



	Date	Particulars	Dr. (₹)	Cr. (₹)	
	2025				
	April 1	Anil's current A/c (₹ 18,000 × 5/10) Dr.	9,000		
		Sunil's current A/c (₹ 18,000 × 3/10) Dr.	5,400		
		Ramesh's current A/c (₹ 18,000 × 2/10) Dr.	3,600		1
		To Goodwill A/c		18,000	
		(Existing Goodwill written off in old profit-sharing ratio)			
		Sunil's current A/c (₹ 1,08,000 × 1/30) Dr.	3,600		
		Ramesh's current A/c (₹ 1,08,000 × 4/30) Dr.	14,400		1
		To Anil's current A/c (₹ 1,08,000 × 5/30)		18,000	
		(Adjustment of Goodwill on change in profit-sharing ratio)			
<b>OR</b>					
		Let the total profit = 1; Z's share = 1/5; Remaining share of X and Y = 1 – 1/5 = 4/5			½
		1. Calculation of Z's Capital on the Basis of X's Capital and Y's Capital :			
		Step -1 : Adjusted combined capital of X and Y = ₹ 80,000 + ₹ 60,000 = ₹ 1,40,000			½
		Step -2: Calculation of Total Capital of the Reconstituted Firm:			1
		Total Capital of the Reconstituted Firm			
		= Total adjusted capital of X and Y × Reciprocal of combined new share of X and Y			
		= ₹ 1,40,000 × 5/4 = ₹ 1,75,000			
		Step -3: Calculation of Proportionate Capital of Incoming Partner (Z):			1
		Proportionate Capital of Z = ₹ 1,75,000 × 1/5 = ₹ 35,000			
18.		i. ₹ 1,20,000 paid to creditors and ₹ 40,000 paid to Ruby's Loan because these are outside liabilities.			½
		ii. ₹ 90,000 paid to Aman's Loan (Partner's Loan)			½
		iii. At last towards partner's Capital Account of ₹ 2,28,000 and ₹ 2,22,000.			1
		iv. Remaining (₹ 13,000) to be distributed between Aman and Suman in the ratio of 3 : 2.			1
19.					
	2025	Building A/c Dr.	45,00,000		
	April 1	Plant and Machinery A/c Dr.	8,00,000		
		Stock A/c Dr.	4,00,000		
		Trade Receivables A/c Dr.	4,00,000		
		<b>Goodwill A/c (Balancing Figure) Dr.</b>	<b>10,00,000</b>		
		To Trade Payables A/c		13,00,000	
		To Outstanding Expenses A/c		1,00,000	
		To Mohit Ltd.		57,00,000	1 ½

		(Assets and liabilities of business taken over, recorded at agreed value)				
		Mohit Ltd. Dr. 57,00,000				
		To Bank A/c		7,00,000		1½
		To 9% Debentures A/c		40,00,000		
		To Securities Premium A/c		10,00,000		
		(Purchase consideration discharged by cheque and issuing debentures to Mohit Ltd.)				
20.	<b>Date</b>	<b>Particulars</b>	<b>Dr. (₹)</b>	<b>Cr. (₹)</b>		
	Case 1	Workmen Compensation Reserve A/c Dr. To workmen Compensation Claim A/c To Param's Capital A/c To Karan's Capital A/c To Pawan's Capital A/c  (Transfer of surplus Workmen Compensation Reserve to partner's Capital Accounts in their old Profit-sharing ratio)	90,000	45,000 20,000 15,000 10,000		1
	Case 2	Workmen Compensation Reserve A/c Dr. Revaluation A/c Dr. To Workmen Compensation Claim A/c (Shortfall debited to Revaluation Account)	90,000 9,000	99,000		1
		Param's Capital A/c Dr. Karan's Capital A/c Dr. Pawan's Capital A/c Dr. To Revaluation A/c (Transfer of loss on revaluation to Partner's Capital Accounts in their old profit sharing ratio)	4,000 3,000 2,000	9,000		1
21.	<b>Particulars</b>	<b>Note No.</b>	<b>₹</b>			
	<b>I. EQUITY AND LIABILITIES</b>					
	<b>Shareholders' Funds</b>					
	Share Capital	1	6,84,000			1
	<b>Note to Accounts</b>					
	<b>1. Share Capital</b>			₹		
	<b>Authorised Capital</b>					
	3,00,000 Equity Shares of ₹ 10 each			30,00,000		½
	<b>Issued Capital</b>					
	70,000 Equity Shares of ₹ 10 each			7,00,000		½

