

Previous Years Paper

20 June 2023 (Shift 2)

- Q1.** When a company reserves a portion of its uncalled capital to be called in the event of winding up, such uncalled capital is known as:-

(a) Reserve capital
(b) Capital Reserve
(c) Called up Capital
(d) Subscribed Capital

- Q2.** Match List I with List II:

LIST I		LIST II	
A.	Operating Profit Ratio	I.	Solvency Ratios
B.	Working Capital Turnover Ratio	II.	Liquidity Ratios
C.	Debt-Equity Ratio	III.	Activity Ratios
D.	Quick Ratio	IV.	Profitability Ratios

Choose the correct answer from the options given below:

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

- Q3.** MS Access is a

(a) Word Processing Software
(b) Presentation Software
(c) Spreadsheet software
(d) Data Base Management Software

- Q4.** Identify that will lead to dissolution of partnership

(a) When the business of the firm becomes illegal
(b) When a partner becomes insane
(c) When a partner persistently commits breach of partnership agreement
(d) When there is change in existing profit-sharing ratio among partners

- Q5.** Select the partner(s) who will compensate the decreased partner for the share of goodwill at the time of death.

(a) Remaining Partner(s)
(b) All Partners
(c) Sacrificing Partner(s)
(d) Gaining Partner(s)

- Q6.** Securities premium cannot be used:

(a) for issuing fully paid Bonus shares
(b) to write-off preliminary expenses of the company
(c) to pay premium on redemption of shares or debentures of company
(d) to pay dividend to the shareholder of company

- Q7.** Arrange the following in the context of Cash Flow Statement

(A) Calculation of cash flow from Operating Activities

(B) Calculation of cash flow from Financing Activities

(C) Calculations of net increase/decrease in cash and cash equivalent during the year

(D) Calculation of cash flow from Investing Activities

(E) Calculation of net profit before tax and extraordinary item

Choose the correct answer from the options given below:

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

- Q8.** Which of the following items are part of Intangible non-current Assets:

(A) Patents
(B) Furniture
(C) Statement of Profit & Loss A/c (Dr)
(D) Goodwill
(E) Trademark

Choose the correct answer from the options given below:

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

- Q9.** Match List I with List II

LIST I		LIST II	
A.	Only Capital A/c exist	I.	Credited to partners' account
B.	Capital account balance remain unchanged	II.	Debited to Partner's Capital Account
C.	Fresh/additional capital brought in by partner	III.	Fixed Capital Account
D.	Permanent withdrawal	IV.	Fluctuating Capital Account

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

- Q10.** Vikas and Rahul are partners who shares profits in the ratio of 2:3. They admitted Sunil as a partner for $\frac{3}{7}$ th share in future profits who brings ₹37,500 as his share of Goodwill. Half of which is withdrawn by sacrificing partners. Record Journal entry for Goodwill withdrawn by Partners.

(a) Premium for Goodwill A/c Dr 37,500
To Vikas's Capital A/c 15,000
To Rahul's Capital A/c 22,500
(b) Vikas's Capital A/c Dr 7,500

Rahul's Capital A/c	Dr	11,250
To Bank A/c		18,750
(c) Bank A/c	Dr	18,750
To Vika's Capital A/c		7,500
To Rahul's Capital A/c		11,250
(d) Vikas's capital A/c	Dr	15,000
Rahul's Capital A/c	Dr	22,500
To Bank		37,500

Q11. The process of receiving minimum subscription of 90% of the entire issue must be completed within _____ days from date of issue of prospectus

- (a) 30 days
- (b) 90 days
- (c) 120 days
- (d) 140 days

Q12. Arrange the following in the context of Statement of Profit and Loss.

- A. Other income
- B. Expenses
- C. Total Revenue
- D. Revenue from operation
- E. Profit before tax and extra-ordinary item

Choose the correct answer from the options given below:

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

Q13. Pie charts don't have more than _____ categories.

- (a) Five
- (b) Seven
- (c) Three
- (d) Ten

Q14. Select out of the following that is not considered as one of the modes of reconstitution of a partnership firm.

- (a) Change in the profit-sharing ratio among the existing partners
- (b) Admission of a new partner
- (c) Retirement of an existing partner
- (d) Dissolution of a partnership firm

Q15. A, B, C were partners in a partnership firm their profit-sharing ratio was 5:3:2. B retires and the new profit-sharing ratio between A and C was 3:2. Calculate gaining ratio.

