40 000	
·	To Share Capital A/c		6,40,000	6,40,000
	(Being first and final call due on 1,60,000 shares)			0,40,000
	Bank A/c Dr		5,80,000	
	Calls in arrears A/c Dr		60,000	
	To Equity Share First and final call A/c			6,40,000
	(Being First and final call money received on all but			<u> </u>
	15,000 shares)			+
	Share Capital A/c Dr (15,000 X 10))	1,50,000	
	Securities premium A/c Dr		30,000	
	To Calls in arrears A/c			1,50,000
	To Share forfeiture A/c			30,000
	(Being 15,000 share forfeited for non- payment of allotm	en		
	and First and final call money)			
	OR			
,	$\mathbf{X} = \mathbf{X} = \mathbf{X} = \mathbf{X} = \mathbf{X} = \mathbf{X} = \mathbf{X} = \mathbf{X}$			
	2,00,000 X 4 = 8,00,000 received on application			
	1,25,000 X 4 = 5,00,000 required on application			
4	25,000 X4 = 1,00,000 refunded to last 25,000 applicants			

Da	at two pafarmad to above a	llotmont	_ (8 00 000	5 00 000 1 00 000	$\overline{\mathbf{n}}$ – \mathbf{c}	00.000		
	st transferred to share a tio of Pro rata allotmen				,	2,00,000		
	are holder was allotted		11			- 28 000		
	oney paid for 28,000 sh			11	115-	- 20,000		
	Money due		000 X 4 =					
Pa	id in advance on applic		,	32,000				
	allotment money due		4 = 80,000 -	,	lls in	arrears)		
	·			ournal		,		
D	Particulars				LF	Debit	Credit	
	Bank A/c		Dr			8,00,000		
	To Share Ap	plication	A/c				8,00,000	
	(Being application	n money	received or	1 2,00,000 share)				
	Share Application		Dr			8,00,000		
	To Share Ca	1					5,00,000	
	To Share all		/c				2,00,000	
	To Bank A/						1,00,000	
	(Being application			to share capital,				
	share allotment a	nd rest re	funded)					_
		A /	D			5 00 000		
	Share Allotment		Dr			5,00,000	5 00 000	_
	To Share Ca		• 1 1'	• 1 \			5,00,000	_
	(Being allotment	money du	e including	premium on shares)				_
	Bank A/c					2 52 000		-
	Calls in arrears A	10	D: Dr			2,52,000 48,000		-
	To Equity SI					40,000	3,00,000	-
				ll but 20,000 shares			3,00,000	-
	of 1,25,000 adjus	•		II but 20,000 shares				-
	01 1,23,000 dujus	icu)						_
2 r	narks for calculations a	nd 1 mark	c each for th	ne four journals. $(2 + 4)$	1)			
	lue of Sundry Assets =				· · · · · ·	-10.000) =	3.00.000	(6)
4J	on-current assets and Cu	`	,			- , ,	- , - , - ,	(-)
			Reali	sation A/c				
	o Sundry Assets			By Sundry Liabilities				
		5,000		Creditors		48,000		_
	urrent Assets 7	5,000	3,00,000	Bills Payable		20,000	1 49 000	-
	o Bank			Bank Loan	onau	80,000	1,48,000 90,000	-
		5,000		By Priya's Capital : N By Supriya's Capital			90,000	
),000),000			By Bank (Current Assets)			
		3,000	1,48,000	By Loss transferred			90,000	
		·		Priya's Capital		18,000		
				Supriya's Capital		12,000	30,000	
			4,48,000				4,48,000	
	· 1	D :		pital A/c		D :	a :	-
	articulars	Priya	Supriya	Particulars		Priya	Supriya	-
	o Realisation (Assets) o Realisation (Loss)	90,000	90,000	By Balance b/d By Bank (brought ir)	78,000 30,000	84,000 18,000	-
	0 Realisation (Loss)	1,08,000			1)	1,08,000	1,02,000	-
		1,00,000		unk A/c		1,00,000	1,02,000	-
Т	o Balance b/d		10,000	By Realisation A/c (Liabi	lity paid)	1,48,000	
	o Realisation A/c (Assets)	90,000]
	o Priya's Capital		30,000					
	o Supriya's Capital		18,000					11

				1,48,000				1,48,000	
	.5 mark ea	ach for calculation of t	otal assets	s and share of n	on-current and	l curre	ent asset. 3 m	nark or	
	realisation	n a/c and 1 mark each t	for capital	l and bank a/c. (1+3+1+1)				
~ .			Iour	mal of Kumar	Enternrises				(
26.	Journal of Kumar Enterprises Date Particulars LF Amount Dr								
	Date	Sundry Assets A/c		Dr			35,00,000		
		To Sundry I				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	5,30,000		
		To Stan Tr						29,70,000	
		Being machinery p		and considera	tion due)			29,70,000	
			<u>ui eiluse u</u>	und complacita	lion duc)				
	Case I	Khan Traders]	Dr	2	29,70,000		
