

Previous Year Paper

2nd June 2023 (Shift 1)

- Q1. How the following items of prize fund will be shown in balance sheet:

Details	Amt. Dr.	Amt. Cr.
Prize fund		₹80,000
Prize fund Investment	₹80,000	
Income from prize fund investment		₹8,000
Prizes awarded	₹6,000	

- (a) Liabilities: Prize fund ₹80,000; Assets: Prize fund investment ₹80,000.
 (b) Liabilities: Prize fund ₹74,000; Assets: Prize fund investment ₹88,000
 (c) Liabilities: Prize fund ₹82,000; Assets: Prize fund investment ₹80,000
 (d) Liabilities: Prize fund ₹86,000; Assets: Prize fund investment ₹74,000

- Q2. From the following information, calculate cash flow from financing activities.

Particulars	31 March 2021	31 March 2022
Proposed dividend	₹2,40,000	₹3,00,000

If dividend payable was ₹30,000 on 31 March 2021 and ₹40,000 on March 31, 2022. Determine outflow of cash from financing activities:

- (a) ₹2,90,000
 (b) ₹2,50,000
 (c) ₹3,10,000
 (d) ₹2,30,000

- Q3. At the time of admission of a partner, reduction in the value of an asset will be debited to:

- (a) Cash A/c
 (b) Partner's Capital A/c
 (c) Realisation A/c
 (d) Revaluation A/c

- Q4. Match List I with List II

LIST I		LIST II	
A.	Summaries of different operational activity of different period	I.	Cash flow statement
B.	Identify the cash from operating financing and investing activities	II.	Ratio analysis
C.	Identify the significant relationship between two items of Balance Sheet	III.	Comparative statement
D.	Summaries of different operational activity of one period	IV.	Common size statement

Choose the correct answer from the options given below:

- (a) A-IV, B-I, C-III, D-II
 (b) A-I, B-II, C-III, D-IV
 (c) A-II, B-I, C-III, D-IV
 (d) A-III, B-I, C-II, D-IV

- Q5. If a creditor accepts an asset whose value is more than the amount due to him.

- A. He will pay excess amount
 B. He will not pay anything
 C. The excess amount will be credited to Realisation Account
 D. The excess amount is debited to Realisation account
 E. The excess amount is debited to Bank account

Choose the correct answer from the options given below

- (a) A, C and E only
 (b) A, B and C only
 (c) B, C and D only
 (d) C, D and E only

- Q6. Match List I with List II

LIST I		LIST II	
A.	Issued shares after forfeiture	I.	Liability
B.	Amount more than par value of shares received on issue of shares	II.	Bank loan
C.	Premium on redemption of Debentures	III.	Security Premium Reserve
D.	Long term Borrowings	IV.	Reissue of shares

Choose the correct answer from the options given below:

- (a) A-IV, B-I, C-III, D-II
 (b) A-IV, B-II, C-III, D-I
 (c) A-IV, B-III, C-II, D-I
 (d) A-IV, B-III, C-I, D-II

- Q7. Select the correct sequence of accounting events for share capital;

- A. Receive application money
 B. Calls in advance
 C. Issue of prospectus
 D. Final call of share
 E. Allotment of share

Choose the correct answer from the options given below

- (a) C, A, E, B, D
 (b) A, C, E, B, D
 (c) B, C, A, D, E
 (d) C, B, A, E, D

- Q8.** As per Companies Act-2013, Disclosure related to share capital is compulsory for a period of 5 years immediately preceding the date of Balance sheet:
 A. Number and class of shares bought back
 B. Shares reserved under contracts/ commitments
 C. Forfeited shares
 D. Number and class of shares allotted for consideration other than cash and bonus shares
 E. Calls unpaid (Aggregate)
 (a) A, B and C only
 (b) B, C and D only
 (c) A, B and D only
 (d) C, D and E only
- Q9.** The correct sequence of statement of profit or loss
 A. Other Income
 B. Total Expenses
 C. Revenue from Operations
 D. Profit before extraordinary items & tax
 E. Total Revenue
 Choose the correct answer from the options given below:
 (a) C, D, A, B, E
 (b) C, D, E, A, B
 (c) C, A, E, B, D
 (d) A, B, C, D, E
- Q10.** Wizards in MS Access means:
 (a) Graphical representation of relationship between tables
 (b) Report generated by programme
 (c) Tools for simplifying the programme usage
 (d) Lines bonding the data within table
- Q11.** A and B are partners sharing profits and losses in the ratio 3 : 2. They admitted Z for $\frac{1}{8}$ th share. Z got this share as $\frac{1}{16}$ from A and $\frac{1}{16}$ from B. Calculate sacrificing ratio of A and B.
 (a) 3 : 2
 (b) 1 : 1
 (c) 43 : 27
 (d) 2 : 1
- Q12.** Oracle, SQL, Server, IBM-DB2 are example of:
 (a) Desktop data base
 (b) Server data base
 (c) Single user system
 (d) Word Processing software
- Q13.** Profit and loss Appropriation A/c includes:
 A. Interest on capital
 B. Interest on drawing
 C. Partner's salary
 D. Rent to partners
 E. Interest on outsider's loan
 Choose the correct answer from the options given below:
 (a) A, B and C only
 (b) D and E only
 (c) A, B, C and E
 (d) A and B only
- Q14.** Which of the following is false for Not-for-profit organisation?

