ACCOUNTS

Maximum Marks: 80
Time Allowed: Three Hours
Reading Time: Additional Fifteen Minutes

Instructions to Candidates

1. You are allowed an **additional fifteen minutes** for **only** reading the paper.
2. You must **NOT** start writing during reading time.
3. This Question Paper has **16 printed pages.**
4. It is divided into **three** sections and has **18 questions** in all.
5. **Section A** is compulsory and has **ten** questions.
6. You are required to attempt **all** questions either from **Section B or Section C.**
7. **Section B** and **Section C** have **four** questions each.
8. Internal choices have been provided in **five** questions in **Section A** and in **two** questions each in **Section B and Section C**.
9. While attempting **Multiple Choice Questions in Sections A, B and C**, you are required to **write only ONE option as the answer**.
10. **All calculations should be shown clearly.**
11. All workings, including rough work, should be done on the same page as, and adjacent to, the rest of the answer.
12. The intended marks for questions or parts of questions are given in the brackets [].

Instruction to Supervising Examiner

1. Kindly read aloud the instructions given above to all the candidates present in the examination hall.

Note: The Specimen Question Paper in the subject provides a realistic format of the Board Examination Question Paper and should be used as a practice tool. The questions for the Board Examination can be set from any part of the syllabus, though the format of the Board Examination Question Paper will remain the same as that of the Specimen Question Paper. The weightage allocated to various topics, as given in the syllabus, will be strictly adhered to.

SECTION A (60 MARKS)

*Answer **all** questions.*

Question 1

In subparts (i) to (iv) choose the correct option and in subparts (v) to (x) answer the questions as instructed.

(i) Anil and Sunil are partners in a firm. On 1st April 2024, their capital balances show as ₹3,00,000 and ₹2,00,000 respectively. On the same date, firm's goodwill valued by Capitalisation of average profit method is determined at ₹3,50,000. Capitalised value of average profits and average profits are ₹8,50,000 and ₹1,70,000 respectively. What will be the normal commercial yield on capital invested in such business? **[1]**
(Application)

(a) 30%

(b) 10%

(c) 20%

(d) 15%

(ii) Akhil, Viren and Sarla are partners in a firm who share profits in 4:3:3 ratio. On the date of Sarla's retirement from the firm, the books show the Workmen Compensation Reserve of ₹ 12,000. **[1]**

Akhil and Viren decide to share profit in equal ratio after Sarla's retirement.

Choose the correct journal for the treatment of Workmen Compensation Reserve if the continuing partners decide to show Workmen Compensation Reserve in the reconstituted Balance Sheet. (Application)

(a) Debit Workmen Compensation Reserve A/c ₹ 12,000; Credit Akhil's Capital A/c ₹4,800; Credit Viren's Capital A/c ₹ 3,600 and Sarla's Capital A/c ₹ 3,600

(b) Debit Workmen Compensation Reserve A/c ₹ 3,600 and Credit Sarla's Capital A/c ₹ 3,600.

(c) Debit Sarla's Capital A/c ₹ 3,600; Credit Akhil's Capital A/c ₹ 1,200 and Credit Viren's Capital A/c ₹ 2,400.

(d) Debit Akhil's Capital A/c ₹ 1,200; Debit Viren's Capital A/c ₹ 2,400 and Credit Sarla's Capital A/c ₹ 3,600.

(iii) On 1st April 2023, Anand Limited issued 10%, 50,000 Debentures of ₹ 100 each as collateral security to ABC Bank against a loan raised of ₹ 80,00,000. It also issued 12%, 40,000 Debentures of ₹ 100 each on 1st October, 2023 in the stock market to invest money in a new line of product. **[1]**

How much interest on Debentures become payable by the company on 31st March 2024? (Application)

(a) ₹ 7,40,000

(b) ₹ 2,40,000

(c) ₹ 5,00,000

(d) ₹ 4,80,000

(iv) Choose the correct sequence of various types of guarantees of profit used while preparing Profit and Loss Appropriation Account by a partnership firm. **[1]**

(Understanding)

(P) Guarantee given by the firm to Partners

(Q) Guarantee given by a Partner to the firm

(R) Guarantee given by a Partner to another Partner

(a) P, Q, R

(b) Q, P, R

(c) R, P, Q

(d) Q, R, P

(v) On dissolution of a firm, one of the partners, Abhi demands that his loan of ₹1,50,000 be paid before payment of capitals of the partners, whereas other partners, Bobby and Cathy demand that capitals should be paid before the payment of Abhi's loan. **[1]**

State the correct order of payment. Give a reason for your answer. (Understanding)

(vi) Rahul and Nikhil are partners in a firm. They admit Tanvi for 1/5th share. On the date of her admission, the firm's book shows the following balances: **[1]**

Rahul's Capital: ₹ 2,80,000

Nikhil's Capital: ₹ 2,20,000

Tanvi contributes 20% of the adjusted capital of Rahul and Nikhil. She also contributes ₹20,000 as half of her share of goodwill.

Pass the journal entry to record the capital contribution made by Tanvi.

(Application)

(vii) Priya was a partner in a firm. On the date its dissolution, her loan was appearing on the liability side of the Balance Sheet at ₹25,000. Priya accepted an unrecorded asset of ₹17,500 and the balance was paid to her in cash. **[1]**

Give the Journal entry for the above transaction. (Application)

(viii) Enumerate *two* methods of redemption of debentures. (Recall) **[1]**

(ix) Manilal Ltd.is a manufacturing company. Its operating cycle is 15 months. On 31st March, 2025, its trade receivable of ₹ 70,000 includes ₹ 20,000 which is due to be collected on 13th April, 2026 and the remaining after 30th June, 2026. **[1]**

You are required to calculate current and non-current assets of the company as at 31st March, 2025. (Application)

(x) **Assertion**: Forfeited shares can be reissued at a discount. **[1]**

Reason: The amount received by a company on forfeited shares can be used to cover the discount on the reissues of forfeited shares.

Which one of the following is correct? (Understanding)

(a) Both Assertion and Reason are true and Reason is the correct explanation for Assertion.

(b) Both Assertion and Reason are true but Reason is not the correct explanation for Assertion.

(c) Assertion is true and Reason is false.

(d) Both Assertion and Reason are false.

Question 2

Amit, Karan and Rakhi were partners in a firm sharing profits and losses in the ratio of 2:2:1. Amit died on 30th June 2024 while the firm closed its books on 31st March. According to their partnership deed, Amit's representative would be entitled to get a share in the interim profits of the firm calculated on the basis of turnover. Turnover and profit for the year 2023-24 were ₹3,00,000 and ₹90,000 respectively and turnover in the year 2024-25 till the date of his death amounted to ₹60,000.