		To 12% Deb	enture A	/c				29,70,000	
		(Being consideration	n paid b	y issue of 29,7	00				
		debenture of 100 ea		•					
	Case II	Khan Traders]	Dr	2	29,70,000		
		To 12% Deb						27,00,000	
		To Securitie	1					2,70,000	
		(Being consideration			,				
		debenture of 100 ea	ach issue	d at 10% prem	ium)				
	~ ~~								
	Case III	Khan Traders			Dr		29,70,000		
		Discount on issue of			Dr		3,30,000	22.00.000	
		To 12% De			33,00,000				
			• • •	: 6.0000	0				
		(Being consideration							
	20.70.00	(Being consideration debenture of 100 ea	ach issue	d at 10% disco	ount)	27.0	0.000/100	- 27,000	
		(Being consideration debenture of 100 ea 0 = 110% so 100 %	ach issue = 27,00,0	d at 10% disco 000 Number of	unt) debenture =				
	29,70,00	(Being consideration debenture of 100 ea 0 = 110% so 100 % 0 = 90% so 100% =	ach issue = 27,00,0 33,00,00	d at 10% disco 000 Number of 0 Number of d	unt) debenture =				
	29,70,00	(Being consideration debenture of 100 early $0 = 110\%$ so 100 % = 0 = 90% so 100% = 100% and 100% = 100% and 100% = 100% so 100% = 100% so 100% = 100% so 100% = 100% so 100% so 100% = 100% so 100\%	ach issue = 27,00,0 33,00,00 ect narra	d at 10% disco 000 Number of 0 Number of d tion.	ebentures = 1	33,00	,000/100 =		
	29,70,00 1.5 for ea	(Being consideration debenture of 100 early $0 = 110\%$ so 100 % = $0 = 90\%$ so 100% = 3% ach journal with correst PA	ach issue = 27,00,0 33,00,00 ect narra	d at 10% disco 000 Number of 0 Number of d	ebentures = 1	33,00	,000/100 =		
27.	29,70,00 1.5 for ea (D) i) d);	(Being consideration debenture of 100 early $0 = 110\%$ so 100 % = 0 = 90% so 100% = 100% and 100% = 100% and 100% = 100% so 100% = 100% so 100% = 100% so 100% = 100% so 100% so 100% = 100% so 100\%	ach issue = 27,00,0 33,00,00 ect narra	d at 10% disco 000 Number of 0 Number of d tion.	ebentures = 1	33,00	,000/100 =		
27. 28.	29,70,00 1.5 for ea	(Being consideration debenture of 100 ea 0 = 110% so 100 % = 0 = 90% so 100% = ach journal with corr PA ii) a); iii) c); iv) b)	ach issue = 27,00,0 33,00,00 ect narra	d at 10% disco 000 Number of 0 Number of d tion.	ebentures = 1	33,00	,000/100 =		
	29,70,00 1.5 for ea (D) i) d); (C) 1:1	(Being consideration debenture of 100 ea 0 = 110% so 100 % = 0 = 90% so 100% = ach journal with correspondence ii) a); iii) c); iv) b) OR	ach issue = 27,00,0 33,00,00 ect narra	d at 10% disco 000 Number of 0 Number of d tion.	ebentures = 1	33,00	,000/100 =		
28.	29,70,00 1.5 for ea (D) i) d); (C) 1:1 (A) Will	(Being consideration debenture of 100 ea 0 = 110% so 100 % = 0 = 90% so 100% = ach journal with correst PA ii) a); iii) c); iv) b) OR remain unchanged	ach issue = 27,00,0 33,00,00 ect narra RT B (A	d at 10% disco 000 Number of 0 Number of d tion. nalysis of Fina	ount) ² debenture = ebentures = 1 incial Statem	33,00	,000/100 =		(
28. 29.	29,70,00 1.5 for ea (D) i) d); (C) 1:1 (A) Will (C) i) Oth	(Being consideration debenture of 100 ea 0 = 110% so 100 % = 0 = 90% so 100% = ach journal with corr PA ii) a); iii) c); iv) b) OR remain unchanged her Current Liabilitie	ach issue = 27,00,0 33,00,00 ect narra RT B (A	d at 10% disco 000 Number of 0 Number of d tion. nalysis of Fina	ount) ² debenture = ebentures = 1 incial Statem	33,00	,000/100 =		
28.	29,70,00 1.5 for ea (D) i) d); (C) 1:1 (A) Will (C) i) Otl (B) A and	(Being consideration debenture of 100 ea 0 = 110% so 100 % = 0 = 90% so 100% = ach journal with corr PA ii) a); iii) c); iv) b) OR remain unchanged her Current Liabilitie d R are correct and F	ach issue = 27,00,0 33,00,00 ect narra RT B (A es ii) Trac	d at 10% disco 000 Number of d tion. .nalysis of Fina de Receivables	ount) ² debenture = ebentures = 3 Incial Statem s tion of A	33,00 nents),000/100 =	33,000	(
