CBSE 12th – 2022-23

Accounts I-Financial Statement

Part A

General Instructions:

1. This Paper is divided into 2 parts. Part A and Part B.
2. **Part A:** Macro Economics. This part is divided in 4 sections. Section-I, Section-II, Section-III & Section-IV.
3. **Section-I:** This section has 13 MCQs of 1 mark each.
   Attempt any one question from Q5 and Q6.
   Attempt any one question from Q7 and Q8.
   Attempt any one question from Q10 and Q11.
4. **Section-II:** This section has 3 Short Answer questions of 3 marks each each to be answered in 60 to 80 words.
   Attempt any one question from Q2 and Q3.
5. **Section-III:** This section has 4 Short Answer questions of 4 marks each to be answered in 80 to 100 words.
   Attempt any one question from Q3 and Q4.
6. **Section-IV:** This section has 3 Long Answer questions of 6 marks each to be answered in 100 to 150 words. Each question has 2 sub questions of 3 marks each.
   Attempt any one question from Q2 and Q3.
7. **Part B:** Indian Economic Development. This part is divided in 4 sections. Section-I, Section-II, Section-III & Section-IV.
8. **Section-I:** This section has 13 MCQs of 1 mark each.
   Attempt any one question from Q2 and Q3.
   Attempt any one question from Q4 and Q5.
   Attempt any one question from Q10 and Q11.
9. **Section-II:** This section has 3 Short Answer questions of 3 marks each to be answered in 60 to 80 words.
   Attempt any one question from Q2 and Q3.
10. **Section-III:** This section has 4 Short Answer questions of 4 marks each to be answered in 80 to 100 words.
    Attempt any one question from Q2(with sub question of 1 mark & 3 marks respectively) and Q3.
    Q4 has 2 sub questions of 2 marks each.
11. **Section-IV:** This section has 3 Long Answer questions of 6 marks each each to be answered in 100 to 150 words.

Attempt any one question from Q1(with 3 sub questions of 2 marks each) and Q2(with 2 sub questions of 3 marks each).

Q3 is Long Answer, paragraph based question with 2 sub questions each of 3 marks.

Section A

1. Hameed and Govind are partners sharing profits and losses in the ratio of $5:3$. They admit John as a partner. John acquires his share $\frac{1}{5}$ from Hameed and $\frac{1}{5}$ from Govind. Find out the new profit sharing ratio and sacrificing ratio. **1**

   (A) New PSR : $17:7:16$ & Sacrifice Ratio : $1:1$
   (B) New PSR : $16:6:15$ & Sacrifice Ratio : $1:2$
   (C) New PSR : $15:5:15$ & Sacrifice Ratio : $1:3$
   (D) New PSR : $12:6:15$ & Sacrifice Ratio : $1:4$

2. **Assertion (A):-** Commission provided to partner is shown in Profit and Loss A/c.
   Reason (R):- Commission provided to partner is charge against profits and is to be provided at fixed rate. (1 Marks)

   (A) (A) is correct but (R) is wrong
   (B) Both (A) and (R) are correct, but (R) is not the correct explanation of (A)
   (C) Both (A) and (R) are incorrect.
   (D) Both (A) and (R) are correct, and (R) is the correct explanation of (A) **1**

3. Vishnu Ltd. forfeited 20 shares of ₹.10 each, ₹.8 called up, on which John had paid application and allotment money of ₹.5 per share, of these, 15 shares were reissued to Parker as fully paid up for ₹.6 per share. What is the balance in the share Forfeiture Account after the relevant amount has been transferred to Capital Reserve Account? **1**

   (A) ₹.0
   (B) ₹.5
   (C) ₹.25
   (D) ₹.100

OR

Savitri Ltd. issued $50,000, 8\%$ Debentures of ₹ 100 each at certain rate of premium and to be redeemed at 10% premium. At the time of writing off Loss on Issue of Debentures, Statement of Profit and Loss was debited with ₹ $2,00,000$. At what rate of premium, these debentures were issued? **1**