You are required to: (Application)

(i) Calculate Amit's share of interim profit. **[1]**

(ii) Pass the necessary Journal entry showing Amit's share of interim profit. **[2]**

OR

Pratik, Krish and Susan are partners in a firm sharing profits and losses in the ratio of 5:3:2. On 31st March, 2024, Krish retires and 1/3 of his share is taken by Pratik and the balance by Susan. **[3]**

The extract of the Balance Sheet as at 31.03.2024 is as follows:

Balance Sheet (Extract) of Pratik, Krish and Susan

As at 31.3.24

Liabilities		**₹**	**Assets**		**₹**
Investment Fluctuation Reserve		8,000	Investment		52,000
Employee Provident Fund		12,000	Debtors	20,000	
			Less: P.D.D	(2,000)	18,000
Capital Accounts:					
Pratik	50,000				
Krish	32,500				
Susan	21,000	1,03,000			

Other information:

(a) Bad debts amounted to ₹3,000.

(b) Remaining debtors are all good.

(c) Market value of the investments is ₹40,000.

(d) Krish was given investments in full settlement.

You are required to pass the journal entries on the date of Krish's retirement.

(Application)

Question 3 **[3]**

On 1st April, 2024, Zeba Ltd. purchased a running business having a net worth of ₹ 2,00,000 from Ajay Ltd. for a purchase consideration of ₹ 2,10,000. The payment was made as follows:

(a) By issuing 9,000, 10% Debentures of ₹ 10 each at a premium of 20%.

(b) Balance by accepting a Bills of Exchange payable after 3 months.

You are required to pass journal entries in the books of Zeba Ltd.
(Ignore interest on Debentures). (Application)

OR

On 1st April, 2024, Zubin Ltd. issued 3,000, 8% Debentures of ₹ 100 each at a discount of 5% to be redeemed after two years at a premium of 6%.

On 31st March, 2025, Zubin Ltd. had the following balances in its books before adjustments of capital losses:

Securities Premium	₹ 23,000
Statement of Profit/Loss	₹ 18,000
General Reserve	₹ 20,000

The company writes off all its capital losses in the same year.

You are required to prepare the following for the year 2024-2025:

(i) Loss on Issue of Debentures A/c (Application) **[2]**

(ii) Securities Premium A/c (Application) **[1]**

Question 4

APL Ltd., an unlisted construction company has 50,000, 10% Debentures of ₹ 100 each due for redemption at par on 31st March, 2024. The Debenture Redemption Investment was purchased on 30th April, 2023 and was sold on the date of redemption at 104% less 0.7% commission. APL Ltd. had sufficient balance in its Debenture Redemption Reserve A/c as per the provisions of the Companies' Act, 2013.

You are required to prepare the following Ledger Accounts for the year 2023-2024:

(i) Debenture Redemption Reserve A/c (Application) **[1]**

(ii) Debenture Redemption Investment A/c (Application) **[2]**

Question 5 **[3]**

From the following information, calculate Goodwill by Capitalisation of Super profit method for a firm run by Akshay and Baldev:

Particulars	**₹**
Akshay's Capital A/c	1,20,000
Baldev's Capital A/c	1,00,000
Akshay's Current A/c	20,000
Baldev's Current A/c (Dr.)	10,000
General Reserve	20,000
Advertisement Suspense A/c	10,000

Other information:

a) Normal rate of return is 10% p.a.

b) Trading profits for the preceding four years are as follows:

- 2021-2022 - ₹ 40,000
- 2022-2023 - ₹ 45000
- 2023-2024 - ₹ 50,000 (including loss by theft 5,000)
- 2024-2025 - ₹ 60000 (excluding depreciation on machinery ₹ 6,000)

Question 6 **[6]**

On 31st March 2025, Rishiraj Ltd., an unlisted construction company, showed the following balances:

Particulars	Amount (₹)
Equity Share Capital of ₹ 10 each	10,00,000
Calls-in-arrear (₹ 2 per share)	30,000
8% Debenture of ₹ 100 each	4,00,000
6% Bank Loan	2,10,000
Bank Overdraft	54,000
Cash Credit	12,000
Debenture Redemption Reserve	40,000
Premium on redemption of debentures	20,000
Interest on 8% Debentures due on 31.3.2025 has not been paid	32,000

You are required to prepare an extract of Balance Sheet as at 31st March, 2025, showing the Equity and Liabilities. (Ignore Notes to Accounts) (Application)

Question 7 **[6]**

Anu and Binu were partners sharing profits and losses in the ratio of 4:1. Their Balance sheet as at 31st March, 2025 was as follows:

Balance sheet of Anu and Binu
As at 31st March 2025

Liabilities	₹	Assets	₹
Capital Accounts:		Bank	26,000
Anu 25,000			
Binu 10,000	35,000		
General Reserve	10,000	Building	49,000
Bills Payable	40,000	Goodwill	1,000
		Debtors	9,000
	85,000		**85,000**

On 1st April 2025, Tinu is admitted as a new partner on the following terms:

(a) New profit-sharing ratio of the partners to be 2:1:1.

(b) Tinu shall bring in ₹16,000 as his capital and the required amount of Goodwill in cash.

(c) Bills payable was overvalued by ₹2,000.

(d) The value of Goodwill of the firm to be calculated on the basis of Tinu's share in profit and the capital contributed by him.

(e) Provision for bad and doubtful debts ₹1,000 to be created out of General Reserve.

Pass the journal entries for treatment of Goodwill and prepare Capital accounts of all the partners. (Application)

OR

Tony and Sony are partners in a firm sharing profits and losses in the ratio of 4:3. On 1st April, 2025, they admit Ronny for 1/3rd share in the profits.

Other information:

(a) Ronny brought in Land and Building worth ₹5,00,000 and Furniture worth ₹50,000 but was unable to contribute any amount for his share of Goodwill.

(b) At the time of Ronny's admission, the firm showed the following balances:

Advertisement Suspense A/c	₹49,000
General Reserve	₹56,000
Profit and Loss A/c (Dr)	₹70,000
Goodwill	₹42,000
Employees' Provident Fund	₹21,000
Loan from Sony (taken on 1st January 2025)	₹1,00,000

(c) Revaluation loss amounted to ₹7,000.

(d) Goodwill of the firm valued at ₹21,000.

You are required to:

i) **Pass journal entries for the above transactions on the date of Ronny's admission.**

ii) **Pass journal entries regarding loan taken from Sony for the year 2024-25. (Interest on loan is still due to be paid.)** (Application)

Question 8 **[6]**

Hima, Zoya and Bhanu were partners in a firm sharing profits and losses in the ratio of 5:3:2. They decided to dissolve the firm on 1st April, 2025. Their Balance Sheet as at 31.3.2025 was as follows.

Balance Sheet of Hima, Zoya and Bhanu
As at 31.3.2025

LIABILITIES	₹	ASSETS	₹
Capital: Hima	50,000	Plant	48,000
Zoya	80,000	Furniture	22,000
Workmen's Compensation Reserve	15,000	Investment	33,000
		Stock	25,000
Investment fluctuation reserve	22,000	Debtors	17,000
Trade Creditors	28,000	Cash at bank	32,000
Hima's Loan	12,000	Bhanu's capital	30,000
	2,07,000		2,07,000

Additional information:

(a) Stock was taken by Zoya at 75% of the book value.

(b) Some trade creditors took over furniture at a reduced value of ₹18,000 and the remaining creditors were paid by cheque.

(c) Plant was realised at 10% less than the book value and one debtor from whom ₹2,000 were due could not pay anything.

(d) An unrecorded liability was settled for ₹7,500.