28. 29.	29,70,00 1.5 for ea (D) i) d); (C) 1:1 (A) Will (C) i) Oth (B) A and <u>Compara</u>	(Being consideration debenture of 100 ea 0 = 110% so 100 % = 0 = 90% so 100% = ach journal with corre PA ii) a); iii) c); iv) b) OR remain unchanged her Current Liabilitie d R are correct and F tive Statement of Pre-	ach issue = 27,00,0 33,00,00 ect narra RT B (A es ii) Trac a is the co offit and 1	d at 10% disco 000 Number of 0 Number of d tion. .nalysis of Fina de Receivables prrect explana oss for year en	ebenture = ebentures = 3 incial Statem incial Statem incial Statem	33,00 hents	0,000/100 =) 023 and 202	33,000	
28. 29. 30.	29,70,00 1.5 for ea (D) i) d); (C) 1:1 (A) Will (C) i) Otl (B) A and Compara Particul	(Being consideration debenture of 100 ea 0 = 110% so 100 % = 0 = 90% so 100% = ach journal with corr PA ii) a); iii) c); iv) b) OR remain unchanged her Current Liabilitie d R are correct and R tive Statement of Pre- ars	ach issue = 27,00,0 33,00,00 ect narra RT B (A es ii) Trac	d at 10% disco 000 Number of 0 Number of d tion. nalysis of Fina de Receivables prrect explana oss for year en 31 st Mar 24	tion of A all all statem all all statem all all statem all all statem all all st Mar all all st Mar all st	33,00 nents	0,000/100 =) 023 and 202 absolute	33,000 	(
28. 29. 30.	29,70,00 1.5 for ea (D) i) d); (C) 1:1 (A) Will (C) i) Oth (B) A and Compara Particul Revenu	(Being consideration debenture of 100 ea 0 = 110% so 100 % = 0 = 90% so 100% = ach journal with corr PA ii) a); iii) c); iv) b) OR remain unchanged her Current Liabilitie d R are correct and R tive Statement of Pre- ars e from Operation	ach issue = 27,00,0 33,00,00 ect narra RT B (A es ii) Trac a is the co offit and 1	d at 10% disco 000 Number of 0 Number of d tion. nalysis of Fina de Receivables prrect explana oss for year en 31 st Mar 24 15,00,000	bunt) f debenture = f debentures = ff debentures = ff micial Statem f ded 31 st Mar f Mar 2 ff A12,00,000	33,00 nents	0,000/100 =) 023 and 202	33,000	
28. 29. 30.	29,70,00 1.5 for ea (D) i) d); (C) 1:1 (A) Will (C) i) Otl (B) A and Compara Particul Revenu Other Ir	(Being consideration debenture of 100 ea 0 = 110% so 100 % = 0 = 90% so 100% = ach journal with corr PA ii) a); iii) c); iv) b) OR remain unchanged her Current Liabilitie d R are correct and F tive Statement of Pro- ars e from Operation ncome	ech issuer = 27,00,0 33,00,00 ect narra RT B (A es ii) Trac t is the co offit and 1	d at 10% disco 000 Number of 0 Number of d tion. nalysis of Fina de Receivables prrect explana oss for year en 31 st Mar 24 15,00,000 1,50,000	punt) f debenture = f debentures = ff debentures = ff micial Statem f ded 31^{st} Mar 31^{st} Mar 2 f A12,00,000 1,50,000	33,00 nents	0,000/100 = 0,000/100 = 023 and 202 023 and 202 0,0000 	33,000 24 % Change 25.00 	(
28. 29. 30.	29,70,00 1.5 for ea (D) i) d); (C) 1:1 (A) Will (C) i) Otl (B) A and Compara Particul Revenu Other In Total R	(Being consideration debenture of 100 ea 0 = 110% so 100 % = 0 = 90% so 100% = ach journal with corre PA ii) a); iii) c); iv) b) OR remain unchanged her Current Liabilitie d R are correct and R tive Statement of Pro- ars e from Operation ncome evenue	ech issuer = 27,00,0 33,00,00 ect narra RT B (A es ii) Trac t is the co offit and 1	d at 10% disco 000 Number of 0 Number of d tion. nalysis of Fina de Receivables prrect explana oss for year en 31 st Mar 24 15,00,000 1,50,000 B16,50,000	$rac{1}{2}$	33,00 nents	0,000/100 =)))))))))))))	33,000 24 % Change 25.00 E22.22	