- (a) 3:8
- (b) 1:3
- (c) 7:2
- (d) 1:2

Q16. A and B are partners sharing profits in the ratio of 2:1. C is admitted for the 1/4th share of profits, who brings ₹20,000 as capital. After all adjustments related to goodwill, revaluation of assets and reassessment of liabilities etc. Capital of A and B are ₹45,000 and ₹15,000 respectively: It is agreed that partners capitals should be according to the new profit-sharing ratio.

Determine the new capital of B
(a) ₹20,000

- (b) ₹40,000
- (c) ₹80,000
- (d) ₹45,000

Q17. Balance of Share Forfeiture account is shown in the Balance Sheet under the item: -

- (a) Current Liabilities and Provisions
- (b) Reserve and Surplus
- (c) Share Capital
- (d) Unsecured Loans

Q18. Salary of a partner is shown in

- (a) Profit and Loss A/c
- (b) Profit and Loss Appropriation A/c
- (c) Trading A/c
- (d) Manufacturing A/c

Q19. The dissolution of Partnership may take place due to:

- (a) Retirement of Partner
- (b) Death of Partner
- (c) Insolvency of Partner
- (d) Admission of New Partner
- (e) Completion of Venture, if partnership formed for that purpose

Choose the correct answer from the options given below:

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

Q20. Arrange the following in the context of dissolution of partnership firm.

- A. Payment of loan from Partners
- B. Payment of secured outsider's liabilities
- C. Realisation of assets into cash
- D. Settlement of partner's capital
- E. Payment of unsecured outsider's liability

Choose the correct answer from the options given below:

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

Q21. The following are the items appearing in Equities and Liabilities side of Balance Sheet

- (A) Deferred tax Assets (Net)
- (B) Reserve and Surplus
- (C) Deferred tax Liabilities (Net)
- (D) Long term borrowings
- (E) Long term loans and Advances

Choose the correct answer from the options given below:

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

Q22. Match List I with List II

LIST I		LIST II	
A.	Employee benefit expenses	I.	Investing activity

B.	Dividend received	II.	Operating activity
C.	Loan raised	III.	Extraordinary item
D.	Proceeds from earthquake disaster management	IV.	Financing activity

Choose the correct answer from the options give below:

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

Q23. Which of the following option regarding issue and redemption of debenture is not possible in general?

- (a) Issue at premium, Redemption at a premium
 (b) Issued at discount, Redemption at discount
 (c) Issued at par, Redemption at a premium
 (d) Issued at discount, Redemption at par

Q24. Profits made on Revaluation of Assets and Reassessment of Liabilities is distributed among whom?

- (a) All Partners
 (b) Admitted Partner only
 (c) Retiring Partner only
 (d) Old Partners

Q25. In total how many "Rows" are there in a spreadsheet?

- (a) 65,000
 (b) 65,500
 (c) 65,536
 (d) 65,550

Q26. A, B and C are partners sharing profits in the ratio of 3:2:1. D is admitted into firm for $\frac{1}{4}$ th share of profit, which he gets $\frac{1}{8}$ from A and $\frac{1}{8}$ from B. Calculated new sharing ratio of all the partners

- (a) 1:1:1:1
 (b) 9:5:4:6
 (c) 9:4:5:6
 (d) 9:5:6:4

Q27. Arrange the following statements in proper sequence in context of admission of partner.

- (A) Finalising terms for admission of new partner
 (B) Calculation of sacrificing/gaining ratio
 (C) Finalising balance in partner's capital A/c
 (D) Calculation of new profit-sharing ratio
 (E) Valuation and adjustment of goodwill

Choose the correct answer from the options given below:

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

Q28. Identify the way by which the clauses of partnership deed can be altered.