You are required to:

(i)	**Prepare Realisation A/c**	(Application)	**[4]**
(ii)	**Calculate the final settlement with the partners**	(Application)	**[2]**

Question 9

Raman, Shivam and Namita are partners sharing profits and losses in the ratio of 1:1:2. On 31st March, 2024, their books showed the following balances:

Partners	Capital Account	Current Account	Loan from Partner
Raman	₹ 2,00,000	₹ 1,00,000 (Cr)	
Shivam	₹ 4,00,000	₹ 50,000 (Dr.)	₹ 1,50,000
Namita	₹ 6,00,000	₹ 1,50,000 (Cr)	

On 1st April, 2024, they adopted the *fluctuating capital method* of accounting, thereby transferring the current account balances to their capital accounts.

Their partnership deed provided for the following:

- Interest on capital to be allowed @ 10% per annum.
- A monthly allowance of ₹ 8,000, ₹ 6,000 and ₹ 4,000 to be allowed to Raman, Shivam and Namita respectively.
- Interest on loan taken from a partner to be allowed at 10% per annum. Additional Loan was taken from Shivam on 1st October, 2024 amounting to ₹50,000.

During the year ending 31st March, 2025, the firm earned a net profit of ₹5,00,000 *before* allowing interest on Shivam's loan.

For the year ending 31st March, 2025 you are required to:

(i)	**Prepare Partners' Capital a/c**	(Application)	**[6]**
(ii)	**Pass adjusting entry for interest on loan from Shivam.**	(Application)	**[1]**
(iii)	**Prepare Shivam's loan account.**	(Application)	**[2]**
(iv)	**Pass Journal entries for transferring the current account balances of Shivam and Namita to their capital accounts.**	(Application)	**[1]**

OR

(A) Saoli and Paoli are partners in a firm sharing profits and losses equally. The trading profit for the year ending 31st March, 2025 was ₹51,800. **[4]**

Other information:

(a) Interest on drawings: Saoli ₹1,200 and Paoli ₹1,000.

(b) Interest on Paoli's loan to the firm, not debited in the Profit & Loss a/c ₹6,000.

(c) Interest on capital: Saoli ₹20,000 and Paoli ₹15,000.

(d) Salary to partners: Saoli ₹15,000 and Paoli ₹10,000.

Prepare Profit & Loss Appropriation account for the year ended 31st March, 2025. (Application)

(B) Das, Roy and Sen are partners in a firm. The profit of the firm, for the year ended 31st March, 2025, was ₹1,20,000 which was equally distributed among them, without providing for the following provisions of the partnership deed: **[6]**

(a) Roy had guaranteed that the firm would earn a profit of at least ₹1,35,000. Any shortfall in these profits would be personally compensated by him.

(b) Profits to be shared in the ratio of 2:2:1.

(c) Sen is guaranteed by the firm that his share of profits, in any given year, would be a minimum of ₹30,000.

You are required to pass the necessary Journal entries to rectify the error in accounting on 1st April 2025. (Application)

Question 10

(A) During the year 2023-24, Nikoy Ltd. registered with an authorised capital of 5,00,000 equity shares of ₹ 10 each. It issued 2,00,000 equity shares, the same year, to which 95% applications were subscribed.

During the year 2024-25, Nikoy Ltd.

(a) Purchased Land & Building costing ₹ 5,00,000 from Agro Housing Ltd. Purchase consideration was settled by issuing sufficient number of Equity shares at 25% premium.

(b) Issued 10,000 Equity Shares to promoters at par.

(c) Invited applications for 20,000 Equity Shares of ₹ 10 each at 25% premium. Entire money was payable on applications. Applications were received for 16,000 shares. Since it did not fulfil the provisions of the Companies' Act 2013, regarding Minimum Subscription, the entire application money was refunded within 15 days.

(d) The company incurred ₹22,000 as share issue expenses.

You are required to: (Application)

(i) Pass necessary journal entries for the year 2024-25. **[7]**

(ii) Calculate the Subscribed Capital of Nikoy Ltd. as at 31st March, 2025. **[2]**

(iii) Prepare the share issue expenses account. (Application) **[1]**

OR

(B) Maconie Ltd. issued 50,000 Equity Shares of ₹10 each at ₹15, payable as follows:

(a) On Application, ₹ 6 including premium of ₹ 2

(b) On Allotment, ₹ 5 including balance of premium

(c) Remaining amount on First and Final call after 3 months of shares being allotted

Applications were oversubscribed. Applications for 5,000 shares were rejected and money refunded immediately, and the remaining applications were allotted on *pro rata* basis in the ratio of 7:5.

Journal of Maconie Ltd.

Date	Particulars	L.F.	Amount (₹)	Amount (₹)
	Bank A/c Dr.		?	
	To Share Application A/c			?
	(Being application money received)			
	Share Application A/c Dr.		---------	
	To Share Capital A/c			?
	To Securities Premium A/c			1,00,000
	To Bank A/c			30,000
	To Share Allotment A/c			?
	(Being application money transferred and adjusted)			
	Share Allotment A/c Dr.		2,50,000	
	To Share Capital A/c			1,00,000
	To Securities Premium A/c			1,50,000
	(Being allotment money due)			
	Bank A/c Dr.		?	
	To Share Allotment A/c			?
	To Calls in advance A/c			8,000
	(Being allotment money received including amount received for call)			
	Share First & Final Call A/c Dr.		2,00,000	
	To Share Capital A/c			2,00,000
	(Being first call money due)			
	Bank A/c Dr.		1,92,000	
	Calls in advance A/c Dr.		8,000	
	To Share First & Final Call A/c (Being share first & final call money received)			2,00,000
	Interest on calls in advance A/c Dr.		?	
	To Shareholders' A/c			?
	(Being interest due on calls in advance as per provisions of Table F of Schedule I of the Company Act, 2013)			

You are required to:

(i) **Complete the entries no. 1, 2, 4 and 7 along with the missing information represented by '?'.** **[8]**
(Application)

(ii) **Pass journal entries to pay and close Interest on Calls-in-Advance Account.** **[2]**
(Recall)

SECTION B (20 Marks)

Question 11

In subparts (i) and (ii) choose the correct options and in subparts (iii) to (v) answer the questions as instructed.

(i) Belrise Industries, an auto ancillary company, plans to raise ₹2,150 crore through a public issue of equity shares. The funds will primarily be used to partly repay its debt. **[1]**

(Source: https://economictimes.indiatimes.com/markets/ipos/fpos/strategic-acquisition-expanding-reach-key-to-future-growth-of-ipo-bound-belrise/articleshow/121296607.cms?utm_)

Which ratios would be impacted by the decision of the Belrise Industries?

(Understanding)

P Debt to Equity Ratio
Q Inventory Turnover Ratio
R Trade Receivable Turnover Ratio
S Interest Coverage Ratio

(a) Only P
(b) Only Q and R
(c) Only R and S
(d) Only P and S

(ii) Equity shares capital of Royal Ltd. increased from ₹40,00,000 to ₹50,00,000. The percentage change is: (Application) **[1]**

(a) 25%

(b) 33·33%

(c) 20%

(d) 40%

(iii) State whether interest received on calls-in-arrear by a company is considered as Operating, Investing or Financing activity. (Analysis) **[1]**

(iv) Given below is an extract of the Cash flow statement of ILO Ltd. **[1]**

Particulars	**31.3.2025 (₹)**	**31.3.2024 (₹)**
Net increase/decrease in cash & cash equivalent	(13)	23
Opening cash and cash equivalent	17612	?
Closing cash & cash equivalent	?	17612

You are required to find out the missing information represented by '?'.

