



**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. OR (A) Both A and R are correct, and R is the correct explanation of A.	(1)
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 OR (A) Rs.3,50,000	(1)
6.	(A) Debit Aman and Amar's capital A/c by 20,000 each.	(1)
7.	(D) 11:7:2 OR (C) 45:27:8	(1)
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 OR (B) Section 41	(1)
12.	(A) Equity share allotment A/c           Dr To Equity share capital A/c To Securities premium A/c	(1)
13.	(A) Offer to existing shareholders to first buy newly issued stock in open market	(1)
14.	(D) A is incorrect but R is correct OR (D) A is incorrect but R is correct	(1)
15.	(A) Rs.10,470	(1)
16.	(D) Underwriters' A/c                   Dr To ... % Debenture A/c	(1)

<b>17.</b>	<p>Calculation of net effect of revaluation</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Increase in value of Land</td> <td style="width: 20%; text-align: right;">50,000</td> <td style="width: 20%;"></td> </tr> <tr> <td>Decrease in value of Creditors</td> <td style="text-align: right;">10,000</td> <td></td> </tr> <tr> <td>Less: Decrease in value of Plant and Machinery</td> <td style="text-align: right;">(20,000)</td> <td style="text-align: right;">40,000</td> </tr> </table> <p>Calculation of Sacrificing/Gaining ratio  Aakash : Disha : Gautam    7:7:6 to 2:2:1                      <math>7/20 - 2/5 = (7 - 8)/20 = -1/20</math>  <span style="margin-left: 400px;"><math>6/20 - 1/5 = (6 - 4)/20 = 2/20</math></span></p> <p>So Aakash and Disha gain and Gautam Sacrifice.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 50%;">Particulars</th> <th style="width: 5%;">LF</th> <th style="width: 15%;">Amount(Dr)</th> <th style="width: 15%;">Amount(Cr)</th> </tr> </thead> <tbody> <tr> <td></td> <td>Aakash's capital A/c</td> <td></td> <td style="text-align: right;">2,000</td> <td></td> </tr> <tr> <td></td> <td>Disha's capital A/c</td> <td></td> <td style="text-align: right;">2,000</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">To Gautam's capital A/c</td> <td></td> <td></td> <td style="text-align: right;">4,000</td> </tr> <tr> <td></td> <td>(Being adjustment made on revaluation profit)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Increase in value of Land	50,000		Decrease in value of Creditors	10,000		Less: Decrease in value of Plant and Machinery	(20,000)	40,000	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)				<b>(3)</b>																					
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<b>18.</b>	<p>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. 3:2</p> <p>Goodwill of the firm is = <math>\frac{1,20,000 + 1,00,000 + 95,000}{3} = 3,15,000/3 = 1,05,000</math></p> <p>So Chakram's share = <math>1,05,000/3</math>  35,000 in 3:2 = 21,000 and 14,000</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 50%;">Particulars</th> <th style="width: 5%;">LF</th> <th style="width: 15%;">Amount(Dr)</th> <th style="width: 15%;">Amount(Cr)</th> </tr> </thead> <tbody> <tr> <td></td> <td>General Reserve A/c                      Dr</td> <td></td> <td style="text-align: right;">60,000</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">To Akram's Capital A/c</td> <td></td> <td></td> <td style="text-align: right;">30,000</td> </tr> <tr> <td></td> <td style="text-align: center;">To Bikram's Capital A/c</td> <td></td> <td></td> <td style="text-align: right;">20,000</td> </tr> <tr> <td></td> <td style="text-align: center;">To Chakram's Capital A/c</td> <td></td> <td></td> <td style="text-align: right;">10,000</td> </tr> <tr> <td></td> <td>(Being general reserve distributed among partners)</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Akram's Capital A/c                      Dr</td> <td></td> <td style="text-align: right;">21,000</td> <td></td> </tr> <tr> <td></td> <td>Bikram's Capital A/c                      Dr</td> <td></td> <td style="text-align: right;">14,000</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">To Chakram's Capital A/c</td> <td></td> <td></td> <td style="text-align: right;">35,000</td> </tr> <tr> <td></td> <td>(Being goodwill of Chakram adjusted among gaining partners in gaining ratio)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>1 mark for calculation of share of goodwill of retiring partners and 1 mark each for the two journal entries.                      (1+1+1)</p>	Date	Particulars	LF	Amount(Dr)	Amount(Cr)		General Reserve A/c                      Dr		60,000			To Akram's Capital A/c			30,000		To Bikram's Capital A/c			20,000		To Chakram's Capital A/c			10,000		(Being general reserve distributed among partners)					Akram's Capital A/c                      Dr		21,000			Bikram's Capital A/c                      Dr		14,000			To Chakram's Capital A/c			35,000		(Being goodwill of Chakram adjusted among gaining partners in gaining ratio)				<b>(3)</b>					
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Case III) Loan by Mohan 1,20,000 and his balance in capital A/c is 1,50,000 (Debit)