- (a) On the basis of majority partners' consent
 (b) On the basis of registrar of companies' consent
 (c) On the basis of all the partners' consent
 (d) Clauses of partnership deed cannot be altered

Q29. Unrecorded assets when taken over by a partner on dissolution are shown in:

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

Q30. Match List I with List II

LIST I		LIST II	
A.	Capital Reserve	I.	Current Assets
B.	Inventories	II.	Non-Current Liabilities
C.	8% Debentures	III.	Current Liabilities
D.	Provision for tax	IV.	Reserve and Surplus

Choose the correct answer from the options given below:

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

Q31. Match List I with List II:

Particulars	Amount (₹)
Inventory at the beginning	40,000
Credit Purchase	1,60,000
Inventory at the end	38,000
Trade payable at the beginning	14,000
Trade payable at the end	14,500

Cash paid for inventory is:

- (a) ₹1,59,000
 (b) ₹1,60,000
 (c) ₹1,59,500
 (d) ₹1,60,500

Q32. The content of Partnership deed includes:

- (A) Name and address of all partners
 (B) Method of settlement of disputes among partners
 (C) Deed once made cannot be altered
 (D) Rules regarding operation of Bank account
 (E) Verbal agreement between partners is considered as deed

Choose the correct answer from the options given below:

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

Q33. Calculate the Normal Rate of Return if normal profit is ₹30,000 Assets ₹5,30,000 and liabilities ₹30,000, while calculating the value of goodwill of the firm at the time of admission of a partner.

- (a) 5.6%
 (b) 6%
 (c) 5.3%
 (d) 5%

Q34. Which of the following item is not a tool of financial statement analysis?

- (a) Trend Analysis
 (b) Statement of Profit and Loss
 (c) Cash flow statement

(d) Comparative statements

Q35. If at the time of admission, some positive balance of Profit and Loss A/c appears in the books, it will be transferred to:

- (a) Profit and Loss account
- (b) Revaluation Account
- (c) Old Partner's Capital Account
- (d) All Partners Capital Account

Q36. The current version of Excel 2007 is now designed with series of horizontal tables known as _____

- (a) Scale
- (b) toolbar
- (c) Ribbon
- (d) Function

Q37. Match List I with List II

LIST I		LIST II	
A.	Horizontal Analysis	I.	Common size statement
B.	Vertical Analysis	II.	Comparative statement
C.	External Analysis	III.	Access to all published and unpublished information
D.	Internal analysis	IV.	Access only to published information

Choose the correct answer from the options given below:

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

Q38. A newly admitted partner has the right to -

- (a) Share the profit of firm after his admission
- (b) Share the assets of the firm before his admission
- (c) Share the general reserve already appearing in the Balance Sheet before his admission
- (d) Demand extra-profit than his agreed share if business makes huge profits

Q39. Arrange the following in the context of "Buy Back of Shares".

- (A) Articles of Association must authorise Buy Back of share
- (B) Buy Back should be completed within 12 months
- (C) Maintaining debt equity ratio of not more than 2:1 after Buy Back
- (D) Passing Special Resolution in annual general meeting
- (E) Filing solvency declaration with registrar and SEBI

Choose the correct answer from the options given below:

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

Q40. Select the conditions required for computing interest on drawings using average period method:

- (A) Equal amount of drawings
- (B) Fixed interval of drawings
- (C) Varying amounts of drawings
- (D) Different interval of drawings
- (E) Rate of Interests

Choose the correct answer from the options given below:

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

Direction (Q41. to Q45.):

From the trail balance and other information provided by school for the year ended 31st March 2017 answer the questions:

Debit Balance	Amount (₹)	Credit Balance	Amount (₹)
Building	6,25,000	Admissions fees	12,500
Furniture	1,00,000	Tuition fees received	5,00,000
Library Books	1,50,000	Creditors for supplies	15,000
Investment @12%	5,00,000	Rent for the school hall	10,000
Salaries	5,00,000	Miscellaneous receipts	30,000
Stationery	40,000	Government grant	3,50,000
General expenses	18,000	General fund	10,00,000
Sports expenses	15,000	Donation for library books	62,500
Cash at bank	50,000	Sale of old furniture	20,000
Cash in hand	2,000		
	20,00,000		20,00,000

Additional Information

- (a) Tuition fee yet to be received for the year are ₹25,000
- (b) Salaries yet to be paid amount to ₹30,000
- (c) Furniture costing ₹40,000 was purchased on October 1, 2016.
- (d) The book value of the furniture sold was ₹50,000 on April 1, 2016
- (e) Depreciation is to be charged @ 10% p.a. on furniture, 15% p.a. on Library books, and 5% on building.