(Application)

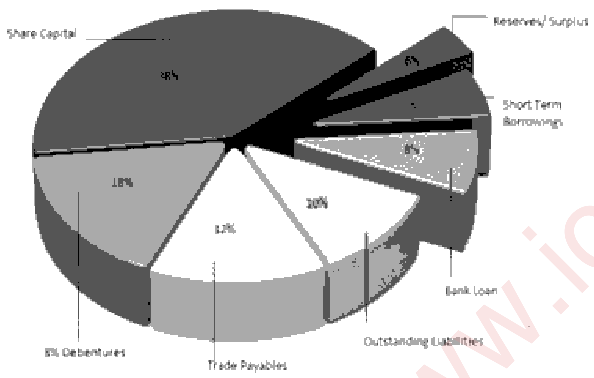
(v) "The current ratio estimates a firm's capacity of paying short-term or current liabilities, including payables and debts, with its short-term or current assets. **[1]**
A current ratio less than 1.00 implies that the business's debts due within 12 months are more significant than its assets. Conversely, a ratio greater than 1.00 indicates that the company has sufficient assets to cover its short-term obligations."

(Source: Economic Times, May 16, 2025)

Based on the above extract, explain why a very high current ratio might not always indicate an optimal financial health. (Understanding)

Question 12 **[3]**

The pie chart below shows the Equity and Liabilities of Moonside Ltd. as at 31st March, 2025.



You are required to prepare the Equity and Liability side of Common Size Statement of Moonside Ltd. as at 31st March, 2025, when the total of the Equity and Liabilities side is ₹10,00,000. (Application)

Question 13 **[6]**

Answer *any three* of the following questions:

(i) **Calculate the Debt to Equity ratio from the given information:** (Application)

Particulars	**(₹)**
Current Liabilities	₹3,50,000
Working Capital	₹2,00,000
Non-current Assets	₹8,00,000
Shareholders' funds	₹6,00,000

(ii) **Calculate the inventory turnover ratio if:** (Application)

- Cost of Revenue from operations is ₹3,20,000.
- Gross profit is 20% of Revenue from Operations.
- Closing inventory is 4 times of opening inventory.
- Opening inventory is 10% of Revenue from operations.

(iii) **Calculate the operating ratio from the information given below.** (Analysis)

Particulars	(₹)
Opening Inventory	20,000
Closing inventory	9,000
Purchases	80,000
Wages	8,000
Carriage inward	3,000
Depreciation	18,000
Amortization	6,000
Gross Profit	48,000

(iv) The Quick ratio of the company is 2:1. State if the following would improve, reduce or not change the ratio:

(a) Bills receivable discounted dishonoured on due date. (Understanding)

(b) Debentures issued for purchase of Plant and machinery (Understanding)

Question 14

From the following Balance Sheets of Kiosk Ltd. you are required to prepare a Cash Flow Statement (As per AS 3) for the period ended 2024-25. (Application) **[6]**

Balance Sheets of Kiosk Ltd.

As at 31st March, 2025 and 31st March, 2024

	Particulars	Note No.	31.3.2025 (₹)	31.3.2024 (₹)
I	**EQUITY AND LIABILITIES**			
	1. Shareholders' Funds			
	(a) Share Capital		8,50,000	5,50,000
	(b) Reserves and Surplus (Statement of P/L)		1,80,000	1,00,000
	2. Non-Current Liabilities			
	Long-term Borrowings (8% Debentures)		50,000	2,00,000
	3. Current Liabilities			
	(a) Short term borrowings (Bank Overdraft)		1,25,000	1,15,000
	(b) Short Term Provisions (Provision for tax)		95,000	1,35,000
	TOTAL		13,00,000	11,00,000
II	**ASSETS**			
	1. Non-Current Assets:			
	Property, Plant & Equipment & Intangible Assets			
	(i) Property, Plant & Equipment		7,50,000	5,50,000
	(ii) Intangible assets (Patent)		1,40,000	85,000
	2. Current Assets			
	(a) Current Investments		65,000	1,45,000
	(b) Trade Receivables		1,95,000	2,05,000
	(c) Cash & Bank Balances (Cash at Bank)		1,50,000	1,15,000
	TOTAL		13,00,000	11,00,000

Notes to Accounts:	31.3.2025 ₹	31.3.2024 ₹
1) Property, plant and equipment	8,15,000	5,85,000
Accumulated depreciation	(65,000)	(35,000)

Additional Information:

(i) A machinery costing ₹30,000 (depreciation provided thereon ₹10,000) was sold at a loss of ₹3,000

(ii) Tax provided for the year 2024 -25 ₹32,000

(iii) 8% Debentures were redeemed on 31.3.2025

(iv) Interest received on current investments was ₹2,500

OR

(A) **Prepare a Cash flow statement showing *cash generated from the operation* of Solex Ltd. for the year ended 31.3.2025.** **[3]**

Net profit for the year ended 31.3.2025 was ₹1,25,000 after considering the following items:

Depreciation on plant:	₹17,500
Transfer to general reserve:	₹13,500
Provision for tax:	₹15,000
Provision for doubtful debt:	₹1,600

Note: All Debtors are good.

Position of Current assets & current liabilities:

Particulars	31.3.2025 (₹)	31.3.2024 (₹)
Trade receivable	27,000	28,000
Trade payable	12,000	17,000
Current investment	24,000	18,000
Marketable securities	9,000	7,000

(B) Following is the information provided for Creation Ltd. for the year ended 31.3.2025: **[3]**

(a) Equity share capital of ₹10 each increased from ₹10,00,000 to ₹15,00,000.

(b) 12%, 3,000 Debentures of ₹100 each redeemed on 30.9.2024.

(c) Proposed dividend on equity shares for the previous year was ₹1,50,000.

(d) 12%, 20,000 Preference shares of ₹100 each issued at par on 31.3.2025.

(e) Out of the equity share capital issued, ₹1,00,000 issued for consideration other than cash for purchase of machinery.

You are required to ascertain cash flow from the financing activity. (Application)

SECTION C (20 MARKS)

Question 15

In subparts (i) and (ii) choose the correct options and in subparts (iii) to (v) answer the questions as instructed.

(i) Which one of the following keys is used to uniquely identify a record in a table? (Recall) **[1]**

(a) Foreign Key

(b) Primary Key

(c) Composite Key

(d) Alternate Key

(ii) Which one of the following keys is the standard short key in MS Excel to 'Paste'? (Recall) **[1]**

(a) Ctrl + Z

(b) Ctrl + V

(c) Ctrl + X

(d) Ctrl + Y

(iii) What is *table* in a database? (Recall) **[1]**

(iv) How do you write a formula in a spreadsheet? (Analysis) **[1]**

(v) How is a cell range specified in a spreadsheet? (Analysis) **[1]**

Question 16 **[3]**

(i) List *any three* data types used in SQL. (Recall)

(ii) Define Composite Attribute with suitable examples. (Recall)

Question 17

Answer *any three* of the following questions.