(A) 10%

(B) 16%
(C) 6%
(D) 4%

4. E, F and G are partners sharing profits in the ratio of $3:3:2$. According to the partnership agreement, G is to get a minimum amount of ₹.$80,000$ as his share of profits every year and any deficiency on this account is to be personally borne by E. The net profit for the year ended 31st March 2021 amounted to ₹. $3,12,000$. Calculate the amount of deficiency to be borne by E ? **1**

(A) ₹.$1,000$
(B) ₹. $4,000$
(C) ₹. $8,000$
(D) ₹. $2,000$

OR

Anubhav, Shagun and Pulkit are partners in a firm sharing profits and losses in the ratio of $2:2:1$. On 1st April 2021, they decided to change their profit-sharing ratio to $5:3:2$. On that date, debit balance of Profit & Loss A/c ₹ $30,000$ appeared in the balance sheet and partners decided to pass an adjusting entry for it. Which of the undermentioned options reflect correct treatment for the above treatment? **1**

(A) Shagun's capital account will be debited by $3,000$ and Anubhav's capital account credited by $3,000$
(B) Pulkit's capital account will be credited by $3,000$ and Shagun's capital account will be credited by $3,000$
(C) Shagun's capital account will be debited by $30,000$ and Anubhav's capital account credited by $30,000$
(D) Shagun's capital account will be debited by $3,000$ and Anubhav's and Pulkit's capital account credited by $2,000$ and $1,000$ respectively.

5. Vihaan and Mann are partners sharing profits and losses in the ratio of $3:2$. The firm maintains fluctuating capital accounts and the balance of the same as on 31st March 2022 is ₹ $4,00,000$ and ₹ $4,65,000$ for Vihaan and Mann respectively. Drawings during the year were ₹ $65,000$ each. As per the partnership Deed, Interest on capital @ 10% p.a. on Opening Capital has been allowed to them. Calculate the opening capital of Vihaan given that the divisible profits during the year 2021-22 was ₹ $2,25,000$. **1**

(A) ₹ $3,30,000$

(B) ₹ 4,40,000

(C) ₹ 4,00,000

(D) ₹ 3,00,000

6. While issuing ___________ type of Debentures, company doesn't give any undertaking for the repayment of money borrowed by issuing such debentures. **1**

(A) Zero Coupon Rate Debentures

(B) Non-Convertible Debentures

(C) Secured Debentures

(D) Non-Redeemable Debentures.

OR

Differentiate between 'Equity shares' and 'Debentures' on the basis of risk involved. **1**

7. As per Section 52 of Companies Act 2013, Securities Premium Reserve cannot be utilised for: **1**

(A) Writing off capital losses.

(B) Issue of fully paid bonus shares.

(C) Writing off discount on issue of securities.

(D) Writing off preliminary expenses.

8. Amay, Bina and Chander are partners in a firm with capital balances of ₹ 50,000, Rs. 70,000 and ₹ 80,000 respectively on 31st March, 2022. Amay decides to retire from the firm on 31st March, 2022. With the help of the information provided, calculate the amount to be paid to Amay on his retirement. There existed a general reserve of ₹ 7,500 in the balance sheet on that date. The goodwill of the firm was valued at ₹ 30,000. Gain on revaluation was ₹. 24,000. **1**

(A) ₹ 88,500

(B) ₹ 90,500

(C) ₹ 65,375

(D) ₹ 70,500

OR

Which of the following is true regarding Salary to a partner when the firm maintains fluctuating capital accounts? **1**

(A) Debit Partner's Loan A/c and Credit P & L Appropriation A/c.
(B) Debit P & L A/c and Credit Partner's Capital A/c.
(C) Debit P & L Appropriation A/c and Credit Partner's Current A/c.
(D) Debit P & L Appropriation A/c and Credit Partner's Capital A/c

Read the following hypothetical situation, Answer Question No. 9 and 10

Paresh and Ramesh are partners in a clay toys making firm. Their capitals were ₹ $5,00,000$ and ₹ $10,00,000$ respectively. The firm allowed Paresh to get a commission of 10% on the net profit before charging any commission and Ramesh 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			
Particulars	**Amount (₹)**	**Particulars**	**Amount (₹)**
To Paresh capital A/c (Commission) $x\frac{10}{100}$	44000	By Profit and Loss A/c	
To Rameshs Capital A/c	---		
To Profit Share Transferred to-			
Paresh's Capital A/c			
Rameshs's Capital A/c			

