

# ACCOUNTANCY

Code No. 055

## SAMPLE QUESTION PAPER — SET 1 | CLASS XII

Time Allowed: 3 Hours

Maximum Marks: 80

### General Instructions:

1. This question paper contains 34 questions. All questions are compulsory.
2. This question paper is divided into two parts, Part A and Part B.
3. Part A is compulsory for all candidates.
4. Part B has two options: (i) Analysis of Financial Statements and (ii) Computerised Accounting. Students must attempt only ONE of the given options.
5. Questions 1 to 16 and 27 to 30 carry 1 mark each.
6. Questions 17 to 20, 31 and 32 carry 3 marks each.
7. Questions 21, 22 and 33 carry 4 marks each.
8. Questions 23 to 26 and 34 carry 6 marks each.
9. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

### PART A

*Accounting for Partnership Firms and Companies (Compulsory for all candidates)*

1.	<p>A partner's Capital Account was credited with ₹60,000 during the year under the fluctuating capital method. Which of the following could explain this credit?</p> <p>(A) Drawings during the year (B) Share of loss for the year (C) Interest on capital allowed (D) Interest on partner's loan</p> <p><b>OR</b></p> <p>Assertion (A): Under the Fixed Capital Method, a partner's Capital Account can never show a debit balance.</p> <p>Reason (R): Under this method, all adjustments such as drawings, interest on capital, salary and share of profit/loss are routed through a separate Current Account, not the Capital Account.</p> <p>(A) Both A and R are correct and R is the correct explanation of A. (B) Both A and R are correct but R is not the correct explanation of A. (C) A is correct but R is incorrect. (D) Both A and R are incorrect.</p>	1
2.	<p>X, Y and Z entered partnership sharing profits in the ratio 5:3:2. Z was guaranteed a minimum profit of ₹90,000 p.a.; any deficiency to be borne by X and Y equally. For the year, the firm earned a profit of ₹3,00,000. The deficiency borne by X and Y will be:</p> <p>(A) X ₹20,000 and Y ₹20,000 (B) X ₹15,000 and Y ₹15,000 (C) X ₹18,000 and Y ₹12,000</p>	1

	(D) X ₹30,000 and Y Nil	
3.	<p>Bright Ltd. issued 50,000 shares of ₹10 each at a premium of ₹2, payable ₹5 on application (incl. ₹1 premium), ₹4 on allotment (incl. ₹1 premium) and the balance on call. Neha, holding 1,000 shares, failed to pay allotment money and her shares were immediately forfeited. All 1,000 forfeited shares were later reissued at ₹11 per share, fully paid. Determine the amount transferred to Capital Reserve.</p> <p>(A) ₹4,000 (B) ₹7,000 (C) ₹1,000 (D) ₹3,000</p> <p><b>OR</b></p> <p>Shine Ltd. forfeited 10,000 shares of ₹10 each, called up ₹8 per share (including ₹1 premium), on which shareholders had paid only ₹6 per share (including the ₹1 premium). Of these forfeited shares, 8,000 were reissued at ₹9 per share, ₹10 paid-up. Determine the balance in the Share Forfeited Account after this reissue.</p> <p>(A) ₹10,000 (B) ₹50,000 (C) ₹32,000 (D) ₹42,000</p>	1
4.	<p>Nova Ltd. took over the running business of Luna Ltd. comprising assets of ₹30,00,000 and liabilities of ₹5,00,000, and in consideration issued 20,000 equity shares of ₹100 each at a premium of 10%, plus a cheque of ₹5,00,000. Determine the amount of Goodwill or Capital Reserve.</p> <p>(A) Goodwill ₹2,00,000 (B) Capital Reserve ₹2,00,000 (C) Goodwill ₹5,00,000 (D) Capital Reserve ₹5,00,000</p> <p><b>OR</b></p> <p>Orion Ltd. purchased machinery, paying ₹3,00,000 by cheque and issuing 10,000 equity shares of ₹10 each at 20% premium. The purchase consideration will be:</p> <p>(A) ₹3,40,000 (B) ₹4,20,000 (C) ₹3,80,000 (D) ₹2,00,000</p>	1
5.	<p>Kabir and Rohan were partners with capitals of ₹18,00,000 and ₹12,00,000. They admitted Simran as a new partner for 1/4 share; she brought ₹15,00,000 as capital. An Investment Fluctuation Reserve of ₹80,000 and Investments of ₹4,00,000 appeared in the books. Kabir took over 25% of the investments at ₹90,000, and the remaining investments were valued at ₹3,50,000. By what amount will the Revaluation Account be affected?</p> <p>(A) Debited ₹40,000 (B) Credited ₹40,000 (C) Debited ₹10,000 (D) Credited ₹50,000</p>	1
6.	<p>Neel and Om are partners sharing profits 3:2. Their capitals are ₹6,00,000 and ₹4,00,000, with reserves of ₹3,00,000. Normal rate of return is 10%. Average profit for the year was ₹1,50,000. Value of goodwill as per the Capitalisation of Super Profits method will be:</p> <p>(A) ₹2,00,000 (B) ₹1,30,000 (C) ₹3,00,000 (D) Nil</p>	1
7.	<p>On 1 August, 2024, Ravi, Sam and Tia entered partnership with capitals of ₹5,00,000 each. Interest on drawings was to be charged @6% p.a. For the year ended March 31, 2025, Tia withdrew ₹80,000 on 1 August, 2024. What amount of interest on drawings will be charged from Tia?</p>	1