(i) Differentiate between Desktop Database and Server Database. (Recall) **[2]**

(ii) What is the use of 'Sort' and 'Filter' option in accounting spreadsheets? (Recall) **[2]**

(iii) Define Entity and Attribute. (Recall) **[2]**

(iv) Why is a Foreign Key used in a database? (Recall) **[2]**

Question 18

Cakes & Bakes runs a bakery that sells sandwiches, cookies, muffins and pastries. The raw material is sourced from a well-known supplier and fresh items are prepared every day for the customers. The cost of each item also includes the cost of cutlery and paper napkins. During the festive season, the bakery gives small discounts to its customers.
The spreadsheet given below is a summary of its Purchases, Sales and Unsold stock for the month of October, 2023:

	A	B	C	D	E	F	G	H	I	J	K
1	Bakery Items	No. of items prepared	Cost price per item(₹)	Total cost (₹)	No. of items sold	List price per item(₹)	Festival discount per item (₹)	Total Sales (₹)	Cost of items sold (₹)	Cost of unsold stock (₹)	Profit (₹)
2	Sandwiches	275	80	22,000	220	105	5	??	17,600	4,400	4,400
3	Cookies	250	50	12,500	220	75	5	15,400	??	1,500	4,400
4	Muffins	330	40	13,200	300	75	5	21,000	12,000	??	9,000
5	Pastries	225	60	13,500	200	95	??	18,000	12,000	1,500	6,000
6	Total	1,080		61,200	940						23,800

Based on the above transactions and the information given in the spreadsheet, answer *any three* of the following questions:

(i) Write the formula to calculate the total sales of sandwiches in cell H2. (Recall) [2]

(ii) Give the formula to calculate the cost of cookies sold in cell I3. (Recall) [2]

(iii) Write the formula to calculate the cost of unsold stock of Muffins in cell J4. (Recall) [2]

(iv) (a) Give the formula to calculate the festival discount on the sale of pastries in cell G5. (Recall) [1]

(b) Calculate the amount of festival discount per pastry in cell G5. (Application) [1]

ACCOUNTS
ANSWER KEY

Candidates must ensure the following while answering the questions:

- ***All journal entries from Question 2 to Question 10 are in the proper journal format with 'Journal' mentioned at the top.***
- ***All journal entries from Question 2 to Question 10 are accompanied by narrations.***
- ***All formulae, whether for valuation of goodwill (Question 5) or calculation of ratios (Question 14) have been written in full form and not in abbreviations such as SP for Super Profit; NP for Normal Profit; CA for Current Asset; CL for Current Liability; RFO for Revenue from Operations etc.***
- ***The only abbreviation used in the Answer Key is DRR for Debenture Redemption Reserve (Question 4).***
- ***Short forms such as Int on C-I-A for Interest on calls-in-arrears, PFG for Premium for Goodwill, PDD for Provision for Doubtful Debts, SP for Securities Premium should not be used.***
- ***The formulae of the ratios in Question 14 are as per the ones given in the scope of the syllabus.***
- ***In Question 13, the amount to be subtracted has been put within brackets.***
- ***The Profit and Loss Appropriation A/c (Question 9), Balance Sheet (Question 7) and Cash Flow Statement (Question 13) are accompanied by the year/ date of their preparation.***

SECTION A- 60 MARKS

Question 1

(i) (c) or 20% [1]

(ii) (d) or Debit Akhil's capital a/c ₹1,200; Debit Viren's Capital a/c ₹2,400 and Credit Sarla's Capital a/c ₹3,600 [1]

(iii) (b) or ₹2,40,000 [1]

(iv) (b) or Q, P, R [1]

(v) As per Section 48 of the Indian partnership Act 1932, partner's loan is paid before the payment of partner's capital. [1]

(vi) Adjusted capital of Rahul and Nikhil = 2,80,000 + 2,20,000 + 20,000 + 20,000 = 5,40,000 **[1]**
Tanvi's Capital = 5,40,000 x 20% = ₹ 1,08,000

Cash/Bank A/c	Dr.	1,08,000	
To Tanvi's Capital A/c			1,08,000

(vii) **[1]**

Priya's Loan A/c	Dr	25,000	
To Realisation A/c			17,500
To Bank A/c			7,500

(viii) Debentures may be redeemed by anyone of the following modes: In lump sum, in installments by draw of lots **[1]**

(ix) Current Assets = ₹ 20,000 **[1]**
Non-Current Assets = ₹ 50,000

(x) (a) or Both Assertion and Reason are true and Reason is the correct explanation for Assertion **[1]**

Question 2

(i) Profit percentage on turnover of 2023-24 = 30% **[1]**
Profit till the death of Amit = ₹18,000
Amit's share of profit = ₹7,200

(ii) **[2]**

30.6.2024	Profit and Loss Suspense A/c	Dr.	7,200	
	To Amit's Capital A/c			7,200
	(Being Amit's share of profit transferred)			

OR

Journal of Pratik, Krish and Susan **[3]**

Date	Particulars		L.F.	Debit (₹)	Credit (₹)
	Bad debts A/c	Dr.		3,000	
	To Debtors A/c				3,000
	(Being Bad debts incurred)				
	Provision for doubtful debts A/c	Dr.		2,000	
	Revaluation A/c	Dr.		1,000	
	To Bad Debts A/c				3,000
	(Being Bad debts written off)				
	Investment Fluctuation Reserve A/c	Dr.		8,000	
	Revaluation A/c	Dr.		4,000	
	To Investment A/c				12,000

	(Being the difference in book value and market value of the investment adjusted through IFR and revaluation)			
	Pratik's Capital A/c Dr.		2,500	
	Krish's Capital A/c Dr.		1,500	
	Susan's Capital A/c Dr.		1,000	
	To Revaluation A/c			5,000
	(Being Revaluation loss distributed among the partners)			
	Krish's Capital A/c Dr.		40,000	
	To Investment A/c			40,000
	(Being Krish's A/c settled by giving him investments)			
	Pratik's Capital A/c Dr.		3,000	
	Susan's Capital A/c Dr.		6,000	
	To Krish's Capital A/c			9,000
	(Being journal entry for hidden goodwill passed in the gaining ratio 1:2)			

Question 3 **[3]**

Date	Particulars		Debit (₹)	Credit (₹)
1.4.2024	Assets A/c	Dr	2,00,000	
	Goodwill A/c	Dr	10,000	
	To Ajay Ltd.			2,10,000
	(Being a running business purchased)			
	Ajay Ltd.	Dr	1,08,000	
	To 10% Debenture A/c			90,000
	To Securities Premium A/c			18,000
	(Being 10% Debentures issued at 20% Premium)			
	Ajay Ltd.	Dr	1,02,000	
	To Bill Payable			1,02,000
	(Being balance paid through Bills of Exchange)			

OR

(i) Loss on Issue of Debenture A/c [2]