	<b>Subscribed Capital</b> <b>Subscribed and Fully Paid –up</b> 66,000 Equity Shares of ₹ 10 each <b>Forfeited Shares A/c (3,000 × ₹ 8)</b>			6,60,000		2
				24,000		
				6,84,000		
22.	<b>Date</b>	<b>Particulars</b>	<b>Dr. (₹)</b>	<b>Cr. (₹)</b>		1+2+1
	2019 March 31	Nisha's Capital A/c To Asha's Capital A/c To Disha's Capital A/c (Omission of interest on capital and drawings, now rectified)	Dr. 2,200	300 1,900		
	1 Mark for Journal 2 Marks for Statement of Adjustment 1 Mark for Calculation of Opening Capital.					
23.	<b>Date</b>	<b>Particulars</b>	<b>Debit ₹</b>	<b>Credit ₹</b>		
		Bank a/c.....Dr To Equity share application and allotment A/c (being application money including premium received)	11,20,000	11,20,000		½
		Equity share application and allotment a/c....Dr To Equity share capital a/c To Security premium a/c (being shares are issued at premium)	11,20,000	8,00,000 3,20,000		½
		Assets a/c Goodwill a/c To Liabilities a/c To Sita ltd a/c (Being business taken over and goodwill recorded)	Dr Dr 1,00,00,000 24,00,000	40,00,000 84,00,000		1
		Sita Ltd a/c To equity share capital a/c To Security Premium a/c ( being purchase consideration paid to Sita ltd)	Dr 84,00,000	67,20,000 16,80,000		1
<b>Equity Share Capital Account</b>						
	<b>Date</b>	<b>Particulars</b>	<b>₹</b>	<b>Date</b>	<b>Particulars</b>	<b>₹</b>
		To balance c/d	27,52,000		By Balance b/d	2,00,00,000
					By Equity share application and allotment a/c	8,00,000
					By Sita ltd a/c	67,20,000
			27,52,000			27,52,000
						1 ½

Securities Premium Account					
Date	Particulars	₹	Date	Particulars	₹
	To balance c/d	4,00,00,000		By balance b/d	20,00,000
				By equity share application and allotment a/c	3,20,000
				By Sita Ltd.	16,80,000
		4,00,00,000			4,00,00,000
24.	Sudhir's Capital Account				
	Particulars	₹	Particulars	₹	
	To Advertisement Suspense A/c (₹1,20,000 × 2/5) (1/2)	48,000	By Balance b/d	1,60,000	5
	To Sudhir's Executor's A/c (Balancing Figure) (1)	3,49,800	By Interest on Capital A/c (₹1,60,000 × 3/12 × 7/100) (1)	2,800	
			By General Reserve A/c (₹1,00,000 × 2/5) (1/2)	40,000	
			By Profit & Loss Suspense A/c (WN 1) (1)	15,000	
			By Deepak's Capital A/c (WN 2) (1/2)	1,20,000	
			By Naveen's Capital A/c (WN 2) (1/2)	60,000	
		3,97,800		3,97,800	
	Working Notes:				
	1. Calculation of Sudhir's share of profit:				1/2
	$\% \text{ of Profit on Sales} = \frac{\text{₹ } 1,00,000}{\text{₹ } 4,00,000} \times 100 = 25\%$				
	$\text{Profit till 30}^{\text{th}} \text{ June 2022} = 1,50,000 \times \frac{25}{100} = \text{₹ } 37,500$				
	$\text{Sudhir's Share of Profit} = 37,500 \times \frac{2}{5} = \text{₹ } 15,000$				
	2. Sudhir's share of Goodwill = ₹1,80,000 × 2.5 × 2/5 = ₹1,80,000 which is contributed by Deepak and Naveen in their gaining ratio i.e. 2 : 1.				1/2
	$\text{Deepak's contribution} = \text{₹ } 1,80,000 \times \frac{2}{3} = \text{₹ } 1,20,000. \text{ Naveen's contribution} =$				
	$\text{₹ } 1,80,000 \times \frac{1}{3} = \text{₹ } 60,000.$				
25.	Date	Particular	LF	Dr Amount	Cr Amount
	I	Bank A/c Dr To Share Application A/c (Being share application money received)		13,50,000	13,50,000
	II.	Share Application A/c Dr To share capital A/c To security premium A/c To share allotment A/c To calls in advance A/c		13,50,000	3,00,000 6,00,000 4,20,000 30,000

	(Being share application money transferred)					
III	Share allotment A/c To Share capital A/c To security premium A/c (being share allotment money due)	Dr		8,00,000	4,00,000 4,00,000	½
IV	Bank A/c Calls in advance A/c To share allotment A/c (being share first and final call due)	Dr Dr		3,80,000 4,20,000	8,00,000	1 ½
V	Share first and final call A/c To share capital A/c (being share first and final call due)	Dr		3,00,000	3,00,000	½
VI	Bank A/c Calls in arrears A/c Calls in advance A/c To share first and final call A/c (being final call received)	Dr Dr Dr		2,68,800 1,200 30,000	3,00,000	1 ½

