

**BCM SCHOOL, BASANT AVENUE,
DUGRI ROAD, LUDHIANA**

XII ACCOUNTANCY

DECEMBER ASSIGNMENT (2024-25)

ANSWER KEY

1.

(c) $\frac{6}{25}$ **Explanation:**

$$\begin{aligned} \text{Rani's share} &= \frac{4}{5} \times \frac{1}{4} + \frac{1}{5} \times \frac{1}{5} \\ &= \frac{4}{20} + \frac{1}{25} \\ &= \frac{20+4}{100} \\ &= \frac{24}{100} \\ &= \frac{6}{25} \end{aligned}$$

2.

(b) ₹ 15,000

Explanation:

In the absence of a partnership deed, profits are to be shared equally among the partners. Therefore, Mohit's share of profit will be ₹ 15,000 (i.e. $30,000 \times \frac{1}{2}$)

3.

(b) ₹ 4,20,000

Explanation:

maximum amount of discount at which these shares can be reissued will be:

$$\begin{aligned} &= 7,000 \text{ equity share} \times \text{amount paid on share by shareholder} \\ &= 7,000 \times 60 \\ &= ₹ 4,20,000 \end{aligned}$$

OR

(a) ₹ 4,00,000

Explanation:

$$₹ 4,00,000 (4000 \times 100)$$

4.

(c) Old profit sharing ratio

Explanation:

Old profit sharing ratio

OR

(d) ₹ 5,000

Explanation:

Total profit = 2,00,000

$$\text{Siya's share in profit} = 2,00,000 \times \frac{1}{5} = 40,000$$

$$\text{Siya's deficiency} = 50,000 - 40,000 = 10,000$$

$$\text{Anu share in deficiency} = 10,000 \times \frac{1}{2} = 5,000$$

5.

(b) Nil

Explanation:

Nil

NO interest on capital provided in case of Loss.

6.

(d) ₹ 75,000

Explanation:

₹ 75,000

OR

(b) Redeemable debentures

Explanation:

Redeemable debentures

7.

(d) All of these

Explanation:

All of these

8.

(b) Credited to Partners' Capital Accounts

Explanation:

Credited to Partners' Capital Accounts

OR

(d) Additional capital brought by a partner

Explanation:

Additional capital brought by a partner is recorded in the Capital Account of the partner even if Current Account is maintained.

9. **(b)** ₹ 1,60,000

Explanation:

₹ 1,60,000

10. **(a)** ₹ 12,30,000

Explanation:

₹ 12,30,000

11.

(d) ₹ 20,000

Explanation:

₹ 20,000

12. **(a)** No amount

Explanation:

No amount, as the amount of forfeiture ₹ 2,500 has been utilised at the time of re-issue.

13.

(d) Share Capital

Explanation:

Share Capital

14.

(d) $6\frac{1}{2}$ months

Explanation:

If a fixed amount is withdrawn by a partner at the beginning of each month, **interest on drawings** on the total amount will be calculated for 6.5 months

15.

(d) ₹ 30,000

Explanation:

₹ 30,000

OR

(b) the credit of his Capital Account.

Explanation:

the credit of his Capital Account.

16. (a) In accordance with a contract between the partners

Explanation:

In accordance with a contract between the partners.