Date	Particulars	₹	Date	Particulars	₹
1.4.2024	To 8% Debenture A/c	15,000	31.03.2025	By Securities Premium A/c	23,000
1.4.2024	To Premium on redemption of Debenture A/c	18,000	31.03.2025	By Statement of Profit / Loss	10,000
		33,000			33,000

(ii) Securities Premium A/c [1]

Date	Particulars	₹	Date	Particulars	₹
31.3.2025	To Loss on issue of Debentures A/c	23,000	1.4.2024	By Balance b/d	23,000
		23,000			23,000

Question 4

(i) Debenture Redemption Reserve A/c [1]

Date	Particulars	₹	Date	Particulars	₹
31.3.2024	To General reserve	5,00,000	1.04.2023	By Balance b/d	5,00,000
		5,00,000			5,00,000

(ii) Debenture Redemption Investment A/c [2]

Date	Particulars	₹	Date	Particulars	₹
30.4.2023	To Bank A/c	7,50,000	31.03.2024	By Bank A/c	7,74,540
31.3.2024	To Profit on sale of Investment	24,540			
		7,74,540			7,74540

50,00,000 × 15/ 100 = 750,000

104% = 7,80,000

(-) 0·7% = 5,460

Profit on sale of investments is ₹ 24,540

Question 5 **[3]**

Goodwill by capitalization of super profit = Super profit / Normal Rate of Return × 100
Super profit = Average Profit - Normal Profit
Average Profit = 1,94,000/4 = ₹ 48,500
Total Profit for four years = 40,000 + 45,000 + 55,000 + 54,000 = ₹ 1,94,000
Capital Invested = 1,20,000 + 1,00,000 + 20,000 – 10,000 + 20,000 – 10,000 = ₹ 2,40,000
Normal profit = Capital invested x Normal Rate of Return / 100
= 2,40,000 x 10/100 = 24,000
Super profit = 48,500 – 24,000 = ₹ 24,500
Goodwill = 24,500 /10 x 100 = ₹ 2,45,000

Question 6 **[6]**

Balance Sheet (Extract) of Rishiraj Ltd.
As at 31st March, 2025

Particulars	Note No.	31st March, 2025 (₹)	31st March, 2024 (₹)
I. Equity & Liabilities			
(1) Shareholders' funds			
(a) Share Capital		9,70,000	
(b) Reserve and Surplus		40,000	
(2) Non-Current Liabilities			
Long Term Borrowings		6,30,000	
(3) Current Liabilities			
(a) Short Term Borrowings		66,000	
(b) Other Current Liabilities		32,000	

Working notes:

- Long Term Borrowings: 4,00,000 + 2,10,000 + 20,000 = ₹ 6,30,000
- Short Term Borrowings: 54,000 + 12,000 = ₹ 66,000

Question 7 **[6]**

	Anu		Binu		<u>Tinu</u>
Old Ratio:	4	:	1		
New Ratio:	2	:	1	:	1
Sacrificing Ratio:	6/20	:	-1/20		

16,000 ---- ¼
? ------ 1 = Rs.64,000
[Total Capital – Capital of all partners after adjustments = 64,000 – 61,000 = Rs.3,000]
Firm's Goodwill (Hidden Goodwill): Rs.3,000
Tinu's share = 3,000 x ¼ = Rs.750 (Sacrificed by Anu)
= 3,000 x -1/20 = Rs.150 (Gaining ratio)

Journal

Date	Particulars	L.F	Amount	Amount
	Bank A/c Dr.		750	
	To Premium for Goodwill A/c			750
	(Being amount of goodwill contributed)			
	Premium for Goodwill A/c Dr. To Anu's Capital A/c (Being distributed premium for goodwill)		750	 750
	Binu's Capital A/c Dr. To Anu's Capital A/c (Being adjustment for goodwill)		150	 150

Capital A/cs

Particulars	Anu	Binu	Tinu	Particulars	Anu	Binu	Tinu
To Goodwill A/c	800	200		By Balance b/d	25,000	10,000	
To Anu's Capital A/c		150		By Bank A/c			16,000
				By Rev. A/c	1,600	400	
				By General reserve	7,200	1,800	
				By Premium for Goodwill	750		
To Balance c/d	33,900	11,850	16,000	By Binu's Capital A/c	150		
	34,700	12,200	16,000		34,700	12,200	16,000
				By balance b/d	33,900	11,850	16,000

OR

Tony Sony **Ronny**
Old Ratio: 4 : 3
New Ratio: 8 : 6 : 7
Sacrificing Ratio: 4 : 3
Firm's Goodwill: Rs.21,000
Ronny's share = 21,000 x 1/3 = Rs.7,000 (Sacrificed by Tony and Sony)

Journal entries in the books of the firm

Date	Particulars	L.F.	Debit (₹)	Credit (₹)
(i)	Land & Building A/c Dr. Furniture A/c Dr. To Ronny's Capital A/c (Being capital brought in into the business)		5,00,000 50,000	 5,50,000
	Ronny's Current A/c Dr. To Tony's Capital A/c To Sony's Capital A/c (Being goodwill adjusted through current a/c of new partner)		7,000	 4,000 3,000
	General Reserve A/c Dr. To Tony's Capital A/c To Sony's Capital A/c (Being general reserve transferred)		56,000	 32,000 24,000
	Tony's Capital A/c Dr. Sony's Capital A/c Dr. To Advertisement suspense A/c To Profit & loss A/c (Being accumulated losses distributed among the partners)		68,000 51,000	 49,000 70,000
	Tony's Capital A/c Dr. Sony's Capital A/c Dr. To Goodwill A/c (Being goodwill written off among partners)		24,000 18,000	 42,000
	Tony's Capital A/c Dr. Sony's Capital A/c Dr. To Revaluation A/c (Being revaluation loss transferred)		4,000 3,000	 7,000
(ii)				
01/01/2025	Bank A/c Dr. To Sony's Loan A/c (Being loan taken from Sony)		1,00,000	 1,00,000
31/03/2025	Interest on Loan A/c Dr. To Sony's Loan A/c (Being interest on loan recorded) (1,00,000 x 6/100 x 3/12)		1,500	 1,500
31/03/2025	Profit & loss A/c Dr. To Interest on loan A/c (Being interest on loan account transferred)		1,500	 1,500

Question 8

(i) **Realisation A/c** **[4]**

Particulars	₹	Particulars	₹
To Plant	48,000	By Investment fluctuation reserve	22,000
To Furniture	22,000	By Trade Creditors	28,000
To Investment	33,000	By Joya's Capital A/c (Stock)	18,750
To Stock	25,000	By Bank – Plant	43,200
To Debtors	17,000	- Debtors	15,000
To Bank A/c – creditors	10,000	- Investment	33,000
Unrecorded liability	7,500		
		By Hima's Capital A/c	1,275
		By Joya's Capital A/c	765
		By Bhanu's Capital A/c	510
	1,62,500		1,62,500

(ii) **[2]**

	Hima	Zoya	Bhanu
Opening Capital	50,000	80,000	(30,000)
Workmen's compensation reserve	7,500	4,500	3,000
Realisation – stock taken		(18,750)	
Loss on realisation	(1,275)	(765)	(510)
	56,225	64,985	(27,510)

