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| | **DOON GLOBAL SCHOOL**<br>**ACCOUNTANCY PRE-BOARD I (2024-25)**<br>**Class 12 – Accountancy (055)**<br>**SET - A**<br>**Time Allowed: 3 hours** **M.M: 80** |

**General Instructions:**

**GENERAL INSTRUCTIONS:**

1. This question paper contains 34 questions.
2. All questions are compulsory.
3. There is no overall choice. However, an internal choice has been provided in **2** questions of **three** marks, **1** question of **four** marks and **2** questions of **six** marks.

1. X, Y and Z started a business in partnership on 1st October 2020. The profit sharing ratio was decided among the partners 2 : 1 : 1. Z was guaranteed a profit of ₹ 28,000 p.a. Deficiency amount (if any) will be borne by X and Y in the ratio of 3 : 2. The firm earned profit for the year ending 31st March 2021 ₹ 20,000. **[1]**
How much deficiency is borne by X and Y?

   a) X ₹ 13,800 and Y ₹ 9,200
   b) X ₹ 5,400 and Y ₹ 3,600
   c) X ₹ 10,800 and Y ₹ 7,200
   d) X ₹ 12,000 and Y ₹ 6,000

2. **Assertion (A):** A and B are partners in a firm. As per partnership deed interest on drawings is to be charged @ 9% p.a. A withdrew ₹ 10,000 per month at the end of each month and B withdrew ₹ 10,000 per quarter at the end of each quarter. The firm incurred a loss of ₹ 2,00,000. Hence, interest will not be charged on drawings. **[1]**
**Reason (R):** Interest on drawings will be charged @ 9% p.a. on ₹ 1,20,000 from B for 5.5 months and from B for 4.5 month.

   a) Both A and R are true and R is the correct explanation of A.
   b) Both A and R are true but R is not the correct explanation of A.
   c) A is true but R is false.
   d) A is false but R is true.

3. Which of the following statement is true? **[1]**
   i. Fixed capital account will always have a credit balance
   ii. Current account can have a positive or a negative balance
   iii. Fluctuating capital account can have a positive or a negative balance
   iv. All of the above

   a) Statement (iii) is correct.
   b) Statement (ii) is correct.
   c) Statement (i) is correct.
   d) Statement (iv) is correct.

4. Vijay and Raman were partners in a firm sharing profits in 3 : 2 ratio. From 1st March, 2021 they decided to change it to 3 : 1. For this purpose the goodwill of the firm was valued at ₹ 1,20,000. **[1]**

Journal entry for the above transaction will be:

a) Vijay's Capital A/c Dr. 18,000 and Raman's Capital A/c Cr 18,000

b) Raman's Capital A/c Dr 18,000 and Vijay's Capital A/c Cr. 18,000

c) Raman's Capital A/c Dr 20,000 and Vijay's Capital A/c Cr. 20,000

d) Vijay's Capital A/c Dr.20,000 and Raman's Capital A/c Cr 20,000

5. **Assertion (A):** Assets and liabilities are revalued when there is change in profit sharing ratio of existing partners. **[1]**

**Reason (R):** It is to ensure that no partner is at an advantage or disadvantage due to change in the value of assets and liabilities.

a) Both A and R are true and R is the correct explanation of A.

b) Both A and R are true but R is not the correct explanation of A.

c) A is true but R is false.

d) A is false but R is true.

6. X, Y and Z are partners sharing profits equally. The credit balance of Profit and Loss account is given in the balance sheet Rs.6,000. Now they have decided to distribute profits in the ratio of 6:3:1. With what amount gainer will be debited for profit and loss account in an adjustment entry based on gain and sacrifice? **[1]**

a) Y's Capital A/c Dr.1,600

b) Z's Capital A/c Dr.1,600

c) X and Y Debit with Rs.800 each

d) X's Capital A/c Dr.1,600

7. X and Y are partners sharing profits equally. They admit Z for $\frac{1}{3}$rd share in profits. Following information is available at the time of admission of Z. **[1]**

| Liabilities | Amount | Assets | Amount |
|---|---|---|---|
| Workmen Compensation Reserve | 80,000 | | |

Additional information: There was a claim on account of Workmen Compensation for ₹ 1,20,000 out of which 90,000 was accepted by the firm.