28. 29. 30.	29,70,00 1.5 for ea (D) i) d); (C) 1:1 (A) Will (C) i) Oth (B) A and Compara Particul Revenu Other Ir Total Re Cost of	(Being consideration debenture of 100 ea 0 = 110% so 100 % = 0 = 90% so 100% = ach journal with corre PA ii) a); iii) c); iv) b) OR remain unchanged her Current Liabilities d R are correct and R tive Statement of Pro- ars e from Operation ncome evenue Materials	ech issuer = 27,00,0 33,00,00 ect narra RT B (A es ii) Trac t is the co offit and 1	d at 10% disco 000 Number of 0 Number of d tion. nalysis of Fina de Receivables orrect explana oss for year en 31 st Mar 24 15,00,000 1,50,000 B16,50,000 8,40,000	$rac{1}{2}$	33,00 nents rch 20 3 A 0 3 0 D	0,000/100 = 0 023 and 202 0 0 0 0 0 0 0 0 0 0 0 0 0	33,000 24 % Change 25.00 E22.22 F12.00	
28. 29. 30.	29,70,00 1.5 for ea (D) i) d); (C) 1:1 (A) Will (C) i) Otl (B) A and Compara Particul Revenu Other Ir Total Re Cost of Employ	(Being consideration debenture of 100 ea 0 = 110% so 100 % = 0 = 90% so 100% = ach journal with corr PA ii) a); iii) c); iv) b) OR remain unchanged her Current Liabilitie d R are correct and R tive Statement of Pro- ars e from Operation ncome evenue Materials ree benefit exp.	ech issuer = 27,00,0 33,00,00 ect narra RT B (A es ii) Trac t is the co offit and 1	d at 10% disco 000 Number of 0 Number of d tion. nalysis of Fina de Receivables prrect explana oss for year en 31 st Mar 24 15,00,000 1,50,000 B16,50,000 8,40,000 2,70,000	aunt) c debenture = c bentures = $ancial$ Statem $ancial$ Stancial State	33,00 nents	0,000/100 = 0,000/100 = 0,000 0,00	33,000 24 % Change 25.00 E22.22 F12.00 (10.00)	
28. 29. 30.	29,70,00 1.5 for ea (D) i) d); (C) 1:1 (A) Will (C) i) Otl (B) A and Compara Particul Revenu Other In Total Re Cost of Employ Finance	(Being consideration debenture of 100 ea 0 = 110% so 100 % = 0 = 90% so 100% = ach journal with correct ach journal with correct ii) a); iii) c); iv) b) OR remain unchanged her Current Liabilities d R are correct and R tive Statement of Pre- ars e from Operation ncome evenue Materials ree benefit exp. c Cost	ech issuer = 27,00,0 33,00,00 ect narra RT B (A es ii) Trac t is the co offit and 1	d at 10% disco 000 Number of d 0 Number of d tion. nalysis of Fina de Receivables prrect explana oss for year en 31 st Mar 24 15,00,000 1,50,000 B16,50,000 8,40,000 2,70,000 H 2,10,000	aunt) $aunt$ $aubenture = 1$ $aubentures = 1$ $aucental Statem$ $aubentures = 1$ $aucental Statem$ $aubentures = 1$	33,00 nents rch 20 3 A 0 3 0 D 0 D 0 D 0 D 0 D))))))))))))))	33,000 4 % Change 25.00 E22.22 F12.00 (10.00) I 20.00	(
28. 29. 30.	29,70,00 1.5 for ea (D) i) d); (C) 1:1 (A) Will (C) i) Otl (B) A and Compara Particul Revenu Other In Total Re Cost of Employ Finance Total E	(Being consideration debenture of 100 ea 0 = 110% so 100 % = 0 = 90% so 100% = ach journal with corr PA ii) a); iii) c); iv) b) OR remain unchanged her Current Liabilitie d R are correct and F tive Statement of Pre- ars e from Operation ncome evenue Materials ree benefit exp. cost xpense	ech issuer = 27,00,0 33,00,00 ect narra RT B (A es ii) Trac t is the co offit and 1	d at 10% disco 000 Number of d 0 Number of d tion. nalysis of Fina de Receivables prrect explana oss for year en 31 st Mar 24 15,00,000 1,50,000 B16,50,000 8,40,000 2,70,000 H 2,10,000 13,20,000	$\frac{1}{2} \frac{1}{2} \frac{1}$	33,00 nents	0,000/100 = 0,000/100 = 0,000 0,00	33,000 24 % Change 25.00 E22.22 F12.00 (10.00) I 20.00 7.76	(
28. 29. 30.	29,70,00 1.5 for ea (D) i) d); (C) 1:1 (A) Will (C) i) Otl (B) A and Compara Particul Revenu Other In Total Re Cost of Employ Finance Total E: Profit B	(Being consideration debenture of 100 ea 0 = 110% so 100 % = 0 = 90% so 100% = ach journal with corr PA ii) a); iii) c); iv) b) OR remain unchanged her Current Liabilitie d R are correct and R tive Statement of Pro- ars e from Operation ncome evenue Materials ree benefit exp. c Cost xpense before Tax	ach issue = 27,00,0 33,00,00 ect narra RT B (A es ii) Trac t is the co ofit and 1 N.No	d at 10% disco 000 Number of 0 Number of d tion. nalysis of Fina de Receivables prrect explana oss for year en 31 st Mar 24 15,00,000 1,50,000 B16,50,000 8,40,000 2,70,000 H 2,10,000 13,20,000 3,30,000	aunt) $aunt$ $aubenture = 1$ $aubentures = 1$ $aucental Statem$ $aubentures = 1$ $aucental Statem$ $aubentures = 1$	33,00 nents))))))))))))))	33,000 4 % Change 25.00 E22.22 F12.00 (10.00) I 20.00	