Hima & Zoya will get ₹56,225 and ₹64,985 as final payment respectively; Bhanu will bring ₹27,510

Question 9

(i) Partner's Capital A/c **[6]**

Particulars	Raman	Shivam	Namita	Particulars	Raman	Shivam	Namita
To Shivam's Current A/c		50,000		By Bal. b/d	2,00,000	4,00,000	6,00,000
				By Raman's Current A/c	1,00,000		
To Bal. c/d	4,57,625	4,88,625	9,36,250	By Namita's Current A/c			1,50,000
				By Interest on Capital	30,000	35,000	75,000
				By Allowance	96,000	72,000	48,000
				By P/L App. A/c	31,625	31,625	63,250
	4,57,625	5,38,625	9,36,250		4,57,625	5,38,625	9,36,250

Distributable profit: 5,00,000 – 17,500 – 2,16,000 – 1,40,000 = 1,26,500 **[1]**

(ii)

Journal

Date	Particulars	L.F.	Amount Dr. (₹)	Amount Cr. (₹)
	Interest on Loan A/c …………………… Dr. To Shivam's loan A/c (Being adjusting entry to provide for interest on loan)		17,500	17,500

(iii)

Shivam's Loan A/c **[2]**

Date	Particulars	L.F	Amount ₹	Date	Particulars	L.F	Amount ₹
31.03.25	To Balance c/d		2,17,500	01.04.24	By Balance b/d		1,50,000
				01.10.24	By Cash/ Bank A/c		50,000
				31.03.25	By Interest on loan A/c		17,500
			2,17,500				2,17,500

(iv)

Journal **[1]**

Date	Particulars	L.F.	Amount Dr. (₹)	Amount Cr. (₹)
(d)	Shivam's Capital A/c …………………Dr. To Shivam's Current A/c (Being current a/c balances transferred to the capital a/c of the partners) Raman's current A/C Dr. Nimita's current A/c …... Dr. To Raman's Capital A/C To Nimita's capital A/c (Being current a/c balances transferred to the capital a/c of the partners))		50,000 1,00,000 1,50,000	50,000 1,00,000 1,50,000

OR

(A) **In the books of Saoli and Paoli** **[4]**

P/L Appropriation A/c

for the year ending 31.03.2025

Particulars	Amount (₹)	Particulars	Amount (₹)
To Interest on capital A/c: Saoli's capital – 16,000 Paoli's capital - 12,000	28,000	By P/L A/c 51,800 Interest on loan (6,000)	45,800
To Salary A/c: Saoli's capital – 12,000 Paoli's capital - 8,000	20,000	By Interest on drawings: Saoli's capital – 1,200 Paoli's capital - 1,000	2,200
	48,000		48,000

(B) **Journal** **[6]**

Date	Particulars	L.F.	Amount Dr. (₹)	Amount Cr. (₹)
	Das's Capital A/c Dr. Roy's Capital A/c Dr. Sen's Capital A/c Dr. To P/L Adjustment A/c (Being share of profit distributed reversed)		40,000 40,000 40,000	1,20,000
	Roy's Capital A/c Dr. To P/L Adjustment A/c (Being Roy's guarantee to the firm fulfilled)		15,000	15,000
	P/L Adjustment A/c Dr. To Das's Capital A/c To Roy's Capital A/c To Sen's Capital A/c (Being profit distributed in the profit-sharing ratio)		1,35,000	54,000 54,000 27,000
	Das's Capital A/c Dr. Roy's Capital A/c Dr. To Sen's Capital A/c (Being the guarantee of minimum profit to Sen given by the firm, fulfilled by Das and Roy in their profit-sharing ratio)		1,500 1,500	3,000

Question 10

(A) (i) **Journal of Nikoy Ltd.** **[7]**

Date	Particulars	LF	Amount (₹)	Amount (₹)
	Land & Building A/c Dr. To Agro Housing Ltd. (Land & Building purchased)		5,00,000	5,00,000
	Agro Housing Ltd. Dr. To Equity Shares Capital A/c To Securities Premium A/c (Purchase consideration settled)		5,00,000	4,00,000 1,00,000
	Goodwill/Incorporation Cost A/c Dr. To Promoters A/c (Incorporation cost is payable to Promoter)		1,00,000	1,00,000
	Promoters A/c Dr. To Equity Share Capital A/c (Incorporation cost settled to Promoter)		1,00,000	1,00,000
	Bank A/c Dr. To Share Application & Allotment A/c (Share Application money received)		2,00,000	2,00,000
	Share Application & Allotment A/c Dr. To Bank A/c (Application money rejected and refunded)		2,00,000	2,00,000
	Share issue expenses a/c Dr. To Bank a/c (being share issue expenses paid)		22,000	22,000
	Securities Premium A/c Dr. Statement of Profit & Loss Dr. To Share issue expenses A/c To Incorporation Cost A/c (being share issue expenses & incorporation cost written off)		1,00,000 22,000	22,000 1,00,000

(ii) Subscribed Capital **[2]**
Subscribed & fully paid up
2,40,000 Equity Shares of ₹ 10 each ₹ 24,00,000
(Note: 1,90,000 + 40,000 + 10,000 = 2,40,000 shares)

(iii) **Share issue expenses A/c** **[1]**

Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)
	To Bank A/c	22,000		By Securities Premium A/c	22,000
		22,000			22,000

OR

(B) **Journal of Maconie Ltd.** **[8]**

(i)

Date	Particulars	L.F.	Amount (₹)	Amount (₹)
	Bank A/c Dr. To Share Application A/c (Being application money received on 75,000 shares)		**4,50,000**	 **4,50,000**
	Share Application A/c Dr. To Share Capital A/c To Securities Premium A/c To Bank A/c To Share Allotment A/c (Being application money transferred and adjusted)		4,50,000	 **2,00,000** 1,00,000 30,000 **1,20,000**
	Share Allotment A/c Dr. To Share Capital A/c To Securities Premium A/c (Being allotment money due)		2,50,000	 1,00,000 1,50,000
	Bank A/c Dr. To Share Allotment A/c To Calls in advance A/c (Being allotment money received including amount received for call)		1,38,000	 **1,30,000** 8,000
	Share First & Final Call A/c Dr. To Share Capital A/c (Being first call money due)		2,00,000	 2,00,000
	Bank A/c Dr. Calls in advance A/c Dr. To Share First & Final Call A/c (Being share first & final call money received)		1,92,000 8,000	 2,00,000
	Interest on calls in advance A/c Dr. To Shareholders'/Sundry members A/c (Being interest due on calls in advance)		**240**	 **240**

(ii)		Shareholders' A/c Dr. To Bank A/c (Interest on calls in advance paid to Shareholders)		240	240
		Statement of Profit and Loss Dr. To Interest on calls in advance A/c (Being Interest on calls in advance A/c is closed)		240	240

[2]

SECTION B - 20 MARKS

Question 11

(i) (d) or P and S [1]

(ii) (a) or 25% [1]

(iii) Financing Activity [1]

(iv) Opening Cash & cash equivalent on 1st April, 2023 is ₹ 17,589 [1]
Closing Cash & cash equivalent on 31st March, 2025 is 17,599