17. Sacrificed Share = Old share - New share

Sangeeta
 $\frac{3}{10} - \frac{5}{10} = (-\frac{2}{10})$ Gain

Deepa
 $\frac{2}{10} - \frac{1}{10} = -\frac{1}{10}$ Sacrifice

Ajay
 $\frac{4}{10} - \frac{2}{10} = -\frac{2}{10}$ Sacrifice

Lalit
 $\frac{1}{10} - \frac{2}{10} = (-\frac{1}{10})$ Gain

**Books of Sangeeta, Deepa, Ajay and Lalit
Journal**

Date	Particulars	L.F.	Debit Amount (₹)	Credit Amount (₹)
2022 April 1	General Reserve A/c	Dr.	1,00,000	
	To Sangeeta's Capital A/c			30,000
	To Deepa's Capital A/c			20,000
	To Ajay's Capital A/c			40,000
	To Lalit's Capital A/c			10,000
	(General reserve distributed in old ratio)			
	Sangeeta's Capital A/c ($5,20,000 \times \frac{2}{10}$)	Dr.	1,04,000	
	Lalit's Capital A/c ($5,20,000 \times \frac{1}{10}$)		52,000	
	To Deepa's Capital A/c ($5,20,000 \times \frac{1}{10}$)			52,000
	To Ajay's Capital A/c ($5,20,000 \times \frac{2}{10}$)			1,04,000
	(Goodwill adjusted on change in profit sharing ratio)			

18.

Books of A, B and C

Journal

Date	Particulars	L.F.	Amount (₹)(Dr.)	Amount (₹)(Cr.)
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(i) (a) Interest on capital A/c	Dr.	72,000	
To C's Capital A/c (Interest on capital provided to C @ 9% p.a.)			72,000
(i) (b) Profit & Loss Appropriation A/c	Dr.	72,000	
To Interest on capital A/c (Interest on capital transferred to Profit & Loss Appropriation Account)			72,000
(ii) (a) Interest on A's Loan A/c	Dr.	3,500	
To A's Loan A/c (Interest on Loan provided to A @ 10% p.a.)			3,500
(ii) (b) Profit & Loss A/c	Dr.	3,500	
To Interest on A's Loan A/c (Interest on Loan transferred to Profit & Loss Account)			3,500
(iii) (a) B's Drawings A/c/B's Capital	Dr.	1,200	
To Interest on B's Drawings A/c (Interest on drawings charged from B @ 12% p.a.)			1,200
(iii) (b) Interest on B's Drawings A/c	Dr.	1,200	
To Profit & Loss Appropriation A/c (Interest on Drawings transferred to Profit & Loss Appropriation Account)			1,200

OR

- i. Profit transferred Capital account
- ii. Partners Salaries
- iii. Partners Commission
- iv. Partners Interest on Capital
- v. Interest on Partners Drawings
- vi. Net Profit transferred from P & L account
- vii. Partner's Bonus

19.

Books of Vimal Ltd
JOURNAL

Date	Particulars	L.F	Amount (₹)	Amount (₹)
	Assets A/c	Dr.	5,00,000	
	Goodwill A/c	Dr.	50,000	
	To Liabilities A/c			1,00,000
	To Kapil Ltd. (business of Kapil Ltd. taken over at ₹ 4,50,000)			4,50,000
	Kapil Ltd	Dr.	1,50,000	
	To Bank A/c $(4,50,000 \times \frac{1}{3})$ (paid Kapil Ltd ₹ 1,50,000 by cheque)			1,50,000
	Kapil Ltd	Dr.	3,00,000	
	To 11% Debentures A/c			2,50,000
	To Securities Premium A/c or Securities Premium Reserve A/c			50,000

(2,500 debentures of ₹ 100 each issued at a premium of 20%)				
Number of debenture issued = $\frac{3,00,000}{100+20} = \frac{3,00,000}{120} = 2,500$				

OR

According to Section 2(84) of the Companies Act, 2013, 'Share means a share in the capital of a company and includes share'. It is the unit into which the capital of a company is divided.

Basis	Preference Shares	Equity Shares
Redemption	They can be redeemed as provided by the articles and terms of issue.	They cannot be redeemed except under a scheme involving reduction of capital.
Divided rate	Preference shares are paid dividend at a fixed rate.	The rate of dividend may vary from year to year and on the availability of profits.

20. Goodwill = Super Profit × Number of Years' of Purchase

$$\text{Normal Profit} = \text{Capital Employed} \times \frac{\text{Normal Rate of Return}}{100}$$

$$= 50,000 \times \frac{15}{100} = ₹ 7,500$$

$$\text{Average Profit} = ₹ 16,000$$

$$\text{Super Profit} = \text{Average Profit} - \text{Normal Profit}$$

$$= 16,000 - 7,500 = ₹ 8,500$$

$$\text{Number of years' purchase} = 4$$

$$\therefore \text{Goodwill of firm} = 8,500 \times 4 = ₹ 34,000$$

21.