**OR**

Date	Particular	LF	Dr Amount	Cr Amount
I	Share Capital A/c (600 × 7) Dr. Security premium A/c (600 × 3) Dr. To Share Allotment / Calls in Arrears A/c (600 × 7) To Share Forfeiture (600 × 3) (Being shares forfeited)		4,200 1,800	4,200 1,800
	Bank A/c (600 × 13) Dr. To Share Capital A/c (600 × 10) To Securities Premium (600 × 3) (Being 600 shares reissued)		7,800	6,000 1,800
	Share forfeited A/c To Capital reserve A/c (Being balance share forfeiture transferred to Capital reserve A/c)		1,800	1,800
II	Share Capital A/c (1,000 × 8) Dr. Security premium A/c (1,000 × 2) Dr. To Share Allotment / Calls in Arrears A/c (1,000 × 6) To Share Forfeiture (1,000 × 4) (Being shares forfeited)		8,000 2,000	6,000 4,000
	Bank A/c (800 × 7) Dr. Share forfeiture A/c (800 × 1) Dr.		5,600 800	



**PART B: Analysis of Financial Statements**

27.	B. ₹ 19,80,000	1																																																																																												
28.	D. Issue of shares for cash OR A. Both A and R are correct and R is the correct explanation of A.	1																																																																																												
29.	C. a – III, b – II OR D. Not shown in Cash Flow Statement.	1																																																																																												
30.	B. Outflow ₹ 3,20,000	1																																																																																												
31.	<p><b>Comparative Statement of Profit &amp; Loss</b> For the year ended March 31, 2025</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>2023-24 (₹)</th> <th>2024-25 (₹)</th> <th>Absolute Increase or Decrease (₹)</th> <th>Percentage Increase or Decrease (%)</th> </tr> </thead> <tbody> <tr> <td>I. Revenue from Operations</td> <td>8,00,000</td> <td>10,00,000</td> <td>2,00,000</td> <td>25</td> </tr> <tr> <td>II. Less: Expenses</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Employee Benefit Expenses</td> <td>1,00,000</td> <td>2,50,000</td> <td>1,50,000</td> <td>150</td> </tr> <tr> <td>Other Expenses</td> <td>4,00,000</td> <td>5,50,000</td> <td>1,50,000</td> <td>37.5</td> </tr> <tr> <td>III. Profit before Tax</td> <td>3,00,000</td> <td>2,00,000</td> <td>(1,00,000)</td> <td>(33.3)</td> </tr> <tr> <td>IV. Less: Tax @ 50%</td> <td>1,50,000</td> <td>1,00,000</td> <td>(50,000)</td> <td>(33.3)</td> </tr> <tr> <td>V. Profit after Tax</td> <td>1,50,000</td> <td>1,00,000</td> <td>(50,000)</td> <td>(33.3)</td> </tr> </tbody> </table> <p align="center"><b>OR</b></p> <p align="center"><b>Common Size Statement of Profit &amp; Loss</b></p> <table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th rowspan="2">Note No.</th> <th colspan="2">Absolute Amount</th> <th colspan="2">Percentage of Revenue from Operation</th> </tr> <tr> <th>31st March, 2024</th> <th>31st March, 2025</th> <th>31st March, 2024</th> <th>31st March, 2025</th> </tr> </thead> <tbody> <tr> <td>I. Revenue from Operations</td> <td></td> <td>5,00,000</td> <td>10,00,000</td> <td>100</td> <td>100</td> </tr> <tr> <td>II. Other Income</td> <td></td> <td>50,000</td> <td>1,00,000</td> <td>10</td> <td>10</td> </tr> <tr> <td>III. Total Revenue (I + II)</td> <td></td> <td>5,50,000</td> <td>11,00,000</td> <td>110</td> <td>110</td> </tr> <tr> <td>IV. Expenses</td> <td></td> <td>1,00,000</td> <td>2,00,000</td> <td>20</td> <td>20</td> </tr> <tr> <td>V. Profit before tax (III - IV)</td> <td></td> <td>4,50,000</td> <td>9,00,000</td> <td>90</td> <td>90</td> </tr> <tr> <td>VI. Tax (40%)</td> <td></td> <td>1,80,000</td> <td>3,60,000</td> <td>36</td> <td>36</td> </tr> <tr> <td>VII. Profit after tax (V - VI)</td> <td></td> <td>2,70,000</td> <td>5,40,000</td> <td>54</td> <td>54</td> </tr> </tbody> </table>	Particulars	2023-24 (₹)	2024-25 (₹)	Absolute Increase or Decrease (₹)	Percentage Increase or Decrease (%)	I. Revenue from Operations	8,00,000	10,00,000	2,00,000	25	II. Less: Expenses					Employee Benefit Expenses	1,00,000	2,50,000	1,50,000	150	Other Expenses	4,00,000	5,50,000	1,50,000	37.5	III. Profit before Tax	3,00,000	2,00,000	(1,00,000)	(33.3)	IV. Less: Tax @ 50%	1,50,000	1,00,000	(50,000)	(33.3)	V. Profit after Tax	1,50,000	1,00,000	(50,000)	(33.3)	Particulars	Note No.	