- (a) Scholarships granted to students out of funds provided by government will be credited to Income and Expenditure Account
 (b) Receipt and Payment Account does not differentiate between Capital and Revenue receipts
 (c) Opening Balance sheet is prepared when the opening Balance of Capital fund is not given
 (d) The balancing figure on credit side of Income and Expenditure denotes excess of expenses over incomes
- Q15.** State the sequence of payments in case of dissolution of a partnership firm:
 A. To pay outside liabilities of the business
 B. To pay partner's loan (if any)
 C. To utilise the amount in settlement of capital A/c
 D. To distribute the amount among the partners in their profit-sharing ratio
 E. To pay Realisation expenses
 Choose the correct answer from the options given below:
 (a) E, A, B, C, D
 (b) D, C, B, A, E
 (c) A, B, D, C, E
 (d) A, D, B, C, E
- Q16.** When extend selection is active, what is the keyboard short-cut for selecting all data up to and including the last row?
 (a) Ctrl + Down Arrow
 (b) Ctrl + Home
 (c) Ctrl + Up Arrow
 (d) Ctrl + Shift
- Q17.** Identify the term that indicate change in existing profit-sharing ratio among partners.
 (a) Dissolution of Partnership Firm
 (b) Dissolution of Partnership
 (c) Amalgamation of Partnership Firm
 (d) Valuation of Firm
- Q18.** How would you treat Table Tennis match expenses of ₹40,000 (assuming that no other information is given):
 (a) Shown in liability side of Balance Sheet
 (b) Debited to Income and Expenditure amount
 (c) Shown on asset side of Balance Sheet
 (d) Credited to Income and Expenditure A/c
- Q19.** Dividend received for a financing company dealing in shares and debentures is.
 (a) Operating Activity
 (b) Investing Activity
 (c) Financing Activity
 (d) Cash and cash equivalents

Q20. Match List I with List II

LIST I		LIST II	
A.	Current Investments	I.	Non-Current Liabilities
B.	Deferred Tax Assets (net)	II.	Current Assets
C.	Trade payables	III.	Non-Current Assets

D.	Long term borrowings	IV.	Current Liabilities
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Choose the correct answer from the options given below:

- (a) A-II, B-III, C-I, D-IV
- (b) A-II, B-I, C-III, D-IV
- (c) A-II, B-III, C-IV, D-I
- (d) A-II, B-IV, C-I, D-III

Q21. Match List I with List II

LIST I		LIST II	
A.	AS-3	I.	Treatment of Goodwill
B.	AS-26	II.	One person company
C.	Section 2(62) of Companies Act, 2013	III.	Preference Shares
D.	Section 43 of Companies Act, 2013	IV.	Cash Flow Statement

Choose the correct answer from the options given below:

- (a) A-I, B-II, C-III, D-IV
- (b) A-II, B-III, C-IV, D-I
- (c) A-IV, B-I, C-II, D-III
- (d) A-III, B-IV, C-I, D-II

Q22. Match List I with List II

LIST I (Types of Ratio)		LIST II (Categorisation)	
A.	Current Ratio	I.	Profitability Ratio
B.	Proprietary Ratio	II.	Solvency Ratio
C.	Inventory Turnover Ratio	III.	Liquidity Ratio
D.	Earning Per Share	IV.	Activity Ratio

Choose the correct answer from the options given below:

- (a) A-II, B-I, C-III, D-IV
- (b) A-III, B-IV, C-II, D-I
- (c) A-I, B-II, C-III, D-IV
- (d) A-III, B-II, C-IV, D-I

Q23. The following steps have been adopted for comparative statement analysis of financial statement of a company:

- A. Calculate the percentage change in individual items
- B. Draw interpretation and conclusion
- C. List out absolute amount of two point of times of two years
- D. Calculate the overall change of percentage of group of items
- E. Find out the change in absolute amount

Choose the correct answer from the options given below

- (a) E, A, C, B, D
- (b) C, A, D, B, E
- (c) C, E, A, D, B
- (d) D, A, B, C, E

Q24. The surplus / deficit of Income and Expenditure Account of Not-for-Profit Organisation is transferred to:

- (a) Receipt and Payment Account
- (b) Profit and Loss Account
- (c) Trial Balance
- (d) Balance Sheet

Q25. Given below is the financial information of a NPO Mahamaya Sports Club for the year ending 31-03-2022.