Books of Narmada Ltd.

BALANCE SHEET as at.....(Extract)

Particulars	Note No.	Amount (₹)
I EQUITY AND LIABILITIES		
1. Shareholders' Funds		
a. Share Capital	1	7,40,000

Notes to Accounts:

Particulars	Amount (₹)
1. Share Capital	
Authorized Capital	
1,00,000 Equity Shares of ₹ 10 each	<u>10,00,000</u>
Issued Capital	
80,000 Equity Shares of ₹ 10 each	<u>8,00,000</u>
Subscribed Capital	
Subscribed and Fully Paid Up	
70,000 Equity Shares of ₹ 10 each	7,00,000
Add: Share Forfeiture A/c (5,000 × ₹ 8)	<u>40,000</u>
	7,40,000

22.

JOURNAL

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
2023 March 31				
(a)	Bank A/c	Dr.	1,30,000	
	To Realisation A/c			1,30,000
	(Amount realised from debtors)			
(b)	Realisation A/c	Dr.	20,000	

	To K's Capital A/c			20,000
	(Remuneration for dissolution work and for dissolution expenses)			
(c)	K's Capital A/c	Dr.	6,500	
	To Bank A/c			6,500
	(Dissolution expenses borne by K paid by firm)			
(d)	J's Capital A/c	Dr.	14,800	
	K's Capital A/c	Dr.	18,500	
	L's Capital A/c	Dr.	3,700	
	To Realisation A/c			37,000
	(Realisation loss transferred to Partners' Capital A/cs)			

23.

JOURNAL

Date	Particulars	L.F.	Amt. (Dr.)	Amt. (Cr.)
1	Bank A/c (3,00,000 × 3) Dr.		9,00,000	.
	To Equity Share Application A/c		.	9,00,000
	(Being share application money received.)		.	.
2	Equity Share Application A/c Dr.		9,00,000	.
	To Equity Share Capital A/c		.	6,00,000
	To Equity Share Allotment A/c		.	3,00,000
	(Being share application money transferred.)		.	.
3	Equity Share Allotment A/c Dr.		10,00,000	.
	To Equity Share Capital A/c (2,00,000 × 5)		.	10,00,000
	(Being share allotment money made due.)		.	.
4	Bank A/c Dr.		7,00,000	.
	To Equity Share Allotment A/c		.	7,00,000
	(Being share allotment money received.)		.	.
5	Equity Share First and Final Call A/c Dr.		4,00,000	.
	To Equity Share Capital A/c (2,00,000 × 2)		.	4,00,000
	(Being share first and final call made due.)		.	.
6	Bank A/c (1,97,000 × 2) Dr.		3,94,000	.
	To Equity Share First and Final Call A/c		.	3,94,000
	(Being share final call money received.)		.	.
7	Equity Share Capital A/c (3,000 × 10) Dr.		30,000	.
	To Share Forfeiture A/c		.	24,000
	To Share First and Final Call A/c (3,000 × 2)		.	6,000
	(Being 3,000 shares forfeited.)		.	.
8	Bank A/c (2,500 × 8) Dr.		20,000	.
	Share Forfeiture A/c Dr.		5,000	.
	To Equity Share Capital A/c (2,500 × 10)		.	25,000

	(Being 2,500 shares reissued @ Rs. 8 per share as fully paid up.)			
9	Share Forfeiture A/c Dr.		15,000	
	To Capital Reserve A/c			15,000
	(Being share forfeiture transferred to capital reserve account.)			

Working Notes

◦ **Amount received at the time of allotment:-**

Amount due on allotment = 10,00,000

(-) Excess received at the time of application = (3,00,000)
= 7,00,000

◦ **Calculation of Amount transferred to capital reserve:-**

Amount forfeited on reissued shares = $\frac{24,000}{3,000} \times 2,500 = 20,000$

(-) Amount utilised at the time of reissue = (5,000)

Amount transferred to capital reserve Rs. 15,000

OR

JOURNAL

a.