9. Ramesh's commission will be:-
(A) $40,000$
(B) 44000
(C) 36000
(D) 36440

10. Paresh's share of profit will be :-
(A) $1,80,000$
(B) $1,44,000$
(C) $2,16,000$
(D) $1,60,000$

11. Which of the following items is not dealt through Profit and Loss Appropriation Account? **1**
    (A) Interest on Partner's Loan
    (B) Partner's Salary
    (C) Interest on Partner's Capital
    (D) Partner's Commission

12. Vishnu Ltd. forfeited 20 shares of ₹ 10 each, ₹ 8 called up, on which John had paid application and allotment money of ₹ 5 per share, of these, 15 shares were reissued to Parker as fully paid up for ₹ 6 per share. What is the balance in the share Forfeiture Account after the relevant amount has been transferred to Capital Reserve Account? **1**
    (A) ₹ 0
    (B) ₹ 5
    (C) ₹ 25
    (D) ₹ 100

13. What will be the correct sequence of events? **1**
    (i) Forfeiture of shares.
    (ii) Default on Calls.
    (iii) Re-issue of shares.
    (iv) Amount transferred to capital reserve.

    Options:

    (A) (i), (iv), (ii), (iii)
    (B) (ii), (iv), (i), (iii)
    (C) (ii), (i), (iii), (iv)
    (D) (iii), (iv), (i) (ii)

14. A and B are partners in the ratio of $3:2$. C is admitted as a partner and he takes ¼th of his share from $A. B$ gives $\frac{3}{16}$ from his share to C. What is the share of C? **1**

    (A) $\frac{1}{4}$
    (B) $\frac{1}{16}$
    (C) $\frac{1}{6}$
    (D) $\frac{7}{16}$

15. Girdhar, a partner withdrew ₹ $5,000$ in the beginning of each quarter and interest on drawings was calculated as ₹ $1,500$ at the end of accounting year 31 March 2022. What is the rate of interest on drawings charged? **1**

(A) 6% P.a.

(B) 8% p.a.

(C) 10% p.a.

(D) 12% p.a.

OR

E, F and G are partners sharing profits in the ratio of $3:3:2$. According to the partnership agreement, G is to get a minimum amount of $80,000$ as his share of profits every year and any deficiency on this account is to be personally borne by E. The net profit for the year ended 31st March 2021 amounted to $3,12,000$. Calculate the amount of deficiency to be borne by E ? **1**

(A) $1,000$

(B) $4,000$

(C) $8,000$

(D) $2,000$

16. How is dissolution of partnership different from dissolution of partnership firm? **1**

Section B

17. P, Q and R were partners sharing profits in the ratio of $2:2:1$. The firm closes its books on March 31 every year. On June 30, 2017, R died. The following information is provided on R's death:

Balance in his capital account in the beginning of the year was Rs. $6,50,000$.

He withdrew Rs. $60,000$ on May 15, 2017 for his personal use.

On the date of death of a partner the partnership deed provided for the following:

Interest on capital $@10\%$ per annum.

Interest on drawings @ $12\ \%$ per annum.

His share in the profit of the firm till the date of death, to be calculated on the basis of the rate of Net Profit on Sales of the previous year, which was $25\ \%$. The Sales of the firm till June 30, 2017 were ₹ $6,00,000$.

Prepare R’s Capital Account on his death to be presented to his executors. **3**

18. Ajay, Manish and Sachin were partners sharing profits in the ratio $5:3:2$. Their Capitals were ₹ $6,00,000$; ₹ $8,00,000$ and ₹ $11,00,000$ as on April 01, 2021. As per Partnership deed, Interest on Capitals were to be provided @ 10% p.a. For the year ended March 31, 2022, Profits of ₹ $2,00,000$ were distributed without providing for Interest on Capitals. Pass an adjustment entry and show the workings clearly. **3**