What will be the impact on X's Capital Account for Revaluation Gain/loss?

a) His Capital Account Credited with 5,000

b) No impact at all

c) His Capital Account Credited with 10,000

d) His Capital Account Debited with 5,000

**8.** As per Accounting Standard 26__________goodwill will be recorded in the books of account **[1]**

a) Both purchased and self-generated

b) self-generated

c) purchased

d) premium

9. R, S and T are partners sharing profit in the ratio of 7:5:4. T died on 30th June 2012. Profit for the year was ₹24000 for the year 2011-2012. How many shares in profits for the death period will be transferred to T's account? **[1]**

a) Debited Rs. 1500

b) Debited Rs.6000

c) Credited Rs.1500

d) Credited Rs.6000

10. **Assertion (A):** In the event of death of a partner, in case there is no change in the profit sharing ratio of continuing partners, the deceased partner's share of profit till the date of his death is debited to Profit & Loss **[1]**

Suspense Account.

**Reason (R):** Profit and Loss Suspense Account is closed by transferring its balance to Profit & Loss Account.

a) Both A and R are true and R is the correct explanation of A.

b) Both A and R are true but R is not the correct explanation of A.

c) A is true but R is false.

d) A is false but R is true.

**11.** Deferred Revenue expenditure given in the balance sheet will be: **[1]**

a) Debit to Partners' capital/current A/c

b) Debit to Realisation A/c

c) Credit to partners' capital A/c

d) Credit to Realisation A/c

12. **Assertion (A):** On dissolution, if a partner is appointed to realise the assets and he gets a commission on realisation of assets, he will be liable to bear the realisation expenses also. **[1]**

**Reason (R):** In the absence of specific agreement, partner doing the dissolution work and getting commission is not liable to bear the realisation expenses.

a) Both A and R are true and R is the correct explanation of A.

b) Both A and R are true but R is not the correct explanation of A.

c) A is true but R is false.

d) A is false but R is true.

**13.** X Ltd. purchased the following assets from Y Ltd.: **[1]**

| | **Book Value (₹)** | **Agreed Value (₹)** |
|---|---|---|
| Plant and Machinery | 10,00,000 | 20% less |
| Stock | 2,50,000 | 60% more |

Payment was made 20% by Cheque and the remaining amount by equity shares of ₹ 10 each, ₹ 6 paid.

Number of equity shares issued will be:

a) ₹ 1,60,000

b) ₹ 96,000

c) ₹ 2,00,000

d) ₹ 1,20,000

14. Which statement is false: **[1]**

A. Payment of interest on calls-in-advance is not allowed at all

B. A company cannot raise fund beyond its authorized capital

C. Called up share capital is that part of subscribed capital that has been called up

D. A company can call up lump sum or in installments amount on application

a) (D)

b) (A)

c) (C)

d) (B)

15. Vinod Limited has 5,000, 11% Debentures which are to be redeemed within the 8 months from the date of previous balance sheet. How will you show these debentures in the balance sheet? **[1]**

a) Under Other Current Liabilities

b) Long Term Borrowings

c) Short Term Borrowings

d) Trade payables

16. **Assertion (A):** Debentures saves income tax. **[1]**

**Reason (R):** Interest on debenture is tax deductible expenditure.

a) Both A and R are true and R is the correct

b) Both A and R are true but R is not the explanation of A. correct explanation of A.

c) A is true but R is false. d) A is false but R is true.