Absolute Amount		Percentage of Revenue from Operation		31st March, 2024	31st March, 2025	31st March, 2024	31st March, 2025	I. Revenue from Operations		5,00,000	10,00,000	100	100	II. Other Income		50,000	1,00,000	10	10	III. Total Revenue (I + II)		5,50,000	11,00,000	110	110	IV. Expenses		1,00,000	2,00,000	20	20	V. Profit before tax (III - IV)		4,50,000	9,00,000	90	90	VI. Tax (40%)		1,80,000	3,60,000	36	36	VII. Profit after tax (V - VI)		2,70,000	5,40,000	54	54	<p>½</p> <p>½</p> <p>½</p> <p>½</p> <p>½</p> <p>½</p> <p>½</p> <p>½</p>
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33.	<p>(a) Trade Receivables Turnover Ratio = <math>\frac{\text{Credit Revenue from Operations}}{\text{Average Trade Receivables}}</math></p> <p>= <math>\frac{\text{₹ 6,00,000}}{\text{₹ 1,60,000}} = 3.75 \text{ Times}</math></p>		1																																																
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34.	<p><b>CASH FLOW STATEMENT</b></p> <p style="text-align: center;">For the year ended 31<sup>st</sup> March 2025</p> <table border="1"> <thead> <tr> <th></th> <th>Particulars</th> <th>₹</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td><b>I.</b></td> <td><b>Cash flow from operating activities</b></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Closing balance as per surplus, i.e., Balance in statement of profit and loss</td> <td>4,00,000</td> <td></td> </tr> <tr> <td></td> <td>Less: Opening balance as per statement of profit and loss(Loss)</td> <td>(1,00,000)</td> <td></td> </tr> <tr> <td></td> <td></td> <td>5,00,000</td> <td></td> </tr> <tr> <td></td> <td>Add: provision for tax(WN)</td> <td>1,00,000</td> <td></td> </tr> <tr> <td></td> <td>Net profit before tax and extraordinary items</td> <td></td> <td>6,00,000</td> </tr> <tr> <td></td> <td>Add: Non cash and non-operating expenses</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Depreciation</td> <td>1,98,000</td> <td></td> </tr> <tr> <td></td> <td>Interest on 12% debenture</td> <td>1,20,000</td> <td></td> </tr> <tr> <td></td> <td>Goodwill amortised</td> <td>20,000</td> <td>3,38,000</td> </tr> <tr> <td></td> <td>Operating profit before working capital changes</td> <td></td> <td>9,38,000</td> </tr> </tbody> </table>				Particulars	₹	₹	<b>I.</b>	<b>Cash flow from operating activities</b>				Closing balance as per surplus, i.e., Balance in statement of profit and loss	4,00,000			Less: Opening balance as per statement of profit and loss(Loss)	(1,00,000)				5,00,000			Add: provision for tax(WN)	1,00,000			Net profit before tax and extraordinary items		6,00,000		Add: Non cash and non-operating expenses				Depreciation	1,98,000			Interest on 12% debenture	1,20,000			Goodwill amortised	20,000	3,38,000		Operating profit before working capital changes		9,38,000
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	Less: Increase in current assets			
	Inventories		1,24,000	
	Cash generated from operations		8,14,000	
	Less: Payment of tax		1,40,000	
	Cash flow from operating activities		<u>6,74,000</u>	2
II.	Cash flow from investing activities			
	Payment for purchase of machinery		(7,64,000)	
	Purchase of non-current investments		(50,000)	
	Cash used in investing activities		<u>(8,14,000)</u>	1
III.	Cash flow from financing activities			
	Proceed from issue of shares		2,00,000	
	Prepayment of Long term borrowings(12% debenture)		(1,00,000)	
	Payment of interest on 12% debentures		(1,20,000)	
	Increase in bank overdraft		2,00,000	
	Cash flow from financing activities		<u>1,80,000</u>	1 ½
IV.	Net increase in cash and cash equivalents(I+II+III)		40,000	
	Add: Opening balance of cash and cash equivalents		2,40,000	
V.	Closing balance of cash and cash equivalents		<u>2,80,000</u>	½

Working note:

Dr		Provision for tax account		Cr	
Particulars	Rs	Particulars	Rs		
To bank a/c(tax paid)	1,40,000	By balance b/d	1,80,000		
To balance b/d	1,40,000	By statement of profit and loss(BF)	1,00,000		
	<u>2,80,000</u>		<u>2,80,000</u>		1