OR

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 ₹ $36,000$ p.a. Their fixed capital balances are: ₹ $2,00,000$, ₹ $1,00,000$ and ₹ $1,00,000$ respectively. Profit for the year ended 31st March, 2022 was ₹ $1,38,000$. Prepare Profit and Loss Appropriation A/c. **3**

19. Explain with an imaginary example how issue of debenture as collateral security is shown in the balance sheet of a company when it is recorded in the books of accounts. A Ltd. obtained Loan of $1,00,000$ from Indian Bank and issued $1200, 10\%$ Debentures of Rs. 100 each as Collateral security. The company recorded the issue of debentures as collateral security by opening ‘Debenture Suspense Account.’ Present the issue of debentures in the Balance Sheet of the company. **3**

OR

Crown Ltd forfeited 50 shares of ₹ 10 each, for non- payment of final call money of ₹ 3 per share. Out of these 20 shares were reissued to Taj at₹ 8 per share. Record the journal entries for forfeiture and reissue of shares assuming that the company maintains call in arrear, call in advance account. **3**

20. Rekha, Sunita and Teena are partners in a firm sharing profits in the ratio of $3:2:1$. Samiksha joins the firm. Rekha surrenders $\frac{1}{4}$th of her share; Sunita surrenders $\frac{1}{3}$rd of her share and Teena surrenders $\frac{1}{5}$th of her share in favour of Samiksha. Find the new Profit sharing ratio. **3**

Section C

21. Altaur Ltd. was registered with an authorised Capital of ₹ $4,00,00,000$ divided in $25,00,000$ Equity Shares of ₹ 10 each and $1,50,000, 9\%$ Preference Shares of ₹ 100 each. The company issued $8,00,000$ Equity Shares for public subscription at 20% premium, payable ₹ 3 on application; ₹ 7 on allotment (including premium) and balance on call. Public had applied for $10,00,000$ shares. Excess Applications were sent letters of regret.
All the dues on allotment received except on $15,000$ shares held by Sanju. Another shareholder Rocky paid his call dues along with allotment on his holding of $25,000$ shares. You are required to prepare the Balance Sheet of the company as per Schedule III of Companies Act, 2013, showing Share Capital balance and also prepare Notes to Accounts. **4**

22. E, F and G were partners in a firm sharing profits in the ratio of $2:2:1$. On March 31, 2017, their firm was dissolved. On the date of dissolution, the Balance Sheet of the firm was as follows:

Balance Sheet as at March 31, 2017			
Liabilities	**₹**	**Assets**	**₹**
Capitals:		G's Capital	500
E $1,30,000$		Profit & Loss Account	$10,000$
F $1,00,000$	$2,30,000$	Land & Building	$1,00,000$
Creditors	$45,000$	Furniture	$50,000$
Outstanding Expenses	$17,000$	Machinery	$90,000$
		Debtors	$36,500$
		Bank	$5,000$
	$2,92,000$		**$2,92,000$**

F was appointed to undertake the process of dissolution for which he was allowed a remuneration of ₹ $5,000$. F agreed to bear the dissolution expenses. Assets realized as follows:

(i) The Land & Building was sold for ₹ $1,08,900$.

(ii) Furniture was sold at 25% of book value.

(iii) Machinery was sold as scrap for ₹ $9,000$.

(iv) All the Debtors were realized at full value.

Creditors were payable on an average of 3 months from the date of dissolution. On discharging the Creditors on the date of dissolution, they allowed a discount of 5%.

Pass necessary Journal entries for dissolution in the books of the firm.

Section D

23. OTUA Ltd. was registered with an authorised capital of $2,00,000$ equity shares of ₹ 100 each. The company offered $60,000$ shares for public subscription at 25% premium. The share was payable as ₹ 40 on application and balance on allotment, with premium. Public had applied for $85,000$ shares. Pro-rata allotment was made in the ratio of $5:4$ and remaining applications were sent letters of regret. Mr. Anand holding $4,000$ shares failed to pay allotment money and his shares were forfeited. Out of these $3,000$ shares were re-issued at a discount of ₹ 20 per share. Pass necessary entries in the books of the OTUA Ltd. **6**

OR

a) Ltd forfeited Mr M's shares who has applied for 600 shares and was allotted 400 shares failed to pay allotment money of ₹ 4 per share including premium of ₹ 2 on which he had paid application money of ₹ 2 only. Pass necessary journal entries for forfeiture of shares by opening call in arrear, call in advance account.