Date	Particulars	LF	Amount	Amount
	Loan by Mohan A/c Dr.		1,20,000	
	Bank A/c Dr.		30,000	
	To Mohan's Capital A/c			1,50,000
	(Being balance of loan transfer to capital a/c and deficiency brought in )			
	<b>Debit balance is more than loan hence total of loan transferred and deficiency borne</b>			

1 mark for each case (1+1+1)

20.

Balance Sheet of XY Ltd as at ---

EQUITY and LIABILITIES	Note No	Amount
Shareholder's Fund		
Share Capital	1	<b>35,70,000</b>

Notes to Account

Particulars	Amount
1. Share Capital	
Authorised Capital	
5,00,000 Equity Shares of 10 each	50,00,000
Issued Capital	
4,00,000 Equity Shares of 10 each	40,00,000
Subscribed Capital	
Subscribed and fully paid	
3,45,000 Equity Shares of 10 each	34,50,000
Subscribed but not fully paid	
15,000 Equity Shares of 10 each	1,50,000
Less: Calls in arrears (15,000 X 2)	30,000
	<b>35,70,000</b>

(3)

21.

**Profit and Loss Appropriation A/c**

Particulars	Amount	Particulars	Amount
To Interest on Capital		By Profit and Loss A/c	
Bhagya A/c 13,500		(1,54,700 – 24,000)	1,30,700
Luck's A/c 9,500		By interest on drawings	
Taqdir's A/c 7,000	30,000	Bhagya 1,950	
		Luck 1,350	3,300
To Share of profit transferred			
Bhagya A/c 60,000			
Luck's A/c 26,400			
Taqdir's A/c 17,600	1,04,000		
	<b>1,34,000</b>		<b>1,34,000</b>

	Bhagya	Luck	Taqdir
Capital as on 1 <sup>st</sup> April 23	1,20,000	1,00,000	80,000
Capital adjusted on 1 <sup>st</sup> Oct 23 as per 5:3:2	30,000	(10,000)	(20,000)
3,00,000 in 5:3:2	1,50,000	90,000	60,000

Interest on Capital = 1,20,000 X 10/100 X 1/2 = 6,000 + 1,50,000 X 10/100 X 1/2 = 7,500 = 13,500

Luck = 1,00,000 X 10/100 X 1/2 = 5,000 + 90,000 X 10/100 X 1/2 = 4,500 = 9,500

Taqdir = 80,000 X 10/100 X 1/2 = 4,000 + 60,000 X 10/100 X 1/2 = 3,000 = 7,000



Revaluation A/c	Dr	10,000	
To Furniture			10,000
(Being value of furniture depreciated)			
Investment A/c	Dr	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
To Bibek's capital A/c			15,000
To Carl's Capital A/c			15,000
(Being profit on revaluation transferred to capital)			

.5 mark each for calculation of Old and New PSR. 5 marks for 6 journals = (1+5)

24.

**Journal**

(6)

Date	Particulars	LF	Amount (Dr)	Amount (Cr)
	Bank A/c		3,20,000	
	To Equity Share Application A/c			3,20,000
	( Being application money received on 1,60,000 share)			
	Equity Share Application A/c		3,20,000	
	To Equity Share Capital A/c			3,20,000
	(Being application money transferred to share capital)			
	Equity Share Allotment A/c		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		8,70,000	
	Calls in arrears A/c		90,000	
	To Equity Share Allotment A/c			9,60,000
	(Being allotment money received on all but 15,000 shares )			
	Equity Share first and final call A/c		6,40,000	
	To Share Capital A/c			6,40,000
	(Being first and final call due on 1,60,000 shares)			
	Bank A/c		5,80,000	
	Calls in arrears A/c		60,000	
	To Equity Share First and final call A/c			6,40,000
	( Being First and final call money received on all but 15,000 shares)			
	Share Capital A/c		1,50,000	
	Securities premium A/c		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 allotmen and First and final call money)			