Q41. Loss on sale of furniture is

- (a) ₹20,000
- (b) ₹30,000
- (c) ₹25,000
- (d) ₹28,000

Q42. Depreciation on furniture is:

- (a) ₹10,000
- (b) ₹3,500
- (c) ₹5,000
- (d) ₹3,000

Q43. The closing value of Building as on 31.3.2017 was:

- (a) ₹5,93,750
- (b) ₹5,39,750
- (c) ₹5,40,000

(d) ₹5,37,950

Q44. The total expenses on account of salary to be debited to Income and Expenditure A/c for the year 2016-17 was:

- (a) ₹5,80,000
- (b) ₹5,30,000
- (c) ₹4,70,000
- (d) ₹4,80,000

Q45. Tuition fee to be credited to Income and Expenditure account is:

- (a) ₹5,25,000
- (b) ₹5,00,000
- (c) ₹5,15,000
- (d) ₹4,75,000

Direction (Q46 to Q50):

Eicher Ltd. issued 50,000 shares of ₹10 each at a premium of ₹5 per share payable as follows:

On application ₹3 per share
On allotment ₹5 (including ₹3 Premium)
On First Call ₹5 (including ₹2 Premium)
On Final Call Balance amount

Applications were received for 72,000 shares. Directors allotted 50,000 shares to the applicants applying for 65,000 shares, the remaining applications being refused. Money overpaid on application was utilised towards sum due on allotment. All the money was duly received with the exception of first call from Rahul, who applied for 2,600 shares. Due to non-payment of 1st call his share were forfeited immediately. Later on, these shares were re-issued at minimum issue price.

On the basis of following case study, answer the question.

Q46. Record journal entry for forfeiture of Rahul's shares.

(a) Share Capital A/c Dr	20,000	---
Securities Premium Reserve A/c Dr	10,000	---
To Share 1 st call A/c	10,000	
To Share final call A/c	4,000	

To Share forfeiture call A/c	16,000
(b) Share Capital A/c Dr 20,000	---
To share 1 st call A/c	10,000
To Share final call A/c	4,000
To Share forfeiture A/c	6,000
(c) Share Capital A/c Dr 16,000	
Securities Premium Reserve A/c Dr 4,000	
To Share 1 st call A/c	10,000
To Share forfeiture A/c	10,000
(d) Share Capital A/c Dr 16,000	
To Calls in Arrears A/c	10,000
To Share forfeiture A/c	6,000

Q47. Identify the amount by which bank account would be debited/credited on refund of rejected applications

- (a) ₹2,16,000 Debit
- (b) ₹21,000 Credit
- (c) ₹2,16,000 Credit
- (d) ₹21,000 Debit

Q48. Determine the amount to be transferred to Capital Reserve on reissue of Rahul's Shares

- (a) ₹7,800
- (b) ₹6,000
- (c) ₹1,800
- (d) Nil

Q49. Identify the ratio in which shares are issued on Pro-rata basis

- (a) 50:72
- (b) 72:50
- (c) 13:10
- (d) 10:13

Q50. Before forfeiture of Rahul's shares, who are required to issue notice in this regard.

- (a) Directors
- (b) Promoters
- (c) Employees
- (d) Members

SOLUTIONS

S1. Ans. (a)

Sol. Reserve capital refers to the portion of a company's authorized but unissued capital that is reserved to be called up only in the event of winding up of the company. It's not part of the working capital and is not available for the company's regular operations, dividends, or bonuses.

S2. Ans. (d)

Sol. The correct match is given below:

LIST I		LIST II	
A.	Operating Profit Ratio	IV.	Profitability Ratios
B.	Working Capital Turnover Ratio	III.	Activity Ratios
C.	Debt-Equity Ratio	I.	Solvency Ratios
D.	Quick Ratio	II.	Liquidity Ratios

S3. Ans. (d)

Sol. MS Access is a database management software. It is part of the Microsoft Office suite and is used for creating and managing databases. It provides tools for data storage, query, retrieval, and reporting.

S4. Ans. (d)

Sol. A change in the existing profit-sharing ratio among partners can lead to the dissolution of a partnership. Other options lead to dissolution of Partnership firm.