S.no	Particulars	LF.	Dr. Amount	Cr. Amount
	Equity Share Capital A/c Dr.		$1,600$	
	Securities Premium A/c Dr.		800	
	To Equity shares forfeited A/c			$1,200$
	To Calls in Arrears A/c			$1,200$
	(Being Mr. M's shares forfeited)			

b) Vikram Ltd. forfeited $5,000$ shares of Rahul, who had applied for $6,000$ shares for non-payment of allotment money of ₹ 5 per share and first and final call of ₹ 2 per share. Only application money of ₹ 3 was paid by him. Out of these $3,000$ shares were re-issued @ ₹ 12 per share as fully paid.

24. Sunaina and Tamanna are partners in a firm sharing profits and losses in the ratio of $3:2.$ Their Balance Sheet as at 31st March, 2020 stood as follows:

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Accounts:		Plant & Machinery	$1,20,000$
Sunaina $60,000$		Land and Building	$1,40,000$
Tamanna $80,000$	$1,40,000$	Debtors $1,90,000$	
Current Accounts:		Less provision for	
Sunaina $10,000$		Doubtful debts $(40,000)$	$1,50,000$

Tamanna $30,000$	$40,000$	Stock	$40,000$
General Reserve	$1,20,000$	Cash	$30,000$
Workmen's Compensation Reserve	$50,000$	Goodwill	$20,000$
Creditors	$1,50,000$		
	$5,00,000$		**$5,00,000$**

They agreed to admit Pranav into partnership for $\frac{1}{5}$th share of profits on 1st April, 2020, on the following terms: **6**

a) All Debtors are good.
b) Value of land and building to be increased to ₹ $1,80,000$
c) Value of plant and machinery to be reduced by ₹ $20,000$.
d) The liability against Workmen's Compensation Fund is determined at ₹ $20,000$ which is to be paid later in the year.
e) Mr. Anil, to whom ₹ $40,000$ were payable (already included in above creditors), drew a bill of exchange for 3 months which was duly accepted.
f) Pranav to bring in capital of ₹ $1,00,000$ and ₹ $10,000$ as premium for goodwill in cash.

Journalize.

OR

P, Q and R were partners in a firm sharing profits in the ratio of $3:2:1$ respectively. On March 31st, 2022, the balance sheet of the firm stood as follows:

Balance Sheet			
Liabilities	**Amount (₹)**	**Assets**	**Amount (₹)**
Creditors	$13,000$	Cash	$4,700$
Bills payable	590	Debtors	$8,000$
Capital Accounts:		Stock	$11,690$
P $15,000$		Buildings	$23,000$
Q $10,000$		Profit and Loss Account	$1,200$
R $10,000$	$35,000$		
	$48,590$		**$48,590$**

Q retired on the above-mentioned date on the following terms:

(i) Buildings to be appreciated by ₹ $7,000$
(ii) A provision for doubtful debts to be made at $5\ \%$ on debtors.
(iii) Goodwill of the firm is valued at ₹ $18,000$ and adjustment to be made by raising and writing off the goodwill.
(iv) ₹ $2,800$ was to be paid to Q immediately and the balance in his capital account to be transferred to his loan account carrying interest as per the agreement.
(v) Remaining partner decided to maintain equal capital balances, by opening current account.

Prepare the revaluation account and partner's capital accounts.