17. State the major heads (or line items) under which the items appearing on the assets side of a company's Balance Sheet are classified. **[1]**

**18.** In the Statement of Profit & Loss of a Common Size Statement: **[1]**

a) Figure of assets is assumed to be equal to 100

b) Figure of net profit is assumed to be equal to 100

c) Figure of net revenue from operations is assumed to be equal to 100

d) Figure of gross profit is assumed to be equal to 100

**19.** Cross Section analysis is: **[1]**

a) Time Series Analysis

b) Horizontal Analysis

c) Vertical Analysis

d) External Analysis

20. **Assertion (A):** Analysis of financial statements is done to assess managerial efficiency. **[1]**
**Reason (R):** Financial statement analysis helps to identify the areas where the managers have been efficient and the areas where they have been inefficient.

a) Both A and R are true and R is the correct explanation of A.

b) Both A and R are true but R is not the correct explanation of A.

c) A is true but R is false.

d) A is false but R is true.

21. Ram, Ravi and Yogesh are partners in a firm. Their Capital Accounts stood at ₹ 6,00,000; ₹ 5,00,000 and ₹ 4,00,000 respectively on 1st April, 2022.They shared Profits and Losses in the proportion of 4 : 2 : 3. Partners are entitled to interest on capital @ 8% per annum and salary to Ravi and Yogesh @ ₹ 7,000 per month and ₹ 10,000 per quarter respectively as per the provision of the Partnership Deed. Yogesh's share of profit (excluding interest on capital but including salary) is guaranteed at a minimum of ₹ 1,10,000 p.a. Any deficiency arising on that account shall be met by Ram. The profit for the year ended 31st March, 2023 amounted to ₹ 4,24,000. Prepare Profit and Loss Appropriation Account for the year ended 31st March, 2023. **[3]**

22. P, Q and R are partners sharing profits and losses in the ratio of 5 : 3 : 2. From 1st April, 2023, they decide to share profits and losses in equal proportions. The partnership deed provides that in the event of any change in profit sharing ratio, the goodwill should be valued at three year's purchase of the average of five year's profits. The profits and losses of the preceding five years ending 31st March are: **[3]**
Profits: 2019: ₹ 60,000, 2020: ₹ 1,50,000, 2021: ₹ 1,70,000, 2022: ₹ 1,90,000.
Loss : 2023: ₹ 70,000.
Give the necessary journal entry to record the above change.

23. Anil, Ram and Karan were partners in a firm sharing profits in the ratio 4 : 3 : 3. The firm was dissolved on 31-3-2023. Pass the necessary Journal entries for the following transactions after various assets (other than cash and bank) and third party liabilities had been transferred to Realisation Account: **[3]**

i. The firm had stock of ₹ 80,000. Anil took over 50% of the stock at a discount of 20% while the remaining stock was sold off at a profit of 30% on cost.
ii. A liability under a suit for damages included in creditors was settled at ₹ 32,000 as against only ₹ 13,000 provided in the books. Total creditors of the firm were ₹ 50,000.

iii. Ram's sister's loan of ₹ 20,000 was paid off along with interest of ₹ 2,000.

iv. Karan's Loan of ₹ 12,000 was settled at ₹ 12,500.

24. X Ltd. purchased assets of Y Ltd. as under: **[3]**

| | |
|---|---|
| Plant and Machinery | ₹8,00,000 |
| Land and Building | ₹72,00,000 |

The purchase consideration was ₹80,00,000. ₹20,00,000 were paid through bank and the remaining by issue of 6% debentures of ₹100 each at a premium of 20%. Pass necessary journal entries in the books of X Ltd.

25. Under what heads and sub-heads, will the following items appear in the balance sheet of a company as per Schedule III, Part I of the Companies Act, 2013. **[3]**

i. Subsidy reserve
ii. Mining rights
iii. Provision for doubtful debts

OR

Under which major headings/sub-headings will the following items be shown in a Company's Balance Sheet as per Schedule-III Part I of the Companies Act, 2013?

i. Provision for warranties
ii. Provision for Tax
iii. Bank Overdraft
iv. Goodwill
v. Unclaimed Dividend
vi. Loose tools