Date	Particulars		L.F.	Dr. (₹)	Cr. (₹)
	Share Capital A/c (800 × ₹ 10)	Dr.		8,000	
	To Share Final Call A/c (800 × ₹ 2.50)				2,000
	To Share Forfeiture A/c (800 × ₹ 7.50) (Forfeiture of 800 shares)				6,000
	Bank A/c ⁽¹⁾	Dr.		3,600	
	Share Forfeiture A/c	Dr.		2,400	
	To Share Capital A/c (Re-issue of 600 shares @ ₹ 6 per share as fully paid up)				6,000
	Share Forfeiture A/c	Dr.		2,100	
	To Capital Reserve A/c (Gain on 600 re-issued shares transferred to Capital Reserve)				2,100

Note (1)

Forfeited amount on 800 shares = ₹ 6,000	₹
∴ Forfeited amount on 600 shares = $\frac{6,000}{800} \times 600$	4,500
Less: Transferred to Capital Reserve	2,100
Loss on Re-issue	2,400

Per share loss on re-issue = $\frac{2,400}{600} = ₹ 4$ per share.

Hence, Shares are re-issued at ₹ 10 - ₹ 4 = ₹ 6 per share.

b.

JOURNAL

Date	Particulars		L.F.	Dr. (₹)	Cr. (₹)
	Share Capital A/c (800 × ₹ 7.50)	Dr.		6,000	
	To Share First Call A/c (800 × ₹ 2.50)				2,000
	To Share Forfeiture A/c (800 × ₹ 5) (Forfeiture of 800 shares)				4,000
	Bank A/c	Dr.		3,600	
	Share Forfeiture A/c	Dr.		900	

To Share Capital A/c (Re-issue of 600 shares @ ₹ 6 per share as ₹ 7.50 paid up)			4,500
Share Forfeiture A/c ⁽²⁾	Dr.	2,100	
To Capital Reserve A/c (Gain on 600 re-issued shares transferred to Capital Reserve)			2,100

Note (2)

Forfeited amount on 800 shares = ₹ 4,000	₹
∴ Forfeited amount on 600 shares = ₹ 4,000 × $\frac{600}{800}$	3,000
Less: Loss on re-issue of 600 shares @ ₹ 1.50 each	(900)
	<u>2,100</u>

c.

JOURNAL

Particulars	L.F.	Dr. (₹)	Cr. (₹)
Share Capital A/c	Dr.	3,200	
To Calls in Arrears A/c			800
To Share Forfeiture A/c (Forfeiture of 400 shares)			2,400
Bank A/c	Dr.	2,100	
Share Forfeiture A/c	Dr.	900	
To Share Capital A/c (Re-issue of 300 shares at ₹ 7 as fully paid)			3,000
Share Forfeiture A/c ⁽³⁾	Dr.	900	
To Capital Reserve A/c (Gain on re-issue of 300 shares transferred to Capital Reserve)			900

Note (3)

	₹	₹
Forfeited amount on 400 shares	2,400	
∴ Forfeited amount on 300 shares	₹ 2,400 × $\frac{300}{400}$	1,800
Less: Loss on re-issue of 300 shares @ ₹ 3 each		(900)
		<u>900</u>

24.

Revaluation A/c

Particulars	₹	Particulars	₹
To Machinery	5,000	By Land & Building	8,000
To Stock	2,000		
To Profit			
R	600		
S	<u>400</u>		
	8,000		8,000

Partner's Capital A/c

Particulars	R	S	M	Particulars	R	S	M

				By Balance b/d	60,000	40,000	
				By General Reserve	12,000	8,000	
				By Revaluation	600	400	
				By Cash			80,000
To Balance c/d	1,08,600	72,400	80,000	By Premium for Goodwill	36,000	24,000	
	1,08,600	72,400	80,000		1,08,600	72,400	80,000

OR

Revaluation A/c

Particulars		₹	Particulars		₹
To Furniture		500	By Land		30,000
To Provision for Legal Claims		3,500			
To Profit					
X	13,000				
Y	7,800				
Z	<u>5,200</u>	26,000			
		30,000			30,000