**OR**

2,00,000 X 4 = 8,00,000 received on application

1,25,000 X 4 = 5,00,000 required on application

25,000 X4 = 1,00,000 refunded to last 25,000 applicants

Rest transferred to share allotment =  $(8,00,000 - 5,00,000 - 1,00,000) = 2,00,000$   
 Ratio of Pro rata allotment 1,75,000 applied : 1,25,000 allotted = 7:5  
 Share holder was allotted 20,000 shares, he had applied for 20,000  $\times 7/5 = 28,000$   
 Money paid for 28,000 shares =  $28,000 \times 4 = 1,12,000$   
 Money due  $20,000 \times 4 = 80,000$   
 Paid in advance on application 32,000  
 On allotment money due  $20,000 \times 4 = 80,000 - 32,000 = 48,000$  (Calls in arrears)

**Journal**

Date	Particulars	LF	Debit	Credit
	Bank A/c <span style="float: right;">Dr</span>		8,00,000	
	To Share Application A/c			8,00,000
	( Being application money received on 2,00,000 share)			
	Share Application A/c <span style="float: right;">Dr</span>		8,00,000	
	To Share Capital A/c			5,00,000
	To Share allotment A/c			2,00,000
	To Bank A/c			1,00,000
	(Being application money transferred to share capital, share allotment and rest refunded)			
	Share Allotment A/c <span style="float: right;">Dr</span>		5,00,000	
	To Share Capital A/c			5,00,000
	(Being allotment money due including premium on shares)			
	Bank A/c <span style="float: right;">Dr</span>		2,52,000	
	Calls in arrears A/c <span style="float: right;">Dr</span>		48,000	
	To Equity Share Allotment A/c			3,00,000
	(Being allotment money received on all but 20,000 shares of 1,25,000 adjusted)			

2 marks for calculations and 1 mark each for the four journals. (2 + 4)

25.

Value of Sundry Assets =  $(78,000 + 84,000 + 80,000 + 48,000 + 20,000 - 10,000) = 3,00,000$   
 Non-current assets and Current Assets = 3:1 or 2,25,000 and 75,000

(6)

Realisation A/c

To Sundry Assets		By Sundry Liabilities	
Non-Current Assets	2,25,000	Creditors	48,000
Current Assets	75,000	Bills Payable	20,000
	3,00,000	Bank Loan	80,000
			1,48,000
To Bank		By Priya's Capital : Noncurrent asset	90,000
Creditors	45,000	By Supriya's Capital Noncurrent asset	90,000
Bills payable	20,000	By Bank (Current Assets)	90,000
Bank Loan	83,000	By Loss transferred	
		Priya's Capital	18,000
		Supriya's Capital	12,000
			30,000
	4,48,000		4,48,000

Capital A/c

Particulars	Priya	Supriya	Particulars	Priya	Supriya
To Realisation (Assets)	90,000	90,000	By Balance b/d	78,000	84,000
To Realisation (Loss)	18,000	12,000	By Bank (brought in)	30,000	18,000
	1,08,000	1,02,000		1,08,000	1,02,000

Bank A/c

To Balance b/d	10,000	By Realisation A/c (Liability paid)	1,48,000
To Realisation A/c (Assets)	90,000		
To Priya's Capital	30,000		
To Supriya's Capital	18,000		