28. 29. 30.	29,70,00 1.5 for ea (D) i) d); (C) 1:1 (A) Will (C) i) Otl (B) A and Compara Particul Revenu Other In Total Re Cost of Employ Finance Total E: Profit B	(Being consideration debenture of 100 ea 0 = 110% so 100 % = 0 = 90% so 100% = ach journal with corr PA ii) a); iii) c); iv) b) OR remain unchanged her Current Liabilitie d R are correct and F tive Statement of Pre- ars e from Operation ncome evenue Materials ree benefit exp. cost xpense	ach issue = 27,00,0 33,00,00 ect narra RT B (A es ii) Trac t is the co ofit and 1 N.No	d at 10% disco 000 Number of d 0 Number of d tion. nalysis of Fina de Receivables prrect explana oss for year en 31 st Mar 24 15,00,000 1,50,000 B16,50,000 8,40,000 2,70,000 H 2,10,000 13,20,000 3,30,000 X 12 = 3)	$\frac{1}{2} \frac{1}{2} \frac{1}$	33,00 nents	0,000/100 = 0,000/100 = 0,000 0,00	33,000 24 % Change 25.00 E22.22 F12.00 (10.00) I 20.00 7.76	
28. 29. 30.	29,70,00 1.5 for ea (D) i) d); (C) 1:1 (A) Will (C) i) Otl (B) A and Compara Particul Revenu Other Ir Total Re Cost of Employ Finance Total E: Profit B .25 mark	(Being consideration debenture of 100 ear 0 = 110% so 100 % = 0 = 90% so 100% = ach journal with correct PA ii) a); iii) c); iv) b) OR remain unchanged her Current Liabilitien d R are correct and R trive Statement of Pro- ars e from Operation ncome evenue Materials ree benefit exp. cost xpense efore Tax s for each missing fig	ach issuer = 27,00,0 33,00,00 ect narra RT B (A es ii) Trac tis the co ofit and 1 N.No	d at 10% disco 000 Number of d 0 Number of d tion. nalysis of Fina de Receivables prrect explana oss for year en 31 st Mar 24 15,00,000 1,50,000 B16,50,000 8,40,000 2,70,000 H 2,10,000 13,20,000 3,30,000 X 12 = 3) OR	aunt) adebenture = ebentures = ancial Statem biology biology control A ded 31 st Mar 23 A12,00,000 1,50,000 7,50,000 3,00,000 1,75,000 12,25,000 K 1,25,000	33,00 nents	0,000/100 = 0,000/100 = 0,000 0,00	33,000 4 % Change 25.00 E22.22 F12.00 (10.00) I 20.00 7.76 164.00	
28. 29. 30.	29,70,00 1.5 for ea (D) i) d); (C) 1:1 (A) Will (C) i) Otl (B) A and Compara Particul Revenu Other In Total Re Cost of Employ Finance Total E: Profit B	(Being consideration debenture of 100 ear 0 = 110% so 100 % = 0 = 90% so 100% = ach journal with correct PA ii) a); iii) c); iv) b) OR remain unchanged her Current Liabilitien d R are correct and R trive Statement of Pro- ars e from Operation ncome evenue Materials ree benefit exp. cost xpense efore Tax s for each missing fig	ach issue = 27,00,0 33,00,00 ect narra RT B (A es ii) Trac t is the co ofit and 1 N.No	d at 10% disco 000 Number of d 0 Number of d tion. nalysis of Fina de Receivables prrect explana oss for year en 31 st Mar 24 15,00,000 1,50,000 B16,50,000 8,40,000 2,70,000 H 2,10,000 13,20,000 3,30,000 X 12 = 3) OR	$aunt$) $addebenture =$ $addebentures = 3$ $ancial Statem$ $ancial Statem$ $add 31^{st} Mar 23$ $aded 31^{st} Mar 23$ $a12,00,000$ $1,50,000$ $7,50,000$ $3,00,000$ $1,75,000$ $12,25,000$ $K 1,25,000$ mounts	33,00 nents rch 20 3 A 0 3 0 D 0 D 3 0 D 3 0 J 1	0,000/100 = 0,000/100 = 0,000 0,00	33,000 4 % Change 25.00 E22.22 F12.00 (10.00) I 20.00 7.76 164.00 cce Sheet Total	

	Shareholders Fund	5,50,000	4,50,000	55.00	50.00					
	Non-Current Liabilities	3,85,000	3,15,000	38.50	35.00					
	Current Liabilities	65,000	1,35,000	6.50	15.00					
	TOTAL	10,00,000	9,00,000	100.00	100.00					
	ASSETS									
	Non-Current Assets	7,35,500	6,48,000	73.55	72.00					
	Current Assets	2,64,500	2,52,000	26.45	28.00					
	TOTAL	10,00,000	9,00,000	100.00	100.00					