25. On 31st March 2015 the Balance Sheet of Punit, Rahul and Seema was as follows

Dr				Partners Capital A/c			Cr.
Particulars	**P**	**Q**	**R**	**Particulars**	**P**	**Q**	**R**
Goodwill A/c	13,500		4,500	Balance b/d	15,000	10,000	10,000
Profit & Loss	600	400	200	Revaluation A/c	3,300	2,200	1,100
Cash		2,800		Goodwill A/c	9,000	6,000	3,000
Q's Loan		15,000		R's Current A/c			1,900
P's Current A/c	1,900						
Balance c/d	11,300		11,300				

Balance Sheet of Punit, Rahul and Seema As at March 31, 2015			
Liabilities	**Amount**	**Asset**	**Amount**
General Reserve	20,000	Buildings	40,000
Creditors	14,000	Machinery	60,000
Capitals:		Patents	12,000
Punit	60,000	Stock	20,000
Rahul	50,000	Cash in Hand	42,000
Seema	30,000		
	1,74,000		**1,74,000**

They were sharing Profit and loss in the ratio $5:3:2$.

Seema died on October 1, 2015. It was agreed between her executors and the remaining partners that:

(i) Goodwill be valued at 2 years' purchase of the average profits of the previous five years, which were: 2010-11: ₹ $30,000$; 2011-12: ₹ $26,000$; 2012-13: ₹ $24,000$; 2013-14: ₹ $30,000$ and 2014-15: $40,000$.
(ii) Patents be valued at ₹ $16,000$; Machinery at ₹ $56,000$; Buildings at ₹ $60,000$.
(iii) Profit for the year 2015-16 be taken as having been accrued at the same rate as that in the previous year.
(iv) Interest on capital be provided at 10% p. a.
(v) A sum of ₹ $15,500$ was paid to her executors immediately.

Prepare Revaluation Account, Seema's Capital Account and Seema's executors Account.

26. Ruchi Ltd issued $42,000, 7\%$ Debentures of 100 each on 1st April, 2011, redeemable at a premium of 8% on 31st March 2015. The company decided to create required Debenture Redemption Reserve on 31st March 2014. The company invested the funds as required by law in a fixed deposit with State Bank of India on 1st April, 2014 earning interest @ 10% per annum. Tax was deducted at source by the bank on interest @ 10% per annum. Pass necessary Journal Entries regarding issue and redemption of debentures.

Part B

Section A

27. Financial statements are prepared on certain basic assumptions (pre-requisites) known as____________. **1**
(a) Provision of Companies Act,2013
(b) Accounting Standards
(c) Postulates
(d) Basis of Accounting

OR

Which one of the following is correct? **1**

(i) Quick Ratio can be more than Current Ratio.
(ii) High Inventory Turnover ratio is good for the organisation, except when goods are bought in small lots or sold quickly at low margins to realise cash.
(iii) Sum of Operating Ratio and Operating Profit ratio is always 100% .
(A) All are correct.
(B) Only (i) and (iii) are correct.
(C) Only (ii) and (iii) are correct.
(D) Only (i) and (ii) are correct

28. Debt Equity Ratio of a company is $1:2$. Purchase of a Fixed asset for ₹ $5,00,000$ on long term deferred payment basis will increase, decrease or not change the ratio **1**

29. A company issued $20,000; 9\%$ Debentures of ₹ 100 each at 10% Discount. These debentures were to be redeemed at 15% Premium at the end of 5 years. The balance in Securities Premium Account as on the date of Issue was ₹ $3,70,000$. How this transaction will be reflected in Cash Flow Statement? **1**
(A) Added ₹ $1,30,000$ under Operating Activities as Loss on Issue of Debentures written off and Inflow of ₹ $20,00,000$ under Financing Activities.
(B) Added ₹ $5,00,000$ under Operating Activities as Loss on Issue of Debentures written off and Inflow of ₹. $18,00,000$ under Financing Activities.
(C) Added ₹ $1,30,000$ under Operating Activities as Loss on Issue of Debentures written off and Inflow of ₹ $18,00,000$ under Financing Activities.
(D) Added ₹ $5,00,000$ under Operating Activities as Loss on Issue of Debentures written off and Inflow of ₹ $20,00,000$ under Financing Activities.

OR

Insurance Claim received by Albert Co. Ltd. of ₹ $5,00,000$ for Loss of Machinery due to theft will be recorded in Cash Flow Statement in which of the following manner? **1**

(A) Added under Operating Activities as Extraordinary Item and Subtracted from Operating Activities also.
(B) Subtracted under Operating Activities as Extraordinary Item and Added to Operating Activities also.
(C) Added under Operating Activities as Extraordinary Item and Outflow under Investing Activity also.
(D) Subtracted under Operating Activities as Extraordinary Item and Inflow under Investing Activities also.