26. From the following information provided, prepare Comparative Statement of Profit and Loss of Mobility ltd. for the years ended 31st March 2018 and 2017: **[3]**

| **Particulars** | **31st March, 2018** | **31st March, 2017** |
|---|---|---|
| | ₹ | ₹ |
| Revenue from Operations | 9,00,000 | 6,00,000 |
| Cost of Materials Consumed | 50% of Revenue from Operations | 60% of Revenue from Operations |
| Other Expenses | 15% | 20% |
| % (Revenue from Operations - Cost of Materials Consumed) | | |
| Income Tax | 50% | 50% |

OR

Prepare a common size Balance Sheet and comment on the financial position of G Ltd. and L Ltd. The Balance Sheet of G Ltd. and L Ltd. as at 31.3.2023 are given below:

| **Particulars** | **Note No.** | **G Ltd.** ₹ | **L Ltd.** ₹ |
|---|---|---|---|
| **I. EQUITY AND LIABILITIES:** | | | |

| | | | |
|---|---|---|---|
| (1) Shareholder's Funds | | 3,00,000 | 4,00,000 |
| (2) Non-Current Liabilities | | 2,00,000 | 3,00,000 |
| (3) Current Liabilities | | 1,00,000 | 50,000 |
| **TOTAL** | | **6,00,000** | **7,50,000** |
| **II. ASSETS:** | | | |
| (1) Non-Current Assets | | | |
| (i) Property, Plant and Equipment | | 2,50,000 | 3,00,000 |
| (ii) Intangible Assets | | 1,50,000 | 1,00,000 |
| (2) Current Assets | | 2,00,000 | 3,50,000 |
| **TOTAL** | | **6,00,000** | **7,50,000** |

27. Anil, Bhanu and Chandu were partners in a firm sharing profits in the ratio of 5 : 3 : 2. On March 31, 2017, their Balance Sheet was as under: **[4]**

**Books of Anil, Bhanu and Chandu**

**Balance Sheet as on March 31, 2017**

| **Liabilities** | | **Amount (₹)** | **Assets** | **Amount (₹)** |
|---|---|---|---|---|
| Creditors | | 11,000 | Building | 20,000 |
| Reserves Fund | | 6,000 | Machinery | 30,000 |
| Anil's Capital | 30,000 | | Stock | 10,000 |
| Bhanu's Capital | 25,000 | | Patents | 11,000 |
| Chandu's Capital | 15,000 | 70,000 | Debtors | 8,000 |
| | | | Cash | 8,000 |
| | | **87,000** | | **87,000** |

Anil died on October 1, 2017. It was agreed between his executors and the remaining partners that:

i. Goodwill to be valued at $2\frac{1}{2}$ years' purchase of the average profit of the previous 4 years, which were 2013-14: ₹ 13,000; 2014-15: ₹ 12,000; 2015-16: ₹ 20,000 and 2016-17: ₹ 15,000.
ii. Patents be valued at ₹ 8,000; Machinery at ₹ 28,000; and Building at ₹ 25,000.
iii. Profit for the year 2017-18 be taken as having accrued at the same rate as that of the previous year.
iv. Interest on capital be provided at 10% p.a.
v. Half of the amount due to Anil to be paid immediately.

Prepare Anil's Capital Account and Anil's Executor's Account as on October 1, 2017.

28. A company issues the following debentures: **[4]**

i. 10,000, 12% debentures of ₹ 100 each at par but redeemable at a premium of 5% after 5 years;
ii. 10,000, 12% debentures of ₹ 100 each at a discount of 5%, but redeemable at a premium of 5% after 5 years;
iii. 5,000, 12% debentures of ₹ 100 each at a premium of 10% but redeemable at par after 5 years;
iv. 1,000, 14% debentures of ₹ 100 each issued to a supplier of machinery costing ₹ 95,000, the debentures are repayable after 5 years; and

v. 300, 13% debentures of ₹ 100 each as a collateral security to a bank who has advanced a loan of ₹ 25,000 to the company for a period of 5 years.

Pass the Journal entries to record the issue of debentures.