Particulars	₹
Match Expenses	32,000
Match Fund	16,000
Donation for Match Fund	10,000
Sale of Match Tickets	14,000

Amount of Match fund to be shown in Balance Sheet will be:

- (a) ₹8,000
- (b) ₹6,000
- (c) ₹4,000
- (d) Nil

Q26. From the following particulars, Determine Cash flows from Investing Activities.

	Purchased (₹)	Sold (₹)
Machinery	3,50,000	2,75,000
Land and Building	4,50,000	3,00,000

Additional Information:

A plot of land had been purchased for investment purpose and was let out for commercial purpose and rent received ₹45,000.

- (a) ₹2,20,000 cash flow
- (b) ₹1,80,000 cash flow
- (c) ₹1,80,000 cash used
- (d) ₹2,20,000 cash used

Q27. When unrecorded liabilities are paid off by partners, these liabilities are shown in:

- (a) Debit side of Realisation Account
- (b) Credit side of Realisation Account
- (c) Debit side of Bank Account
- (d) Credit side of Bank Account

Q28. In case of dissolution of the firm, partner's capital account are closed through:

- (a) Bank Account
- (b) Realisation Account
- (c) Capital Account
- (d) Loan Account

Q29. Kavi, Mani Vinayagam are partners in a firm sharing in the ratio of 2:1:1. Mani Retires. Kavi and Vinayagam decided to keep the capital of the firm at ₹1,20,000. The capital A/c of the partners showed a credit balance of ₹82,000/- for Kavi and ₹41,000/- for Vinayagam after all adjustment. The actual cash to be paid to Kavi and Vinayagam are.

- (a) 3000 and 1000
- (b) 2000 and 1000
- (c) 1500 and 1000
- (d) 1000 and 2000

Q30. Identify the activity that results in cash flow from financing activities.

- (a) Interest received in cash from loans and advances
- (b) Conversion of debentures into shares
- (c) Cash payments for insurance premiums
- (d) Interest paid on debentures

Q31. Solvency Ratios include:

- A. Debt-Equity Ratio
- B. Current Ratio
- C. Debt to capital employed Ratio
- D. Gross Profit Ratio
- E. Return on capital employed

Choose the correct answer from the options given below:

- (a) A and C only
- (b) A and E only
- (c) B and D only
- (d) A, B and D only

Q32. From the following, calculate cash flow from financing activities

	Apr. 1, 2021	Apr. 1, 2022
8% Long term Loan	₹2,00,000	₹2,50,000

On 1st Oct. 2021, the company repaid a loan of ₹1,00,000

- (a) ₹50,000
- (b) ₹1,50,000
- (c) ₹38,000
- (d) ₹44,000

Q33. State the order of steps required for valuation of goodwill by using super profit method.

- A. Calculate Normal Profit
- B. Calculate Average Profit
- C. Calculate Super Profit
- D. Calculate Goodwill
- E. Calculate Capital Employed

Choose the correct answer from the options given below:

- (a) A, B, E, C, D
- (b) A, B, C, E, D
- (c) B, E, A, C, D
- (d) B, C, A, E, D

Q34. The profits of a firm for 5 years are as follows:

Year	Profits (₹)
2012-13	20,000
2013-14	24,000
2014-15	30,000
2015-16	25,000
2016-17	18,000

Calculate Goodwill on the basis of 3 years purchase of weighted average profits of last five years based on weights 1, 2, 3, 4 and 5 respectively.

- (a) ₹68,200
- (b) ₹69,600
- (c) ₹64,800
- (d) ₹66,000

Q35. Consider the following facts about the categories of Share Capital

- A. Nominal Capital is that part of Authorised Capital which is actually issued to the public
- B. Issue Capital is a part of Registered Capital.
- C. Subscribed Capital can be further categorised into fully paid-up and not fully paid up
- D. Reserve Capital is a profit of capital nature
- E. Called up Capital is that part of subscribed Capital which company has asked the shareholders to pay

Choose the correct answer from the options given below:

- (a) A, B and D only
- (b) B, C and E only
- (c) C, D and E only
- (d) A, B and C only

Q36. This formula would result in TRUE if C4 is less than 10 and D4 is less than 100.