		1,48,000		1,48,000		
.5 mark each for calculation of total assets and share of non-current and current asset. 3 mark or realisation a/c and 1 mark each for capital and bank a/c. (1+3+1+1)						
26.	Journal of Kumar Enterprises					(6)
	Date	Particulars	LF	Amount Dr	Amount Cr	
		Sundry Assets A/c Dr		35,00,000		
		To Sundry Liabilities A/c			5,30,000	
		To Khan Traders			29,70,000	
		Being machinery purchased and consideration due)				
	Case I	Khan Traders Dr		29,70,000		
		To 12% Debenture A/c			29,70,000	
		(Being consideration paid by issue of 29,700 debenture of 100 each)				
	Case II	Khan Traders Dr		29,70,000		
		To 12% Debenture A/c			27,00,000	
		To Securities premium A/c			2,70,000	
		(Being consideration paid by issue of 27000, debenture of 100 each issued at 10% premium)				
	Case III	Khan Traders Dr		29,70,000		
		Discount on issue of debenture A/c Dr		3,30,000		
		To 12% Debenture A/c			33,00,000	
		(Being consideration paid by issue of 33000, debenture of 100 each issued at 10% discount)				
29,70,000 = 110% so 100 % = 27,00,000 Number of debenture = 27,00,000/100 = 27,000						
29,70,000 = 90% so 100% = 33,00,000 Number of debentures = 33,00,000/100 = 33,000						
1.5 for each journal with correct narration.						
<b>PART B (Analysis of Financial Statements)</b>						
27.	(D) i) d); ii) a); iii) c); iv) b)					(1)
28.	(C) 1:1 OR (A) Will remain unchanged					(1)
29.	(C) i) Other Current Liabilities ii) Trade Receivables					(1)
30.	(B) A and R are correct and R is the correct explanation of A					(1)
31.	Comparative Statement of Profit and loss for year ended 31 <sup>st</sup> March 2023 and 2024					(3)
	Particulars	N.No	31 <sup>st</sup> Mar 24	31 <sup>st</sup> Mar 23	Absolute	% Change
	Revenue from Operation		15,00,000	<b>A12,00,000</b>	3,00,000	25.00
	Other Income		1,50,000	1,50,000	-----	-----
	Total Revenue		<b>B16,50,000</b>	<b>C 13,50,000</b>	<b>D3,00,000</b>	<b>E22.22</b>
	Cost of Materials		8,40,000	7,50,000	90,000	<b>F12.00</b>
	Employee benefit exp.		2,70,000	3,00,000	<b>G (30,000)</b>	(10.00)
	Finance Cost		<b>H 2,10,000</b>	1,75,000	35,000	<b>I 20.00</b>
	Total Expense		13,20,000	12,25,000	<b>J 95,000</b>	7.76
	Profit Before Tax		3,30,000	<b>K 1,25,000</b>	<b>L 2,05,000</b>	164.00
.25 marks for each missing figure (.25 X 12 = 3)						
OR						
	Particulars	N.No	Absolute Amounts		% of Balance Sheet Total	
			31 <sup>st</sup> Mar 24	31 <sup>st</sup> Mar23	31 <sup>st</sup> Mar 24	31 <sup>st</sup> Mar23
	EQUITY AND LIABILITIES					

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

.3 marks for each (total not to be considered) (.3 X 10 = 3)

32. 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/Current Liabilities = 1,60,000/80,000 = **2:1**

b) Total Asset to Debt ratio = Total Assets/Long term Debts

Total Assets = Shareholders Fund + Total Liabilities = 2,87,500 + 8,00,000 = 10,87,500

Long term Debts = Total Liabilities – Current Liabilities = 8,00,000 – 75,000 = 7,25,000

So 10,87,500/7,25,000 = **1.50:1**

c) Gross profit ratio = (Gross Profit/Revenue from operations) X100

20/100 = (Gross Profit / 10,00,000)X100

Gross profit is 20% of 10,00,000 = 2,00,000

Operating Ratio =

$$\frac{(\text{Cost of Revenue from Operations} + \text{Operating Expenses})}{\text{Revenue from Operations}} \times 100$$

Cost of Revenue from Operations = Revenue from operations – Gross Profit

10,00,000 – 2,00,000 = 8,00,000

$$\frac{8,00,000 + \text{Operating Expenses}}{10,00,000} \times 100 = 85\%$$

Operating Expenses = **50,000**

33. Current Ratio = 
$$\frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Current Assets = Trade receivables + Inventory + Prepaid expenses + Cash in Hand

31<sup>st</sup> March 2024 = 12,00,000 + 10,40,000 + 60,000 + 2,00,000 = 25,00,000

31<sup>st</sup> March 2023 = 9,60,000 + 8,60,000 + 50,000 + 2,80,000 = 21,50,000

Current Liabilities = Trade payable + Outstanding expense

31<sup>st</sup> March 2024 = 15,00,000 + 25,000 = 15,25,000

31<sup>st</sup> March 2023 = 10,00,000 + 75,000 = 10,75,000

Current Ratio = 25,00,000/ 15,25,000 = 1.64 and 21,50,000/ 10,75,000 = 2.00

**Ans (B) 1.64 and 2.00 respectively**

Inventory Turnover Ratio = 
$$\frac{\text{Cost of revenue from operations}}{\text{Average Inventory}}$$

Cost of revenue = Revenue from operation – Gross Profit = 36,00,000 – 5,40,000 = 30,60,000