32.	 .3 marks for each (total not to be considered) (.3 X 10 = 3) a) Acid Test Ratio = Current Asset – Inventory / Current Liabilities = 1.4 :1 Current Asset = (80,000 X 1.4) + 48,000 = 1,12,000 + 48,000 = 1,60,000 									
	 Current Ratio = Current Assets/Cur b) Total Asset to Debt ratio = Total Total Assets = Shareholders Fund + Long term Debts = Total Liabilities So 10,87,500/7,25,000 = 1.50:1 c) Gross profit ratio = (Gross Profit 20/100 = (Gross Profit / 10,00,000) Gross profit is 20% of 10,00,000 = Operating Ratio = (Cost of Revenue from Operations - Revenue from Operations = 	rent Liabilities = Assets/Long term Total Liabilities – Current Liabili t/Revenue from o 0X100 2,00,000 <u>+ Operating Expe</u> ns	1,60,000/80,00 n Debts = 2,87,500 ties = 8,00,000 perations) X10 <u>nses)</u> X 100	00 = 2:1 0 + 8,00,000 = 0 - 75,000 = 7 00						
		10,00,000 - 2,0	0,000 = 8,00,00	00						
		-	0,000 = 8,00,00 enses X 100 = 3	00						
		10,00,000 – 2,0 + Operating Expe	0,000 = 8,00,00 enses X 100 = 3	00						
33.	<u>8,00,000</u>	10,00,000 – 2,0 + Operating Expe	0,000 = 8,00,00 enses X 100 = 3	00						
33.	<u>8,00,000</u> Operating Expenses = 50,000 Current Ratio = <u>Current Assets</u> Current Liabilitie	10,00,000 – 2,00 + <u>Operating Expe</u> 10,00,000 s	0,000 = 8,00,00 enses X 100 = 3 0	00 85%						
33.	<u>8,00,000</u> Operating Expenses = 50,000 Current Ratio = <u>Current Assets</u>	10,00,000 - 2,00 + Operating Expension 10,00,000 s + Inventory + Pro- 0,000 + 60,000 + 2 0,000 + 50,000 + 2 + Outstanding exp 0,000 = 15,25,000 0,000 = 10,75,000 0,00 = 1.64 and	2,000 = 8,00,00 enses X 100 = 3 epaid expenses - 2,00,000 = 25 ,80,000 = 21 pense	00 85% + Cash in Ha 5,00,000						
33.	$\frac{8,00,000}{0}$ Operating Expenses = 50,000 Current Ratio = Current Assets Current Liabilitie Current Assets = Trade receivables 31 st March 2024 = 12,00,000 + 10,4 31 st March 2023 = 9,60,000 + 8,60, Current Liabilities = Trade payable 31 st March 2024 = 15,00,000 + 25,0 31 st March 2023 = 10,00,000 + 75,0 Current Ratio = 25,00,000/ 15,25,00 Ans (B) 1.64 and 2.00 respectively Inventory Turnover Ratio = Cost of A	10,00,000 - 2,00 + Operating Expension 10,00,000 s + Inventory + Pre- 40,000 + 60,000 + 000 + 50,000 + 2 + Outstanding ex- 000 = 15,25,000 000 = 10,75,000 000 = 1.64 and - revenue from op- average Inventory	2,000 = 8,00,00 2,000 = 8,00,00 2,000 = 25 2,00,000 = 25 3,80,000 = 21 pense 21,50,000/2 21,50,000/2	00 85% + Cash in Ha 5,00,000 ,50,000 10,75,000 = 2	2.00					
33.	$\frac{8,00,000}{0}$ Operating Expenses = 50,000 Current Ratio = Current Assets Current Liabilitie Current Assets = Trade receivables 31^{st} March 2024 = 12,00,000 + 10,4 31^{st} March 2023 = 9,60,000 + 8,60, Current Liabilities = Trade payable 31^{st} March 2024 = 15,00,000 + 25,0 31^{st} March 2023 = 10,00,000 + 75,0 Current Ratio = 25,00,000/ 15,25,00 Ans (B) 1.64 and 2.00 respectively Inventory Turnover Ratio = Cost of	10,00,000 - 2,00 + Operating Expension 10,00,000 s + Inventory + Pro- 10,000 + 60,000 + 10,000 + 60,000 + 20 + Outstanding ex 1000 = 15,25,000 1000 = 10,75,000 1000 = 1.64 and 7 Frevenue from op average Inventory peration - Gross F	2,000 = 8,00,00 2,000 = 8,00,00 2,000 = 25 3,000 = 21 3,000 = 21 21,50,000/ 21,50,000/ 21,50,000/ 21,50,000/	00 85% + Cash in Ha 5,00,000 ,50,000 10,75,000 = 2 000 - 5,40,000	2.00					
33.	$\frac{8,00,000}{0}$ Operating Expenses = 50,000 Current Ratio = Current Assets Current Liabilitie Current Assets = Trade receivables 31 st March 2024 = 12,00,000 + 10,4 31 st March 2023 = 9,60,000 + 8,60, Current Liabilities = Trade payable 31 st March 2024 = 15,00,000 + 25,0 31 st March 2023 = 10,00,000 + 75,0 Current Ratio = 25,00,000/ 15,25,00 Ans (B) 1.64 and 2.00 respectively Inventory Turnover Ratio = Cost of Cost of revenue = Revenue from op Average Inventory = (10,40,000 + 8 30,60,000/9,50,000 = 3.22	10,00,000 - 2,00 + Operating Expension 10,00,000 s + Inventory + Pre- 40,000 + 60,000 + 2000 + 50,000 + 2000	$\frac{0}{0},000 = 8,00,000$ $\frac{0}{0} = 8,00,000 = 8,00,000 = 25,0000 = 25,000,000 = 21,000,000 = 21,000,000/2 = 21,000,000,000,000,000,000,000,000,000,0$	00 85% + Cash in Ha 5,00,000 ,50,000 10,75,000 = 2 000 - 5,40,000	2.00					