- (a) = AND (C4 > 10, D4 > 10)
- (b) = AND (C4 > 10, D4 > 100)
- (c) = AND (C4 > 10, D4 = 100)
- (d) = AND (C4 > 10, D4 < 100)

Q37. A, B and C were partners in a firm on 31st March 2021. Mr. C died on 30th June 2021. Calculate the amount of profits of current year to be credited to his Capital Account on the basis of following. C's share of profits was to be calculated on the basis of sales, and it is specified that the sales during the previous year was ₹8,00,000 with profit ₹1,00,000 and sales from 1st April 2021 to 30th June 2021 was ₹1,50,000.

- (a) ₹18,250
- (b) ₹12,680
- (c) ₹18,750
- (d) ₹6,250

Q38. Mr. A, B, C and D are Partners in a firm sharing profits in the ratio of 3:2:1:4. Mr A retired and his share is acquired by B and C in the ratio 3:2. Calculate new profit sharing ratio of partners.

- (a) 19 : 11 : 20
- (b) 3 : 2 : 4
- (c) 18 : 12 : 20
- (d) 16 : 18 : 12

Q39. Ram, a partner, died on 31st March, 2022. His share of loss was ₹10,000. Following journal entry will be passed in the books of Account to record the above adjustment.

- (a) P & L Suspense A/c Dr 10,000
To Ram's Capital A/c 10,000
- (b) P&L A/c Dr 10,000
To Ram's Capital A/c 10,000
- (c) P&L Appropriation A/c Dr 10,000
To Ram's Capital A/c 10,000
- (d) Ram's Capital A/c Dr 10,000
To P & L Appropriation A/c 10,000

Q40. Identify the activity sequence of the basic information processing model.

- (a) Organise data, process data, and collect data
- (b) Collect data, organise and process data and communicate information
- (c) Process data, organise data and collect data
- (d) Organise data, collect data and communicate information.

Read the following information and answer the questions Q41-Q45:

On 1st April 2013, a company made an issue of 10,000, 9% debentures of ₹100 each at ₹92 per debenture. The terms of issue provided for redemption of 2,000 debentures every year starting from 31st March 2016, either by conversion into equity shares of ₹20 each or by drawn of lot a par at companies option. On 31st March 2016 Company's

redeemed 2,000, 9% debentures by converting them into equity shares of ₹20 each.

Q41. What Journal entry will be passed when debentures will become due for conversion into equity share on 31st March 2016 is:

- | | | | | |
|-----|------------------------------------|----------|----------|--|
| (a) | 9% Debentures A/c Dr. | 2,00,000 | ---- | |
| | To Debentures holder | ---- | 2,00,000 | |
| (b) | 9% Debentures A/c Dr. | 1,84,000 | ---- | |
| | To Debentures holder | ---- | 1,84,000 | |
| (c) | 9% Debentures A/c Dr. | 2,00,000 | ---- | |
| | To Debentures holder | ---- | 1,84,000 | |
| | To Statement of Profit and Loss | ---- | 96,000 | |
| | To Discount on issue of Debentures | ---- | 64,000 | |
| (d) | 9% Debentures A/c Dr. | 2,00,000 | ---- | |
| | To Debenture holder | ---- | 1,84,000 | |
| | To discount on issue of Debentures | ---- | 16,000 | |

Q42. The amount of discount on debentures written off for the year ending 31.03.2014 is:

- (a) ₹80,000
- (b) ₹9,600
- (c) ₹6,400
- (d) ₹8,000

Q43. The amount of discount on issue of debentures written off on 31 March 2017 is:

- (a) 32,000
- (b) NIL
- (c) 8,000
- (d) 40,000

Q44. Which A/c will be debited at the time when amount is received on issue of debentures?

- (a) Debenture Application A/c
- (b) Discount on Issue of Debenture A/c
- (c) Bank A/c
- (d) Debentures Application & Allotment A/c

Q45. Company redeemed 2,000 debentures by draw of lot on 31st March 2017. Account to be debited on this date:-

- (a) Debenture Allotment A/c
- (b) Equity Share Capital A/c
- (c) Debenture holder's A/c
- (d) 9% Debentures A/c

Read the following information and answer the questions Q46-Q50.

A and B entered into partnership to supply stationery items without any terms and conditions. A contributed ₹1,00,000 as capital while B contributed ₹20,000 only but he allow his building to be used as the firm office. After running business for nearly nine months, they felt urgency of funds and same was fulfilled by B by providing ₹80,000 as loan to the firm. At the end of the accounting year, they made a profit of ₹50,000. They decide to expand their business in future by admitting C into the firm and also to make agreement in writing containing all the terms and conditions.