Partner's Capital A/c

Particulars	X	Y	Z	Particulars	X	Y	Z
To Z's Capital	10,000	6,000		By Balance b/d	1,20,000	97,000	71,000
To Bank			6,700	By Profit & Loss	11,250	6,750	4,500
To Z's Loan			90,000	By Revaluation	13,000	7,800	5,200
To Balance c/d	1,34,250	1,05,550		By X's Capital			10,000
				By Y's Capital			6,000
	1,44,250	1,11,550	96,700		1,44,250	1,11,550	96,700

25.

REVALUATION ACCOUNT

Dr.			Cr.		
Particular	₹		Particular	₹	
To Sundry Creditors A/c	7000		By Stock A/c	1,000	
To Gain on Revaluation transferred to:			By Building A/c	7,000	
Prem's Capital A/c	1,000		By Investment A/c (Profit on Sale of Investments)	1,000	
Kumar's Capital A/c	600				
Aarti's Capital A/c	<u>400</u>	<u>2,000</u>			
	9,000			9,000	

PARTNER'S CAPITAL ACCOUNT

Dr.				Cr.			
Particulars	Prem (₹)	Kumar (₹)	Aarti (₹)	Particulars	Prem (₹)	Kumar (₹)	Aarti (₹)
To Kumar's Capital A/c	8,000	—	4,000	By balance b/d	30,000	20,000	20,000
To Cash A/c	—	30,000	—	By General Reserve A/c	4,000	2,400	1,600

To Bills payable A/c		5,600		By Investment Fluctuation Reserve	1,000	600	400
To Balance c/d	48,000		28,400	By Revaluation A/c	1,000	600	400
				By Prem's Capital A/c (Goodwill)		8,000	
				By Aarti's Capital A/c (Goodwill)		4,000	
				By Cash	20,000		10,000
	<u>56,000</u>	<u>35,600</u>	<u>32,400</u>		<u>56,000</u>	<u>35,600</u>	<u>32,400</u>

Working Notes:

i. Entry for sale of Investments:

Bank A/c	Dr.	11,000	
To Investments A/c			11,000

ii. Entry for transfer of profit on Investments:

Investments A/c	Dr.	1,000	
To Revaluation A/c			1,000

26.

Books of Amrit Ltd.

JOURNAL

Date	Particulars	L.F.	Amount (₹)	Amount (₹)
	(i) Bank A/c	Dr.	9,00,000	
	To Debenture Application and Allotment A/c (Receipt of application money on 10,000, 9% debentures of ₹ 100 each at a discount of 10%)			9,00,000
	Debentures Application and Allotment A/c	Dr.	9,00,000	
	Loss on issue of debentures A/c	Dr.	1,50,000	
	To 9% Debentures A/c			10,00,000
	To Premium on redemption of Debentures A/c (Transfer of debenture application money and provision for premium on redemption of debentures made)			50,000
	Alternatively,			
	Debentures Application and allotment A/c	Dr.	9,00,000	
	Discount on issue of debentures A/c	Dr.	1,00,000	

Loss on issue of debentures A/c	Dr.	50,000	
To 9% Debentures A/c			10,00,000
To Premium on redemption of Debentures A/c (Transfer of debenture application money and provision for premium on redemption of debentures made)			50,000
(ii) Bank A/c	Dr.	30,00,000	
To Debenture Application and Allotment A/c (Receipt of application money on 30,000, 8% debentures of ₹ 100 each at par)			30,00,000
Debentures Application and allotment A/c	Dr.	30,00,000	
Loss on issue of debentures A/c	Dr.	1,50,000	
To 8% Debentures A/c			30,00,000
To Premium on redemption of Debentures A/c (Transfer of debenture application money and provision for premium on redemption of debentures made)			1,50,000
(iii) Bank A/c	Dr.	6,60,000	
To Debenture Application and Allotment A/c (Receipt of application money on 6000, 9% debentures of ₹ 100 each at a premium of 10%)			6,60,000
Debentures Application and allotment A/c	Dr.	6,60,000	
Loss on issue of debentures A/c	Dr.	30,000	
To 9% Debentures			6,00,000
To Securities Premium /Securities Premium Reserve A/c			60,000
To Premium on redemption of Debentures A/c (Transfer of debenture application money to debentures A/c, Securities premium A/c and provision for premium on redemption of debentures made)			30,000

Part B :- Analysis of Financial Statements

27.