(v) While a high current ratio indicates strong liquidity, an excessively high ratio might suggest that the company is **not efficiently utilizing its assets.** It could imply that **too much capital is tied up in current assets** like inventory or receivables, which might not be yielding adequate returns. Therefore, it is essential to analyse the components of current assets to assess **asset utilization efficiency.** [1]

Question 12 [3]

Equity and liability side of Common Size Statement as at 31.03.2025

Equity and Liabilities			Absolute amount 31.03.2025	% of Balance Sheet Total
1.		Shareholders' Funds		
	(a)	Share Capital	**3,80,000**	38
	(b)	Reserves and surplus	**60,000**	6
2.		Non-Current Liabilities		
		Long-term borrowings	**2,60,000**	26
3.		Current Liabilities		
	(a)	Short –term borrowings	**80,000**	8
	(b)	Trade Payables	**1,20,000**	12
	(c)	Other Current Liabilities	**1,00,000**	10
		Total	10,00,000	100

Question 13 **[6]**

(i) Working Capital = Current Assets – Current Liabilities
2,00,000 = Current Assets – 3,50,000
Current Assets = 5,50,000

Total assets = Non-current Assets + Current Assets
Total assets = 5,50,000 + 8,00,000
Total assets = 13,50,000

Debt = Total Assets – Shareholders funds – Current Liabilities
Debt = 13,50,000 – 6,00,000 – 3,50,000
Debt = 4,00,000

Debt Equity Ratio = Debt/equity
= 4,00,000/6,00,000
= 0.67: 1

(ii) Cost of Revenue from Operation is ₹ 3,20,000
Revenue from operations is ₹ 4,00,000

Average inventory = 40,000 + 1,60,000 / 2
Average inventory = ₹ 1,00,000
Inventory Turnover Ratio = Cost of revenue from operations / Average inventory
= 3,20,000 / 1,00,000
= 3.2 times

(iii) Cost of revenue from operations = Opening inventory + Purchases + Direct Expenses – Closing inventory
= 20,000 + 80,000 + 8,000 + 3,000 – 9,000
= ₹ 1,02,000

Operating Ratio = [(Cost of revenue from operations + Operating Expenses – Operating Income) / Revenue from operations] x100

= 1,02,000 + 18,000 / 1,50,000 x 100
= 80%

(iv) (a) No change

(b) No change

Question 14 **[6]**

Cash Flow statement
For the period ended 313.2025

Particulars	₹	₹
a) Cash flow from operating activities:		
Net profit before tax	1,12,000	
Adjustment for non-cash & non-operating items;		
Loss on sale of machinery	3,000	
Depreciation on machinery	40,000	
Interest on debentures	16,000	
Interest on current investment	(2,500)	
Net operating profit before working capital change	1,68,500	
Changes in working capital:		
Add: Current investment	80,000	
Trade receivable	10,000	
Cash generated from Operating Activities	2,58,500	
Less: Tax paid	(72,000)	
Net cash flow from Operating Activities		1,86,500
b) Cash flow from investing activities:		
Purchase of machinery	(2,60,000)	
Patent acquired	(55,000)	
Sale of machinery	17,000	
Interest received	2,500	
Net Cash used in Investing Activities		(2,95,500)
c) Cash flow from Financing Activities:		
Issue of shares	3,00,000	
Redemption of debentures	(1,50,000)	
Bank overdraft	10,000	
Interest paid on debentures	(16,000)	
Net Cash flow from Financing Activities		1,44,000
Increase in cash & cash equivalent		35,000
Opening cash & cash equivalent		1,15,000
Closing cash & cash equivalent		1,50,000

Working note:

	₹
Net profit/loss as per statement of profit and loss	80,000
Provision for tax	32,000
Net profit before tax	1,12,000

Provision for tax A/c

	₹		₹
To Bank	72,000	By Balance b/d	1,35,000
To balance c/d	95,000	By Statement of P/L	32,000
	1,67,000		1,67,000

Machinery A/c

	₹		₹
To Balance b/d	5,85,000	By Accumulated depreciation	10,000
To Bank A/c	2,60,000	By Bank A/c	17,000
		By Loss on sale of mach.	3,000
		By Balance c/d	8,15,000
	8,45,000		8,45,000

Accumulated Depreciation A/c

	₹		₹
To Machinery A/c	10,000	By Balance b/d	35,000
To Balance c/d	65,000	By Depreciation	40,000
	75,000		75,000

OR

(A) **Cash flow statement** [3]

For the year ended 31.03.2025

Cash flow from operating activities:	₹	₹
Net profit before tax	1,55,100	
Adjustment for non-cash & non-operating items:		
Depreciation plant	17,500	
Net operating profit before working capital change	1,72,600	
Adjustment for Working capital:		
Trade receivable	1,000	
Trade payable	(5,000)	
Current investment	(6,000)	
Cash generated from operation		**1,62,600**

(B) Cash flow from financing activities: **[3]**

	₹
Redemption of debentures	(3,00,000)
Interest paid on debentures	(18,000)
Dividend paid	(1,50,000)
Proceeds from issue of Preference Shares	2,00,000
Proceeds from issue of Equity Shares	4,00,000
Cash used in financing activities	1,32,000

SECTION C - 20 Marks

Question 15

(i) (b) or Primary key **[1]**

(ii) (b) or Ctrl + V **[1]**

(iii) A table is a structured collection of data organized in rows and columns. **[1]**

(iv) A formula can be written by selecting a cell, then type an equal sign = and write the formula. **[1]**

(v) A cell range can be specified by selecting the top leftmost corner cell, then typing a colon(:) symbol followed by the bottom rightmost corner cell of the range or by typing the starting cell reference, then a colon followed by ending cell reference of the range and then press ENTER. **[1]**

Question 16 **[3]**

(i) Commonly used SQL data types are:
   a) Numeric data types INT
   b) Character and String data types CHAR(n)
   c) Date and Time data types DATE

(ii) A composite attribute is an attribute that can be further divided into smaller or more specific attributes. Examples: Address; Name.

Question 17 *(Any three)*

(i) [2]

Desktop Database	Server Database
It is primarily used by a single user or a small group of users.	It is used by multiple users simultaneously.
It is less expensive to set up and maintain.	It is more expensive to set up and maintain.

(ii) The Sort feature is used to arrange the data in either ascending or descending order. [2]
The Filter feature is used to view only relevant data based on the filtering condition or criteria which is being used.

(iii) ENTITY: An entity is a real world object, person, concept or a thing about which data can be stored and managed in database. [2]
ATTRIBUTE: It is a fundamental characteristic or property of an entity defining the details of that entity.

(iv) [2]
- Foreign keys help in preventing repeated data across multiple tables.
- They act as a link between related tables.

Question 18 *(Any three)*

(i) =E2*(F2-G2) Or = I2+K2 [2]

(ii) =B3*C3- (B3-E3)*C3 Or = D3-J3 Or = H3-K3 [2]

(iii) =(B4*C4)-I4 Or = D4-I4 [2]

(iv) (a) =F5- (H5/E5) Or =F5- ((D5-J5+K5)/E5) [1]

(b) ₹ 5 [1]