Q46. Identify the document that contains the terms of the agreement between the partners.

- (a) Partnership
- (b) Partnership Agreement
- (c) Partnership Deed
- (d) Partnership Contract

Q47. Select the ratio in which A and B will share divisible profits.

- (a) 5 : 1
- (b) 1 : 1
- (c) 2 : 1
- (d) 4 : 1

Q48. In case A want to claim interest on capital as he had contributed five times of capital what B had contributed than select the amount of interest on capital that will be paid to A.

- (a) ₹8,000
- (b) ₹6,000
- (c) Interest on capital will be provided 6% p.a.
- (d) No interest on capital will be allowed to A

Q49. Select the amount that will be paid to B as interest on loan.

- (a) ₹4,800
- (b) ₹2,400
- (c) ₹1,200
- (d) No interest on loan is to be paid

Q50. Select out of the following that is charge against profit.

- (a) Interest on partner's capital
- (b) Partner's salary
- (c) Partner's commission
- (d) Interest on partner's loan

SOLUTIONS

S1. Ans. (c)

Sol. Prize investment fund will be shown on the Asset side of balance sheet with ₹80,000.

Liability side will show:

Prize fund	=	₹80,000
Add: Income from prize fund investment	=	₹8,000
Less: Prizes awarded	=	(₹6,000)
		₹82,000

S2. Ans. (d)

Sol. The proposed dividend for the last year will become payable this year.

Dividend Payable A/c

Particulars	₹	Particulars	₹
		By Bal. b/d	30,000
To dividend paid	2,30,000	By Proposed Dividend (31 st March 2021)	2,40,000
To Bal. c/d	40,000		
Total	2,70,000	Total	2,70,000

Hence, Cash outflow from Financing activities = ₹2,30,000

S3. Ans. (d)

Sol. The reduction in the value of an asset at the time of a partner's admission is debited to Revaluation A/c. This is done to accurately reflect the decreased value of the asset during the revaluation process and to distribute any resulting profits or losses among the partners.

S4. Ans. (d)

List I	List II
A. Summaries of different operational activity of different period	III. Comparative statement
B. Identify the cash from operating, financing, and investing activities	I. Cash flow statement
C. Identify the significant relationship between two items of Balance Sheet	II. Ratio analysis
D. Summaries of different operational activity of one period	IV. Common size statement

S5. Ans. (a)

- A. He will pay excess amount:** The creditor will pay the excess amount because the asset provided is worth more than the debt owed to them.
- C. The excess amount will be credited to Realisation Account:** The excess amount is added to the Realisation Account to record it as an asset realized during the dissolution of a partnership.
- E. The excess amount is debited to Bank account:** Simultaneously, the excess amount is debited to the Bank account because it

represents an inflow of cash or a valuable asset into the firm's bank account.

S6. Ans. (d)

Sol. The correct match is given below:

LIST I		LIST II	
A.	Issued shares after forfeiture	IV.	Reissue of shares
B.	Amount more than par value of shares received on issue of shares	III.	Security Premium Reserve
C.	Premium on redemption of Debentures	I.	Liability
D.	Long term Borrowings	II.	Bank loan

S7. Ans. (a)

Sol. Sequence of Accounting events in share capital:

- C. Issue of Prospectus:** This is the first step in the process. The company issues a prospectus to the public, inviting them to subscribe to its shares.
- A. Receive Application Money:** After the prospectus is issued, interested individuals or entities apply for shares by submitting applications and an initial application fee or deposit, which is known as application money.
- E. Allotment of Shares:** Once the company receives applications for shares, it evaluates the applications and decides to allot shares to applicants. Allotment involves assigning specific shares to the applicants.
- B. Calls in Advance:** After the allotment of shares, the company may make calls on shareholders to pay the remaining portion of the share price. Sometimes, shareholders may have paid in advance for their shares, which is known as calls in advance.
- D. Final Call of Shares:** Finally, the company may issue a final call on shareholders, requiring them to pay any remaining amount on their shares. This step ensures that the full value of the shares is collected from the shareholders.

S8. Ans. (c)

Sol. Disclosures under the Companies Act-2013:

- A. Number and class of shares bought back:** Companies must disclose the details of shares they repurchased during the specified 5-year period.
- B. Shares reserved under contracts/commitments:** This disclosure informs stakeholders about shares set aside for future issuance as per contracts or commitments.
- D. Number and class of shares allotted for consideration other than cash and bonus shares:** Companies need to disclose shares issued

in exchange for non-cash consideration and bonus shares issued during the specified 5-year period.