33.	$\frac{8,00,000}{0}$ Operating Expenses = 50,000 Current Ratio = Current Assets Current Liabilitie Current Assets = Trade receivables 31 st March 2024 = 12,00,000 + 10,4 31 st March 2023 = 9,60,000 + 8,60, Current Liabilities = Trade payable 31 st March 2023 = 10,00,000 + 25,0 31 st March 2023 = 10,00,000 + 75,0 Current Ratio = 25,00,000/ 15,25,00 Ans (B) 1.64 and 2.00 respectively Inventory Turnover Ratio = Cost of A Cost of revenue = Revenue from op Average Inventory = (10,40,000 + 8 30,60,000/9,50,000 = 3.22 Ans: (A) 3.22 times	10,00,000 - 2,00 <u>+ Operating Expection</u> 10,00,000 s + Inventory + Precent 40,000 + 60,000 + 20 4000 + 50,000 + 20 4000 + 50,000 + 20 4000 = 15,25,000 200 = 10,75,000 200 = 1.64 and 7 <u>Frevenue from operation</u> - Gross F 3,60,000)/2 = 19,000 <u>Evenue from operation</u> 4000 + 50,000 + 20 10,000 + 20	$\frac{0}{0},000 = 8,00,0000000000000000000000000000$	00 85% + Cash in Ha 5,00,000 ,50,000 10,75,000 = 2 000 - 5,40,000	2.00					
33.	$\underline{8,00,000}$ Operating Expenses = 50,000 Current Ratio = Current Assets Current Liabilitie Current Assets = Trade receivables 31 st March 2024 = 12,00,000 + 10,4 31 st March 2023 = 9,60,000 + 8,60, Current Liabilities = Trade payable 31 st March 2023 = 10,00,000 + 25,0 31 st March 2023 = 10,00,000 + 75,0 Current Ratio = 25,00,000/ 15,25,00 Ans (B) 1.64 and 2.00 respectively Inventory Turnover Ratio = Cost of Acost of revenue = Revenue from op Average Inventory = (10,40,000 + 8 30,60,000/9,50,000 = 3.22 Ans: (A) 3.22 times Working capital turnover ratio = <u>Revenue</u>	10,00,000 - 2,00 + Operating Expension 10,00,000 s + Inventory + Pra- 10,000 + 60,000 + 000 + 50,000 + 2 + Outstanding ex- 000 = 15,25,000 000 = 10,75,000 000 = 1.64 and - Trevenue from opera- a (a) (b) (c) (c) (c) (c) (c) (c) (c) (c) (c) (c	$\frac{0}{2},000 = 8,00,000$ $\frac{1}{2} = 8,00,000 = 25,0000 = 25,000,000 = 21,000,000 = 21,000,000/2 = 21,000,000,000,000,000,000,000,000,000,0$	00 85% + Cash in Ha 5,00,000 ,50,000 10,75,000 = 2 000 - 5,40,000	2.00					

Revenue from operation will increase by 3,00,000 so new Rev	venue from Operation	n = 33,00,00
Gross Profit = 20% of $33,00,000 = 6,60,000$	Cuese Duefit	
Cost of Revenue from Operation = Revenue from Operation – $33,00,000 - 6,60,000 =$		
Earlier it was $30,00,000 - 6,00,000 = 24,00,000 =$	- 20,40,000	
Ans : (D) Increase by 2,40,000		
OR		
i) No, the restaurant industry does not have an ideal current ra industry has a ratio much below at 1.1. Which indicates that re much more in current assets than current liabilities. One of th restaurants do not tend to have high levels of accounts receiva	estaurants on average the main reasons for t	ge do not have
ii) Liquid ratio or Acid Test ratio or Quick ratio is the other Li It is calculated as = Quick Assets	iquidity ratio	
Current Liabilities		
Where Quick Assets = Current Assets – Inventory – Prepaid e	expense	
iii) A slow inventory turnover ratio can reveal whether a comp which can also hurt a company's liquidity. Fast inventory turn company is not purchasing enough inventory to cover sales.		
iv) There are three profit margins		
Gross Profit margin/ratio = Gross Profit X 100		
Revenue from Operations		
Operating Profit ratio $=$ Operating Profit X 100		
Revenue from Operations		
Net Profit Ratio = Net profit after tax $X 100$		
Revenue from Operations Cash Flow from Operating Acti	wition .	