S5. Ans. (d)

Sol. When existing partners share increases due to the death of another partner, the gaining partner(s) are responsible for compensating the deceased partner's share of goodwill. This is based on the gaining ratio which is calculated by subtracting old Ratio from new ratio.

S6. Ans. (d)

Sol. Securities premium, often raised from issuing shares above their par value, cannot be used to pay dividends to shareholders. It can be used for purposes like issuing fully paid bonus shares, writing off preliminary expenses, or paying the premium on redemption of shares or debentures.

S7. Ans. (d)

Sol. The correct order of items in Cash Flow Statement is:
 (E) Calculation of net profit before tax and extraordinary item.
 (A) Calculation of cash flow from Operating Activities
 (D) Calculation of cash flow from Investing Activities
 (B) Calculation of cash flow from Financing Activities
 (C) Calculations of net increase/decrease in cash and cash equivalent during the year.

S8. Ans. (c)

Sol. Patents, Goodwill, and Trademark are intangible non-current assets. They are non-physical assets that provide long-term value to the company.

S9. Ans. (c)

Sol. The correct match is given below:

LIST I	LIST II
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A.	Only Capital A/c exist	IV.	Fluctuating Capital Account
B.	Capital account balance remain unchanged	III.	Fixed Capital Account
C.	Fresh/additional capital brought in by partner	I.	Credited to partners' account
D.	Permanent withdrawal	II.	Debited to Partner's Capital Account

S10. Ans. (b)

Sol. Sacrificing Ratio = 2:3

$$\text{Vikas' share in goodwill} = ₹37,500 \times \frac{2}{5} = ₹15,000$$

$$\text{Rahul's share in goodwill} = ₹37,500 \times \frac{3}{5} = ₹22,500$$

Since, half of goodwill is withdrawn by sacrificing partners

Journal Entry

Particulars	Debit (₹)	Credit (₹)
Vikas' Capital A/c Dr.	7,500	
Rahul's Capital A/c Dr.	11,250	
To Bank A/c		18,750

S11. Ans. (c)

Sol. According to Companies Act 2013, a company issuing shares to the public must receive a minimum subscription, which is set at 90% of the entire issue, within 120 days from the date of issue of the prospectus. If the company fails to receive this amount, the issue is considered failed, and any money received must be returned to the subscribers.

S12. Ans. (b)

Sol. The correct sequence of items arranged in Statement of Profit and Loss is:

- D. Revenue from operation
- A. Other income
- C. Total Revenue
- B. Expenses
- E. Profit before tax and extra-ordinary item

S13. Ans. (b)

Sol. It's generally recommended that pie charts have no more than seven categories. This limitation is due to readability and clarity. With more than seven categories, a pie chart can become cluttered and difficult to interpret, reducing its effectiveness in presenting data.

S14. Ans. (d)

Sol. The dissolution of a partnership firm refers to the termination of the firm itself, which is different from reconstitution. Reconstitution involves changes within the structure of the firm, such as a change in profit-sharing ratio, admission of a new partner, or retirement of an existing partner, without ending the firm's existence.

S15. Ans. (d)

Sol. Gaining Ratio = New Ratio - Old Ratio

$$\text{A's Gain} = \frac{3}{5} - \frac{5}{10} = \frac{1}{10}$$

$$\text{C's Gain} = \frac{2}{5} - \frac{2}{10} = \frac{2}{10}$$

Gaining ratio = A : C = 1 : 2

S16. Ans. (a)

Sol. Total Capital of the firm based on C's capital =
 $\text{₹}40,000 \times \frac{4}{1} = \text{₹}80,000$

New Ratio = A = $\frac{2}{3} \times \frac{3}{4} = \frac{2}{4}$

B = $\frac{1}{3} \times \frac{3}{4} = \frac{1}{4}$

C = $\frac{1}{4}$

B's Capital as per new profit-sharing ratio =
 $\text{₹}80,000 \times \frac{1}{4} = \text{₹}20,000$

S17. Ans. (c)

Sol. The balance of the Share Forfeiture account, representing amounts received from shareholders whose shares have been forfeited, is shown under the Share Capital heading in the Balance Sheet. This is because it is directly related to the share capital of the company.

S18. Ans. (b)

Sol. The salary of a partner in a partnership firm is an appropriation out of profit and is shown in the Profit and Loss Appropriation Account.