S9. Ans. (c)

Sol. The correct sequence for the statement of profit or loss:

- C. Revenue from Operations:** This is the starting point, as it represents the primary source of income generated by the company.
- A. Other Income:** After accounting for revenue from operations, other income is added. Other income includes non-operational income sources, such as interest, rent, or dividends.
- E. Total Revenue:** This is the sum of revenue from operations and other income, representing the company's total income for the period.
- B. Total Expenses:** Next, total expenses are subtracted from the total revenue. This includes all the costs and expenditures incurred by the company in the relevant period.
- D. Profit before Extraordinary Items & Tax:** Finally, after subtracting total expenses from total revenue, you arrive at the profit before considering extraordinary items and tax. This represents the company's operating profit.

S10. Ans. (c)

Sol. Wizards in MS Access refer to tools designed to simplify the usage of the program. Wizards help users create and configure various database objects or perform specific tasks without requiring extensive knowledge of the underlying technical details. They guide users through the process step by step, making it easier to accomplish tasks in Microsoft Access.

S11. Ans. (b)

Sol. Since A and B have sacrificed equal share in favour of Z, the sacrificing ratio will be 1 : 1.

S12. Ans. (b)

Sol. Oracle, SQL Server, and IBM-DB2 are examples of database management systems (DBMS) that are typically used as server databases. These systems are designed to manage and store data for multiple users and applications in a centralized manner, making them server databases.

S13. Ans. (a)

Sol. Profit and Loss Appropriation Account: This account is used to allocate and distribute profits among partners or stakeholders. It typically includes expenses and payments related to the distribution of profits.

Profit and Loss Appropriation Account includes:

- A. Interest on capital:** This represents the interest paid to partners on their capital investments in the business.
- B. Interest on drawing:** This accounts for any interest charged on partners' drawings if applicable.

C. Partner's salary: This reflects any salaries or remuneration paid to partners as part of the profit-sharing arrangement.

S14. Ans. (a)

Sol. In a Not-for-profit organization, scholarships granted to students out of funds provided by the government are usually treated as a capital receipt and not included in the Income and Expenditure Account. Instead, they are reflected in the Receipts and Payments Account as a capital receipt. These scholarships are typically meant to enhance the organization's assets or resources rather than being part of regular operational income and expenditure.

S15. Ans. (a)

Sol. Sequence of payments in the dissolution of a partnership firm:

- E. To pay Realization expenses:** Start by settling expenses related to the dissolution process.
- A. To pay outside liabilities of the business:** Clear any outstanding debts and obligations to external parties.
- B. To pay partner's loans (if any):** Repay any loans taken from partners during the business operations.
- C. To utilize the amount in settlement of capital accounts:** Use the remaining funds to return the initial capital contributions of the partners.
- D. To distribute the amount among the partners in their profit-sharing ratio:** If any funds are left after settling the above obligations, distribute them among the partners based on their agreed profit-sharing ratios.

S16. Ans. (d)

Sol. When "Extend Selection" is active in Microsoft Excel, you can use Ctrl + Shift to select all data up to and including the last row. This keyboard shortcut helps you quickly select a range of cells in your spreadsheet.

S17. Ans. (b)

Sol. The term that indicates a change in existing profit-sharing ratio among partners is Dissolution of Partnership.

S18. Ans. (b)

Sol. Table Tennis match expenses of ₹40,000 would be treated as an expense and would be debited to the Income and Expenditure Account. This is because such expenses are considered part of the organization's operating expenses and are reflected in the income and expenditure statement.

S19. Ans. (b)

Sol. Dividends received by a financing company that deals in shares and debentures are considered part of its operating activities. This is because such dividends are typically earned as a result of the company's primary business operations, which involve investments in financial instruments like shares and

debentures. In the statement of cash flows, dividend income is categorized under operating activities.

S20. Ans. (c) The correct match is given below:

LIST I		LIST II	
A.	Current Investments	II.	Current Assets
B.	Deferred Tax Assets (net)	III.	Non-Current Assets
C.	Trade payables	IV.	Current Liabilities
D.	Long term borrowings	I.	Non-Current Liabilities

S21. Ans. (c) The correct match is given below:

LIST I		LIST II	
A.	AS-3	IV.	Cash Flow Statement
B.	AS-26	I.	Treatment of Goodwill
C.	Section 2(62) of Companies Act, 2013	II.	One person company
D.	Section 43 of Companies Act, 2013	III.	Preference Shares

S22. Ans. (d) The correct match is given below:

LIST I (Types of Ratio)		LIST II (Categorisation)	
A.	Current Ratio	III.	Liquidity Ratio
B.	Proprietary Ratio	II.	Solvency Ratio
C.	Inventory Turnover Ratio	IV.	Activity Ratio
D.	Earning Per Share	I.	Profitability Ratio

S23. Ans. (c)

Sol. The sequence for comparative statement analysis of financial statements of a company:

C. List out absolute amount of two points in time of two years: The first step is to list the absolute amounts of financial items for two points in time (usually two years) for comparison.