29. Calculate the following ratios from the following information: **[4]**

i. Current ratio
ii. Acid test ratio
iii. Operating Ratio
iv. Gross Profit Ratio

| | ₹ |
|---|---|
| Current Assets | 35,000 |
| Current Liabilities | 17,500 |
| Inventory | 15,000 |
| Operating Expenses | 20,000 |
| Revenue from Operations | 60,000 |
| Cost of Goods Sold | 30,000 |

OR

From the following Balance Sheet, calculate the following ratios:

I. Debt-Equity Ratio
II. Proprietary Ratio
III. Total Assets to Debt Ratio.

**Balance Sheet of XYZ LTD.**

as at 31st March 2012

| | **Particulars** | **(Rs.)** |
|---|---|---|
| **I.** | **EQUITY AND LIABILITIES** | |
| | 1. Shareholders' Funds | |
| | (a) Equity Share Capital | 15,00,000 |
| | (b) Reserves and Surplus | 6,00,000 |
| | 2. **Non-Current Liabilities** | |
| | Long-term Borrowings (12% Debentures) | 5,00,000 |
| | **3. Current Liabilities** | |
| | (a) Short-term Borrowings | 2,00,000 |
| | (b) Trade Payables | 12,00,000 |
| | | 40,00,000 |
| **II.** | **ASSETS** | |
| | 1. **Non-Current Assets** | |
| | | |

| | | |
|---|---|---|
| | (a)Fixed Assets - Tangible Assets | 16,50,000 |
| | (b) Long-term Investments | 1,60,000 |
| | 2. **Current Assets** | |
| | (a) Inventories (Stock) | 9,10,000 |
| | (b) Trade Receivables (Debtors) | 12,40,000 |
| | (c) Cash and Cash Equivalents | 40,000 |
| | | 40,00,000 |

30. A, B and C are equal partners in a firm, their Balance Sheet as on 31st March 2002 was as follows: **[6]**

| **Liabilities** | **Rs.** | **Assets** | **Rs.** |
|---|---|---|---|
| Sundry Creditors | 27,000 | Goodwill | 1,17,000 |
| Employees Provident Fund | 6,000 | Building | 1,25,000 |
| Bills Payable | 45,000 | Machinery | 72,000 |
| General Reserve | 18,000 | Furniture | 24,000 |
| Capitals: | | Stock | 1,14,000 |
| A | 2,17,000 | Bad Debts | 1,02,000 |
| B | 1,66,000 | Cash | 12,000 |
| C | 90,000 | Advertisement Suspense A/c | 3,000 |
| | 5,69,000 | | 5,69,000 |

On that date they agree to take D as equal partner on the following terms:

a. D should bring in Rs. 1, 60,000 as his capital and goodwill. His share of goodwill is valued at Rs. 60,000.
b. Goodwill appearing in the books must be written off.
c. Provision for loss on stock and provision for doubtful debts is to be made at 10% and 5% respectively.
d. The value of building is to taken Rs. 2,00,000.
e. The total capital of the new firm has been fixed has been fixed at Rs. 4,00,000 and the partners capital accounts are to be adjusted in the profit sharing ratio. Any excess is to be transferred to current account and any deficit is to be brought in cash.

Required : Revaluation Account, Partners Capital Accounts, and the Balance Sheet of the new firm.

31. Gita, Radha and Garv were partners in a firm sharing profits and losses in the ratio of 3:5:2. On 31st March, 2019, their balance sheet was as follows: **[6]**

**Balance Sheet of Gita, Radha & Garv as on 31st March, 2019**

| **Liabilities** | **Amount (₹)** | **Assets** | **Amount (₹)** |
|---|---|---|---|
| Sundry Creditors | 60,000 | Cash | 50,000 |
| General Reserve | 40,000 | Stock | 80,000 |
| Capitals : | | Debtors | 40,000 |
| | | | |

| | | | |
|---|---|---|---|
| Gita 3,00,000 | | Investments | 30,000 |
| Radha 2,00,000 | | Buildings | 5,00,000 |
| Garv 1,00,000 | 6,00,000 | | |
| | **7,00,000** | | **7,00,000** |

Radha retired on the above date and it was agreed that:

a. Goodwill of the firm be valued at ₹ 3,00,000 and Radha's share be adjusted through the capital accounts of Gita and Garv.
b. Stock was to be appreciated by 20%.
c. Buildings were found undervalued by ₹ 1,00,000 .
d. Investments were sold for ₹ 34,000 .
e. Capital of the new firm was fixed at ₹ 5,00,000 which will be in the new profit sharing ratio of the partners; the necessary adjustments for this purpose were to be made by opening current accounts of the partners.