Average Inventory = (10,40,000 + 8,60,000)/2 = 19,00,000/2 = 9,50,000

30,60,000/9,50,000 = 3.22

**Ans: (A) 3.22 times**

Working capital turnover ratio = 
$$\frac{\text{Revenue from operation}}{\text{Working Capital}}$$

Revenue from operation = 30,00,000

Working Capital = Current Assets – Current Liabilities

21,50,000 – 10,75,000 = 10,75,000



working capital turnover ratio = 30,00,000/10,75,000 = 2.79 times

Ans : (B) 2.79 times

Revenue from operation will increase by 3,00,000 so new Revenue from Operation = 33,00,000

Gross Profit = 20% of 33,00,000 = 6,60,000

Cost of Revenue from Operation = Revenue from Operation – Gross Profit

$$33,00,000 - 6,60,000 = 26,40,000$$

Earlier it was 30,00,000 – 6,00,000 = 24,00,000

Ans : (D) Increase by 2,40,000

OR

i) No, the restaurant industry does not have an ideal current ratio which should be 2:1. The industry has a ratio much below at 1.1. Which indicates that restaurants on average do not have much more in current assets than current liabilities. One of the main reasons for this is that restaurants do not tend to have high levels of accounts receivable.

ii) Liquid ratio or Acid Test ratio or Quick ratio is the other Liquidity ratio

It is calculated as =  $\frac{\text{Quick Assets}}{\text{Current Liabilities}}$

Current Liabilities

Where Quick Assets = Current Assets – Inventory – Prepaid expense

iii) A slow inventory turnover ratio can reveal whether a company has undesirable inventory, which can also hurt a company's liquidity. Fast inventory turnover, however, may indicate a company is not purchasing enough inventory to cover sales.

iv) There are three profit margins

Gross Profit margin/ratio =  $\frac{\text{Gross Profit}}{\text{Revenue from Operations}} \times 100$

Operating Profit ratio =  $\frac{\text{Operating Profit}}{\text{Revenue from Operations}} \times 100$

Net Profit Ratio =  $\frac{\text{Net profit after tax}}{\text{Revenue from Operations}} \times 100$

34.

Cash Flow from Operating Activities

Net profit before tax (Note 1)		1,50,000
Adjustment for non-cash/non- operating items		
Add: Depreciation on furniture	5,000	
Depreciation on motor vehicle	35,000	
Amortization of goodwill	5,000	
Loss on sale of machinery	5,000	
Less: Profit on sale of Land	(60,000)	(10,000)
Operating profit before working capital changes		1,40,000
Add: Decrease in current assets/Increase in current liabilities		
Debtors	8,000	
Creditors	8,000	
Less: Increase in current assets/Decrease in current liabilities		
Inventories	(10,000)	6,000
Cash flow from operations		1,46,000
Less: Tax paid		(65,000)
Net cash from operating activities		<b>81,000</b>

Note 1: Net profit before tax

Profit for the year (1,50,000 – 1,00,000) 50,000

Add: Transfer to General Reserve 20,000

Add: Provision for tax 80,000 1,50,000

1 mark for calculating PBT; 3 marks for Adjustment of non-cash items; 1 mark each for WC change and tax paid ( 1+3+1+1)

**OR**

**Plant and Machinery**

To Balance b/d	5,00,000	By accumulated depreciation	25,000
		By statement of P/L	15,000
		By Bank (sale) (balancing fig)	80,000
		By Balance	3,80,000
	5,00,000		5,00,000

**Accumulated 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

**Office Equipment**

To Balance b/d	75,000	By depreciation	10,000
		By statement of P/L	5,000
		By Bank (sale) (balancing fig)	15,000
		By Balance	45,000
	75,000		75,000

**Cash Flow Statement**

Cash Flow from investing activities		
Sale of Plant and Machinery	80,000	
Sale of Office Equipment	15,000	
Purchase of furniture (75,000 + 15,000 – 60,000)	(30,000)	
Net cash flow from investing activities		65,000
Cash Flow from financing activities		
Proceeds from issue of equity shares(3,00,000+30,000 – 15,000)	3,15,000	
Redemption of preference shares	(1,05,000)	
Redemption of debentures	(1,57,500)	
Net cash flow from financing activities		52,500

1 mark each for three calculations 1 mark for Cash flow from investing activities; 2 marks for cash flow from financing activities. ( 3+1+2)

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