S19. Ans. (d)

Sol. The dissolution of a partnership happens for several reasons, including the retirement, death, or insolvency of a partner, admission of a new partner, or the completion of the venture for which the partnership was formed.

S20. Ans. (b)

Sol. The correct sequence is:

- C. Realisation of assets into cash
- B. Payment of secured outsider's liabilities
- E. Payment of unsecured outsider's liability
- A. Payment of loan from Partners
- D. Settlement of partner's capital

S21. Ans. (b)

Sol. On the Equities and Liabilities side of a balance sheet, Reserve and Surplus, Deferred Tax Liabilities (Net), and Long-term Borrowings are included.

S22. Ans. (c)

Sol. The correct match is given below:

LIST I		LIST II	
A.	Employee benefit expenses	II	Operating activity
B.	Dividend received	I	Investing activity
C.	Loan raised	IV	Financing activity
D.	Proceeds from earthquake disaster management	III	Extraordinary item

S23. Ans. (b)

Sol. It's not usual for debentures to be issued at a discount and also redeemed at a discount. Generally, debentures are issued at a premium or discount and redeemed at par or premium.

S24. Ans. (d)

Sol. Profits arising from the revaluation of assets and reassessment of liabilities are distributed among the old partners, as these profits are realized before the

reconstitution of the partnership, which might include the admission of a new partner or retirement of an existing one.

S25. Ans. (c)

Sol. In a spreadsheet, particularly in older versions of Microsoft Excel (2003 and prior), there are a total of 65,536 rows. This limitation is based on the software's design and capacity. Newer versions have 1,048,576 rows.

S26. Ans. (b)

Sol. New Ratio:

$$A = \frac{3}{6} - \frac{1}{8} = \frac{9}{24}$$

$$B = \frac{2}{6} - \frac{1}{8} = \frac{5}{24}$$

$$C = \frac{1}{6} = \frac{4}{24}$$

$$D = \frac{1}{4} = \frac{6}{24}$$

New Ratio = A : B : C : D = 9 : 5 : 4 : 6.

S27. Ans. (b)

Sol. The correct sequence is:

- (A) Finalising terms for admission of new partner
- (D) Calculation of new profit-sharing ratio
- (B) Calculation of sacrificing/gaining ratio
- (E) Valuation and adjustment of goodwill
- (C) Finalising balance in partner's capital A/c

S28. Ans. (c)

Sol. Alterations to the clauses of a partnership deed typically require the consent of all partners. This ensures that all partners agree to and are bound by the new terms of the partnership.

S29. Ans. (c)

Sol.

Journal Entry

Particulars	Debit (₹)	Credit (₹)
Partner's Capital A/c	XXXXX	
To Realisation A/c		XXXXX

S30. Ans. (a)

Sol. The correct match is given below:

LIST I		LIST II	
A.	Capital Reserve	IV.	Reserve and Surplus
B.	Inventories	I.	Current Assets
C.	8% Debentures	II.	Non-Current Liabilities
D.	Provision for tax	III.	Current Liabilities

S31. Ans. (c)

Sol.

Dr. Trade Payables Account **Cr.**

Particulars	Amount (₹)	Particulars	Amount (₹)
To Bank	1,59,500	By balance b/d	14,000
(Cash Paid)		By Inventory	1,60,000
(Bal. Fig)			
To balance c/d	14,500		
Total	1,74,000	Total	1,74,000

Note: Inventory in beginning and end has no effect on cash paid for inventory.

S32. Ans. (d)

Sol. A typical partnership deed includes the name and address of all partners, the method of settlement of

disputes among partners, and rules regarding the operation of the bank account.

S33. Ans. (b)

Sol. Capital Employed = Total Assets – Liabilities
 Capital Employed = ₹5,30,000 - ₹30,000 = ₹5,00,000.

$$\text{Normal Rate of Return} = \frac{\text{Normal Profit}}{\text{Net Assets}} \times 100$$

$$= \text{Normal Rate of Return} = \frac{₹30,000}{₹5,00,000} \times 100 = 6\%$$

S34. Ans. (b)

Sol. The Statement of Profit and Loss is a financial statement itself, not a tool for analysis. Tools for financial statement analysis include Trend Analysis, Cash Flow Statement, and Comparative Statements, which help in interpreting and comparing financial data.