Net profit before tax (Note 1)		1,50,000
Adjustment for non-cash/non- operating items		1,50,000
Add: Depreciation on furniture	5,000	
Depreciation on motor vehicle	35,000	
· · ·	5,000	
Amortization of goodwill	5,000	
Amortization of goodwill Loss on sale of machinery	(60,000)	(10,000)
Amortization of goodwill Loss on sale of machinery Less: Profit on sale of Land	(00,000)	
Loss on sale of machinery	(00,000)	1,40,000
Loss on sale of machinery Less: Profit on sale of Land		1,40,000
Loss on sale of machineryLess: Profit on sale of LandOperating profit before working capital changes		1,40,000
Loss on sale of machinery Less: Profit on sale of Land Operating profit before working capital changes Add: Decrease in current assets/Increase in current liabilities Debtors Creditors	8,000 8,000	1,40,000
Loss on sale of machineryLess: Profit on sale of LandOperating profit before working capital changesAdd: Decrease in current assets/Increase in current liabilitiesDebtors	8,000 8,000	1,40,000
Loss on sale of machinery Less: Profit on sale of Land Operating profit before working capital changes Add: Decrease in current assets/Increase in current liabilities Debtors Creditors Less: Increase in current assets/Decrease in current liabilities Inventories	8,000 8,000	6,000
Loss on sale of machinery Less: Profit on sale of Land Operating profit before working capital changes Add: Decrease in current assets/Increase in current liabilities Debtors Creditors Less: Increase in current assets/Decrease in current liabilities	8,000 8,000 8,000	
Loss on sale of machinery Less: Profit on sale of Land Operating profit before working capital changes Add: Decrease in current assets/Increase in current liabilities Debtors Creditors Less: Increase in current assets/Decrease in current liabilities Inventories Cash flow from operations Less: Tax paid	8,000 8,000 8,000	6,000
Loss on sale of machinery Less: Profit on sale of Land Operating profit before working capital changes Add: Decrease in current assets/Increase in current liabilities Debtors Creditors Less: Increase in current assets/Decrease in current liabilities Inventories Cash flow from operations Less: Tax paid Net cash from operating activities	8,000 8,000 8,000	6,000 1,46,000
Loss on sale of machineryLess: Profit on sale of LandOperating profit before working capital changesAdd: Decrease in current assets/Increase in current liabilitiesDebtorsCreditorsLess: Increase in current assets/Decrease in current liabilitiesInventoriesCash flow from operationsLess: Tax paidNet cash from operating activitiesNote 1: Net profit before tax	8,000 8,000 8,000 5 (10,000)	6,000 1,46,000 (65,000)
Loss on sale of machineryLess: Profit on sale of LandOperating profit before working capital changesAdd: Decrease in current assets/Increase in current liabilitiesDebtorsCreditorsLess: Increase in current assets/Decrease in current liabilitiesInventoriesCash flow from operationsLess: Tax paidNet cash from operating activitiesNote 1: Net profit before taxProfit for the year (1,50,000 – 1,00,000)50,0	8,000 8,000 8,000 (10,000) 000	6,000 1,46,000 (65,000)
Loss on sale of machineryLess: Profit on sale of LandOperating profit before working capital changesAdd: Decrease in current assets/Increase in current liabilitiesDebtorsCreditorsLess: Increase in current assets/Decrease in current liabilitiesInventoriesCash flow from operationsLess: Tax paidNet cash from operating activitiesNote 1: Net profit before taxProfit for the year (1,50,000 – 1,00,000)50,0Add: Transfer to General Reserve20,0	8,000 8,000 8,000 (10,000) 000 000	6,000 1,46,000 (65,000) 81,000
Loss on sale of machineryLess: Profit on sale of LandOperating profit before working capital changesAdd: Decrease in current assets/Increase in current liabilitiesDebtorsCreditorsLess: Increase in current assets/Decrease in current liabilitiesInventoriesCash flow from operationsLess: Tax paidNet cash from operating activitiesNote 1: Net profit before taxProfit for the year (1,50,000 – 1,00,000)50,0	8,000 8,000 8,000 (10,000) (10,000) 000 000 000 1,50,00	6,000 1,46,000 (65,000) 81,000

To Balance b/d	5,00,000	By accumulated de	preciation	25,000
		By statement of P/	-	15,000
		By Bank (sale) (ba		80,000
		By Balance	0.0	3,80,000
	5,00,000			5,00,000
	Accumulate	d Depreciation		•
To Plant & Machinery (sale)	25,000	By Balance b/d		80,000
To Balance c/d	1,00,000	By Depreciation		45,000
	1,25,000			1,25,000
		Equipment		
To Balance b/d	75,000	By depreciation		10,000
		By statement of P/L		5,000
		By Bank (sale) (ba	lancing fig)	15,000
		By Balance		45,000
	75,000			75,000
		w Statement		
Cash Flow from investing activ	ities			
Sale of Plant and Machinery			80,000	
Sale of Office Equipment			15,000	
Purchase of furniture (75,000 +	, ,	00)	(30,000)	
Net cash flow from investing ac	ctivities			65,000
Cash Flow from financing activ	vities			
Proceeds from issue of equity si	hares(3,00,000	+30,000 - 15,000)	3,15,000	
Redemption of preference share	es		(1,05,000)	
Redemption of debentures			(1,57,500)	
Net cash flow from financing a	ctivities			52,500

cash flow from financing activities. (3+1+2)