E. Find out the change in the absolute amount: Calculate the change in absolute amounts for each item between the two points in time.

A. Calculate the percentage change in individual items: Next, calculate the percentage change for each individual item by comparing the change in absolute amounts to the original amount.

D. Calculate the overall change in the percentage of a group of items: Calculate the overall percentage change for groups of related items, such as categories of assets or liabilities.

B. Draw interpretation and conclusion: Finally, draw interpretations and conclusions based on the percentage changes calculated. This step involves analysing the financial performance and trends of the company.

S24. Ans. (d)

Sol. In a Not-for-Profit Organization, the surplus (profit) or deficit (loss) from the Income and Expenditure

Account is transferred to the Balance Sheet. This transfer reflects the organization's financial position, with any surplus being added to the balance sheet as an accumulated surplus (fund) or any deficit being shown as an accumulated deficit (fund). This ensures that the financial status of the organization is accurately represented in the balance sheet.

S25. Ans. (a)

Sol. Amount of match fund to be shown in Balance Sheet:

Particulars	₹
Match Fund	16,000
Add: Donation for match fund	10,000
Add: Sale of Match tickets	14,000
Less: Match Expenses	32,000
Balance of Match Fund	8,000

S26. Ans. (c)

Sol. Cash flows from Investing Activities:

Particulars	₹
Purchase of Machinery	(75,000)
Purchase of Land and Building	(1,50,000)
Rent from Land let out	45,000
Cash used in Investing Activities	(1,80,000)

S27. Ans. (a)

Sol. When unrecorded liabilities are paid off by partners during the dissolution of a partnership, these liabilities are typically shown on the debit side of the Realisation Account. The Realisation Account is used to record all the assets, liabilities, and expenses related to the dissolution process, and paying off unrecorded liabilities is considered an expense in this context.

S28. Ans. (a)

Sol. In the case of the dissolution of a partnership firm, the partners' capital accounts are typically closed through the Bank Account. This process involves transferring the final balances of the capital accounts to the Bank Account, ensuring that the financial affairs of the partners are settled in the dissolution process.

S29. Ans. (b)

Sol. New Ratio after Mani retires = Kavi : Vinayagam = 2 : 1
 New capital of the firm = 1,20,000
 New capital of Kavi = $\frac{2}{3} \times 1,20,000 = ₹80,000$
 New capital of Vinayagam = $\frac{1}{3} \times 1,20,000 = ₹40,000$
 Cash to be paid to Kavi = 82,000 - 80,000 = ₹2,000
 Cash to be paid to Vinayagam = 41,000 - 40,000 = ₹1,000

S30. Ans. (d)

Sol. Interest paid on debentures represents a cash outflow related to financing activities. Financing activities involve obtaining or repaying capital from investors or creditors, and interest paid on debentures is a cost associated with obtaining long-term financing through debentures. Therefore, it is considered a cash flow from financing activities.

S31. Ans. (a)

Sol. Solvency ratios are primarily concerned with a company's ability to meet its long-term obligations and are used to assess the financial risk of a company.

A. Debt-Equity Ratio: This ratio measures the proportion of debt financing to equity financing and is a key solvency indicator.

C. Debt to Capital Employed Ratio: This ratio evaluates the proportion of debt in relation to the total capital employed in the business, which is a crucial solvency metric.

S32. Ans. (c)

Sol. Cash flows from Financing Activities:

Particulars	₹
Proceeds from Loan acquired	1,50,000
Repayment of loan	(1,00,000)
Interest Paid	12,000
Cash from in Investing Activities	38,000

Working notes:

$$\text{Interest on Loan} = \left(2,00,000 \times 8\% \times \frac{6}{12}\right) + \left(1,00,000 \times 8\% \times \frac{6}{12}\right) = ₹12,000$$

Long-term loan account

Particulars	₹	Particulars	₹
		By Bal. b/d	2,00,000
To Bank (Loan Repayment)	1,00,000	By Bank (Loan Acquired)	1,50,000
To Bal. c/d	2,50,000		
Total	3,50,000	Total	3,50,000

S33. Ans. (c)

Sol. Steps for the valuation of goodwill using the super profit method:

B. Calculate Average Profit: Find the average profit over several years.

E. Calculate Capital Employed: Determine the total capital invested in the business.

A. Calculate Normal Profit: Calculate the expected rate of return on capital employed.

C. Calculate Super Profit: Subtract the normal profit from the average profit to find the excess profit.

D. Calculate Goodwill: Value the goodwill by capitalizing the super profit using a capitalization rate (number of years' purchase).