Prepare Revaluation Account, Partner's Capital Accounts and the Balance Sheet of the reconstituted firm on Radha's retirement.

OR

Following is the Balance Sheet of A, B and C as at 31st March, 2014:

| **Liabilities** | **₹** | **Assets** | **₹** |
|---|---|---|---|
| Sundry Creditors | 18,000 | Tools | 6,000 |
| Workmen Compensation Reserve | 19,200 | Furniture | 48,000 |
| Capital Accounts: | | Stock | 36,000 |
| A | 60,000 | Debtors | 36,000 |
| B | 30,000 | Cash at Bank | 30,000 |
| C | 30,000 | Cash in hand | 1,200 |
| | **1,57,200** | | **1,57,200** |

B died on 30th June 2014. Under the partnership agreement, the executor of B was entitled to:

i. Amount standing to the credit of his Capital Account.
ii. Interest on Capital which amounted to ₹ 375
iii. His share of goodwill ₹ 21,000.
iv. His share of profit from the closing of the last financial year to the date of death which amounted to ₹ 2,625.

B's executor was paid ₹ 20,400 on 1st July 2014 and the balance in four equal yearly instalments starting from 30th June, 2015 with interest @ 6% p.a.

Pass the necessary Journal entries and draw up B's Account to be rendered to his executor and B's Executor's Account till it is finally paid.

32. A and B shared profits in the ratio of 7 : 3. They dissolved the partnership and appointed A to realise the assets. A is to receive 6% commission on the amount realised from Stock, Debtors, B/R and Shares. The position of the firm was as follows: **[6]**

| **Liabilities** | **₹** | **Assets** | **₹** |
|---|---|---|---|
| Creditors | 60,000 | Plant and Machinery | 20,000 |

| | | | |
|---|---|---|---|
| Repairs and Renewals Reserve | 4,000 | Prepaid Insurance | 1,200 |
| Bank Loan | 20,000 | Stock | 60,000 |
| A's Capital A/c | 50,000 | 100 Shares in D.T.M. Ltd. | 5,000 |
| B's Capital A/c | 20,000 | Sundry Debtors | 38,000 |
| | | B/R | 6,000 |
| | | Cash at Bank | 8,800 |
| | | A's Drawings | 5,000 |
| | | Advertisement Suspense A/c | 10,000 |
| | **1,54,000** | | **1,54,000** |

**Information:**

i. A realised the assets as follows: Full amount from Sundry Debtors and B/R except from one for ₹ 2,000 being insolvent. Stock realised ₹ 52,000; Shares in D.T.M. were sold for ₹ 60 each.
ii. Half the trade creditors accepted plant and machinery at an agreed valuation of 10% less than the book value and cash of ₹ 7,000 in full settlement of their claims.
iii. Remaining creditors were paid off at a discount of 10%. Expenses of realisation amounted to ₹ 700.
iv. One quarter's tax amounting to ₹ 1,500 was due and had to be paid.
v. There was a contingent liability amounting to ₹ 13,000. It was settled for ₹ 6,000.
vi. Bank Loan was discharged along with interest due for two months @ 18% p.a.

Prepare necessary accounts.

33. Alfa Limited invited applications for 4,00,000 of its equity shares of ₹ 10 each on the following terms: **[6]**

| | |
|---|---|
| Payable on application | ₹ 5 per share |
| Payable on allotment | ₹ 3 per share |
| Payable on first and final call | ₹ 2 per share |

Applications for 5,00,000 shares were received. It was decided:

i. to refuse allotment to the applicants for 20,000 shares;
ii. to allot in full to applicants for 80,000 shares;
iii. to allot the balance of the available shares pro-rata among the other applicants; and
iv. to utilise excess application money in part as payment of allotment money.