(b) It identifies the reasons for change in the financial position of the firm.

Explanation:

It identifies the reasons for change in the financial position of the firm.

OR

(d) Current Liability

Explanation:

Current Liability

28.

(b) Turnover

Explanation:

Turnover

29.

(c) Cash used in Investing Activities ₹ 6,80,000.

Explanation:

Cash used in Investing Activities ₹ 6,80,000.

= 7,00,000 (amount paid for purchase of share) - 20,000 (dividend received on share)

= 6,80,000

OR

(d) Cash used in investing activities ₹ 5,40,000.

Explanation:

Cash used in investing activities ₹ 5,40,000.

30.

(c) Payment of Wages

Explanation:

Payment of Wages results into outflow of cash

31. Schedule 3 of the Companies Act, 2013 deals with the form of Balance Sheet and Profit & Loss A/c. The Ministry of Corporate Affairs, Government of India, has revised this schedule to keep pace with privatization and globalization to par with the international corporate reporting practices.

SI No.	Items	Major Headings
(i)	Trade Payables (Sundry creditors)	Current Liabilities
(ii)	Provision for Tax	Current Liabilities - short term provisions
(iii)	Preliminary Expenses	Write off in five equal instalments (Can deduct from Securities Premium Reserve)
(iv)	Loose Tools	Current Assets - inventories
(v)	Interest Accrued on Investments	Current Assets - other current assets
(vi)	Goodwill	Fixed Assets - intangible assets

32.

Current Ratio = Current Assets / Current Liabilities

2.8 / 1 = Current Assets / Current Liabilities

Current Assets = 2.8 Current Liabilities

Working Capital = Current Assets – Current Liabilities

2.8 Current Liabilities – Current Liabilities = 5,40,000

1.8 Current Liabilities = 5,40,000

Current Liabilities = 3,00,000

Current Assets = 2.8 x 3,00,000 = 8,40,000

Quick Assets = Current Assets – Inventory = 8,40,000 – 3,30,000 = 5,10,000

Quick Ratio = Quick Assets / Current Liabilities = 5,10,000 / 3,00,000 = 1.7 : 1

33.

Comparative Statement of Profit & Loss

For the year ended March 31, 2023

Particulars	2021- 22 (₹)	2022-23 (₹)	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)

OR

Common Size Statement of Profit and Loss of Neurosci Ltd. for the years ended 31st March 2022 & 31st March 2023

Particulars	Note No.	Absolute amounts (₹)		% of Revenue from Operations	
		2021-22	2022-23	2021-22	2022-23
I. Revenue from Operations		20,00,000	40,00,000	100	100
II. Expenses:					
Purchase of stock in trade		2,00,000	4,00,000	10	10
Other expenses		20,000	40,000	1	1
III. Profit before tax (I - II)		17,80,000	35,60,000	89	89
IV. Less: Tax @ 50%		8,90,000	17,80,000	44.5	44.5
V. Profit after tax (III - IV)		8,90,000	17,80,000	44.5	44.5

34.

Cash Flow from Operating Activities

Particulars	₹
Profit for the year	7,00,000
Add: General Reserve	<u>60,000</u>
Net Profit Before tax and extraordinary items	7,60,000
Add: Depreciation	40,000
Add: Goodwill	<u>20,000</u>
	8,20,000
Less: Gain on Sale of Land	<u>(90,000)</u>
Net Profit before working capital changes	7,30,000
Add: Prepaid Expenses	8,000
Less: Trade Receivables	(15,000)
Less: Trade payables	<u>(25,000)</u>
Net Cash Flow from Operating Activities	6,98,000