S34. Ans. (b)

Year	Profits(₹)	Weights	Products
2012-2013	20,000	1	20,000
2013-2014	24,000	2	48,000
2014-2015	30,000	3	90,000
2015-2016	25,000	4	1,00,000
2016-2017	18,000	5	90,000
Totals		15	3,48,000

$$\text{Weighted Average Profits} = \frac{3,48,000}{15} = ₹23,200$$

$$\text{Goodwill} = \text{Weighted Average Profits} \times \text{No. of Years Purchase}$$

$$\text{Goodwill} = 23,200 \times 3 = ₹69,600$$

S35. Ans. (b)

Sol. Categories of Share Capital are:

B. Issued Capital is a part Of Registered Capital: Issued capital is the portion of registered capital that is actually offered to and held by shareholders.

C. Subscribed Capital can be further categorized into fully paid-up and not fully paid up: Subscribed capital represents shares that shareholders have agreed to purchase and can be classified as fully paid-up (if shareholders paid the full amount) or not fully paid-up (if they haven't paid in full).

E. Called up Capital is that part of subscribed Capital which the company has asked the shareholders to pay: Called-up capital is the portion of subscribed capital for which the company has requested payment from shareholders.

S36. Ans. (d)

Sol. "= AND (C4 > 10, D4 < 100)" formula will result in TRUE if both conditions are met: C4 is greater than 10, and D4 is less than 100.

S37. Ans. (d)

Sol. Profit for previous year on sales of ₹8,00,000 = ₹1,00,000

Profit for current year on sales of ₹1,50,000 = ₹18,750

$$\text{C's share in profits} = \frac{1}{3} \times 18,750 = ₹6,250.$$

S38. Ans. (a)

Sol. A's share acquired by B = $\frac{3}{5} \times \frac{3}{10} = \frac{9}{50}$

$$\text{A's share acquired by C} = \frac{2}{5} \times \frac{3}{10} = \frac{6}{50}$$

$$\text{B's new share} = \frac{2}{10} + \frac{9}{50} = \frac{19}{50}$$

$$\text{C's new share} = \frac{1}{10} + \frac{9}{50} = \frac{11}{50}$$

$$\text{New profit sharing ratio} = \text{B} : \text{C} : \text{D} = 19 : 11 : 20$$

S39. Ans. (d)

Sol. Journal Entry for transfer of Loss to partner:

Ram's Capital A/c Dr. ₹10,000

To P&L Appropriation A/c ₹10,000

S40. Ans. (b)

Sol. The correct sequence is Collect data, organize and process data, and communicate information.

S41. Ans. (a)

Sol. Journal entry will be passed when debentures will become due for conversion into equity share on 31st March 2016:

9% Debentures A/c Dr. ₹2,00,000

To Debentures holder ₹2,00,000

S42. Ans. (a)

Sol. Discount written off on 31st March 2017 = 10,000 × (100 – 92) = ₹80,000

S43. Ans. (b)

Sol. Whole of the discount has to be written off in the same year of issue of debentures. Hence, whole of the discount has already been written off on 31st March, 2014.

S44. Ans. (c)

Sol. Journal Entry for Amount received on Issue of Shares:

Bank A/c	Dr	₹9,20,000
Discount on issue of		
debentures A/c Dr.	₹80,000	
To 9% Debentures		₹10,00,000

S45. Ans. (d)

Sol. 9% debenture account is debited on redemption of debentures.

S46. Ans. (c)

Sol. The document that outlines and formalizes the terms of the agreement between partners in a partnership is known as the "Partnership Deed." It serves as a legally binding contract that specifies each partner's rights,

responsibilities, profit-sharing ratios, capital contributions, and other important details related to the partnership.

S47. Ans. (b)

Sol. Since, no agreement was prepared beforehand, the partners will share profits and losses equally.

S48. Ans. (d)

Sol. Since, no agreement was prepared beforehand, no interest on capital will be provided.

S49. Ans. (c)

Sol. The interest on loan will be provided only for 3 months

$$\text{Interest on loan} = 80,000 \times 6\% \times \frac{3}{12} = ₹1,200$$

S50. Ans. (d)

Sol. Interest on partner's loan is considered an expense that is charged against profit in a partnership.