One applicant whom shares had been allotted on pro-rata basis, did not pay the amount due on allotment and on the call, and his 400 shares were forfeited. The shares were reissued @ ₹9 per share.

Show the journal and cash book entries necessary to record the foregoing data.

34. Following are the Balance Sheets of Sunrise Power Ltd. as at 31st March, 2023 and 2022: **[6]**

**Sunrise Power Ltd.**

BALANCE SHEET

| Particulars | Note No. | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|

| | | | ₹ | ₹ |
|---|---|---|---|---|
| **I.** | **EQUITY AND LIABILITIES** | | | |
| **1.** | **Shareholders' Funds** | | | |
| | (a) Share Capital | | 24,00,000 | 22,00,000 |
| | (b) Reserves and Surplus | 1 | 6,00,000 | 4,00,000 |
| **2.** | **Non-Current Liabilities** | | | |
| | Long-term Borrowings | | 4,80,000 | 3,40,000 |
| **3.** | **Current Liabilities** | | | |
| | (a) Trade Payables | | 3,58,000 | 4,08,000 |
| | (b) Short-term Provisions | | 1,00,000 | 1,54.000 |
| | **Total** | | **39,38,000** | **35,02,000** |
| **II.** | **ASSETS** | | | |
| **1.** | **Non-current Assets** | | | |
| | (a) Tangible | 2 | 21,40,000 | 17,00,000 |
| | (b) Intangible | 3 | 80,000 | 2,24,000 |
| **2.** | **Current Assets** | | | |
| | (a) Current Investments | | 4,80,000 | 3,00,000 |
| | (b) Inventories | | 2,58,000 | 2,42,000 |
| | (c) Trade Receivables | | 3,40,000 | 2,86,000 |
| | (d) Cash and Cash Equivalents | | 6,40,000 | 7,50,000 |
| | **Total** | | **39,38,000** | **35,02,000** |

**Notes to Accounts**

| **Particulars** | **31st March 2023** | **31st March 2022** |
|---|---|---|
| | ₹ | ₹ |
| **1. Reserves and Surplus** | | |
| Surplus (Balance in Statements of Profit and Loss) | 6,00,000 | 4,00,000 |
| **2. Property, Plant and Equipment** | | |
| Machinery | 25,40,000 | 20,00,000 |
| Less: Accumulated Depreciation | (4,00,000) | (3,00,000) |
| | **21,40,000** | **17,00,000** |
| **3. Intangible Assets** | | |
| Goodwill | 80,000 | 2,24,000 |

**Additional Information:**

During the year a piece of machinery costing ₹ 48,000 on which accumulated depreciation was ₹ 32,000 was sold for ₹ 12,000. Prepare cash flow statement.

OR

Calculate Cash Flow from Investing Activities from the following information:

| **Particulars** | **31st March, 2023** | **31st March, 2022** |
|---|---|---|
| | **₹** | **₹** |
| Investments in Land | 3,00,000 | 3,00,000 |
| Shares in Damodar Ltd. | 1,50,000 | 1,50,000 |
| 12% Long-term Investments | 80,000 | 50,000 |
| Plant and Machinery | 7,50,000 | 6,00,000 |
| Patents | 70,000 | 1,00,000 |
| Goodwill | 1,50,000 | 1,00,000 |

**Additional Information:**

i. A piece of land was purchased as an Investment out of surplus. It was let out for commercial purpose and the rent received was ₹ 20,000.

ii. Dividend received from Damodar Ltd. @ 12%

iii. Patents written off to the extent of ₹ 20,000. Some patents were sold at a profit of ₹ 10,000.

iv. A machine costing ₹ 80,000 (depreciation provided thereon ₹ 30,000) was sold for ₹ 35,000. Depreciation charged during the year was ₹ 70,000.

v. During the year 12% investments were purchased for ₹ 1,00,000 and some investments were sold at a profit of ₹ 10,000. Interest on investments for the year was duly received.