S35. Ans. (c)

Sol. A positive balance in the Profit and Loss Account, indicating accumulated profits, is typically transferred to the capital accounts of the old partners in their profit-sharing ratio at the time of the admission of a new partner. This is because the new partner is not entitled to share past profits.

S36. Ans. (c)

Sol. Excel 2007 introduced the Ribbon, a series of horizontal toolbars at the top of the Excel window, replacing traditional menus and toolbars. The Ribbon organizes tools and functionalities into a series of tabs, making them more accessible and user-friendly.

S37. Ans. (c)

Sol. The correct match is given below:

LIST I		LIST II	
A.	Horizontal Analysis	II	Comparative statement
B.	Vertical Analysis	I	Common size statement
C.	External Analysis	IV	Access only to published information
D.	Internal analysis	III	Access to all published and unpublished information

S38. Ans. (a)

Sol. A newly admitted partner is entitled to share in the profits of the firm from the date of their admission. They do not have rights to the assets or reserves existing before their admission.

S39. Ans. (a)

Sol. The correct sequence is:
 (A) Articles of Association must authorise Buy Back of share.
 (D) Passing Special Resolution in annual general meeting.
 (C) Maintaining debt equity ratio of not more than 2:1 after Buy Back.
 (B) Buy Back should be completed within 12 months.
 (E) Filing solvency declaration with registrar and SEBI.

S40. Ans. (d)

Sol. The conditions required for computing interest on drawings using the average period method are:

- (A) Equal amount of drawings
- (B) Fixed interval of drawings
- (E) Rate of Interests

S41. Ans. (b)

Sol. Loss on sale of furniture = Book Value – Cash Received from sale of Furniture
 Loss on sale of furniture = ₹50,000 - ₹20,000 = ₹30,000

S42. Ans. (d)

Sol.

Particulars	(₹)
Depreciation on furniture at 10% p. a	
On 10,000 for 1 year	1,000
On 40,000 for ½ year	2,000
Total Depreciation	8,000

Note: Since the question is silent about the date of sale of furniture, it has been assumed that the furniture has been sold on the first day of the year i.e., 1st April 2016.

S43. Ans. (a)

Sol. Depreciation on Building = 5% of ₹6,25,000 = ₹31,250
 Closing value of Building = ₹6,25,000 - ₹31,250 = ₹5,93,750

S44. Ans. (b)

Sol. Total expenses on salary = salaries + outstanding salaries
 Total expenses on salary = 5,00,000 + ₹30,000 = ₹5,30,000

S45. Ans. (a)

Sol. Tuition fee = 5,00,000 + 25,000 = ₹5,25,000

S46. Ans. (c)

Sol. On forfeiture of Rahul's share following entry will be made:

Journal Entry

Particulars	Debit (₹)	Credit (₹)
Share Capital A/c Dr	16,000	
Securities Premium Reserve A/c Dr	4,000	
To Share 1 st call A/c		10,000
To Share forfeiture A/c		10,000

Working Note:

- Share capital will be debited by = 2000 × (3 + 3 + 2) = ₹16,000
- Securities premium will be debited by = Amount of premium not received on 1st Call = 2000 × 2 = ₹4,000
- Share forfeiture A/c will be credited by total amount paid by Rahul (Excluding premium) = 2000 × (3 + 2) = ₹10,000.

S47. Ans. (b)

Sol. Amount refunded on Application = (72,000 - 65,000) × 3 = ₹21,000
 Hence, the Bank A/c must be credited by ₹21,000.

S48. Ans. (d)

Sol. Rahul's shares were reissued at minimum issue price which means maximum discount has been given. Hence, there will be no balance left in share forfeiture

account. Therefore, transfer to capital reserve will be Nil.

S49. Ans. (d)

Sol. Ratio in which shares are issued on Pro-rata basis =
 $\frac{50,000}{65,000} = \frac{10}{13}$
Ratio = 10:13

S50. Ans. (a)

Sol. Before the forfeiture of Rahul's shares, it is typically the responsibility of the company's directors to issue a notice in this regard. Directors have the authority and duty to manage the affairs of the company, including matters related to the forfeiture of shares, and they would initiate the process by issuing the necessary notices and following the legal procedures as per the company's articles of association and applicable laws.