30. From the following information find out the inflow of Cash by sale of Office equipment's

	31st March, 2022	31st March, 2021
Office Equipment	₹ $2,00,000$	₹ $3,00,000$

Additional Information:

Depreciation for the year 2021-22 was ₹ $40,000$

Purchase of Office Equipment purchased during the year ₹ $30,000$ Part of Office Equipment sold at a profit of ₹ $12,000$.

(A) ₹ $1,00,000$
(B) ₹ $1,02,000$
(C) ₹ $90,000$
(D) ₹ $1,12,000$

Section B

31. Classify the following items under Major heads and Sub-head (if any) in the Balance Sheet of a Company as per schedule III of the Companies Act 2013. **3**

Current maturities of long term debts

Furniture and Fixtures

Provision for Warranties

Income received in advance

Capital Advances

Advances recoverable in cash within the operation cycle

32. From the following details calculate Interest Coverage Ratio: Net profit after tax - ₹ $7,00,000$ 6% debentures of ₹ $20,00,000$ Tax Rate 30%. **3**

Section C

33. Determine Return on Investment and Net Assets Turnover ratio from the following information:-

Profits after Tax were ₹ $6,00,000$; Tax rate was $40\%;15\%$ Debentures were of ₹ $20,00,000;10\%$ Bank Loan was ₹ $20,00,000;12\%$ Preference Share Capital ₹ $30,00,000$; Equity Share Capital ₹ $40,00,000$; Reserves and Surplus were ₹ $10,00,000$; Sales ₹ $3,75,00,000$ and Sales Return ₹ $15,00,000$. **4**

OR

For the year ended March 31, 2017, Net Profit after tax of K X Limited was ₹ $6,00,000$. The company has ₹ $40,00,000$ 12% Debentures of ₹. 100 each. Calculate Interest Coverage Ratio assuming 40% tax rate. State its significance also. Will the Interest Coverage Ratio change if during the year 2017-18, the company decides to redeem debentures of ₹. $5,00,000$ and expects to maintain the same rate of Net Profit and assume that the Tax rate will not change. **4**

Section D

34. Read the following hypothetical text and answer the given questions on the basis of the same:

Aashna, an alumnus of CBSE School, initiated her start up Smart pay, in 2015. Smart pay is a service platform that processes payments via UPI and POS, and provides credit or loans to their clients. During the year 2021-22, Smart pay issued bonus shares in the ratio of $5:1$ by capitalising reserves. The profits of Smart pay in the year 2021-22 after all appropriations was ₹ $7,50,000$. This profit was arrived after taking into consideration the following items: -

Particulars	**Amount (₹)**
Interim dividend paid during the year	$90,000$
Depreciation on Machinery	$40,000$
Loss of Machinery due to fire	$20,000$
Insurance claim received for Loss of Machinery due to Fire	$10,000$
Interest on Non- Current Investments received	$30,000$
Tax Refund	$20,000$

Additional Information:

Particulars	**31.3.22 (₹)**	**31.3.21 (₹)**
Equity Share Capital	12,00,000	10,00,000
Securities Premium Account	3,00,000	5,00,000
General Reserve	1,50,000	1,50,000
Investment in Marketable Securities	1,50,000	1,00,000
Cash in hand	2,00,000	3,00,000
Machinery	3,00,000	2,00,000
10% Non- Current Investments	4,00,000	3,00,000
Bank Overdraft	2,50,000	2,00,000
Goodwill	30,000	80,000
Provision for Tax	80,000	60,000

(i) Goodwill purchased during the year was ₹ 20,000.

(ii) Proposed Dividend for the year ended March 31, 2021 was ₹ 1,60,000 and for the year ended March 31,2022 was ₹ 2,00,000 .

You are required to:

1. Calculate Net Profit before tax and extraordinary items.
2. Calculate Operating profit before working capital changes.
3. Calculate Cash flow from Investing activities.
4. Calculate Cash flow from Financing activities.
5. Calculate closing cash and cash equivalents.