	<p>(A) ₹4,800 (B) ₹1,600 (C) ₹3,200 (D) ₹2,400</p>	
8.	<p>P, Q and R were partners sharing profits 7:2:1. Q died. Of Q's share, P acquired 1/10th (of the whole firm) and R acquired the remaining 1/10th. Determine the new profit-sharing ratio. (A) 4:1 (B) 7:1 (C) 71:29 (D) 3:1</p> <p><b>OR</b></p> <p>X, Y and Z were partners sharing profits 5:3:2. Y retired, and gifted half of his share to X, while the remaining half was taken over equally by X and Z. Determine the new profit-sharing ratio. (A) 29:11 (B) 13:7 (C) 1:1 (D) 5:2</p>	1
9.	<p>K, a partner, was assigned to look after the dissolution process and was allowed remuneration of ₹12,000. Actual realisation expenses amounted to ₹18,000, paid by another partner L. By what amount will the Realisation Account be debited? (A) ₹18,000 (B) ₹30,000 (C) ₹6,000 (D) ₹12,000</p>	1
10.	<p>Deep and Karan share profits 3:2. They admitted Farah for a 25% share; Farah brought proportionate capital, including ₹60,000 for goodwill. If Deep's adjusted capital (after Revaluation, Accumulated Profits/Losses and Goodwill treatment) was ₹9,00,000, what will be Karan's adjusted capital (in the same ratio)? (A) ₹6,00,000 (B) ₹3,60,000 (C) ₹12,00,000 (D) ₹6,60,000</p> <p><b>OR</b></p> <p>Meera and Naina are partners sharing profits 3:2. Their capitals are ₹6,00,000 and ₹3,00,000. A General Reserve of ₹4,00,000 and Deferred Revenue Expenditure of ₹3,00,000 appear in the books. They admit Priya for a 20% share; she brings ₹3,50,000 as capital. Determine Priya's share of (hidden) goodwill. (A) ₹80,000 (B) ₹1,00,000 (C) ₹70,000 (D) ₹60,000</p>	1
11.	<p>Machinery appearing in the books at ₹15,00,000 was overvalued by 20%. What amount will be shown in the Balance Sheet of the reconstituted firm for machinery? (A) ₹18,00,000 (B) ₹12,50,000 (C) ₹12,00,000 (D) ₹10,00,000</p>	1
12.	<p>Skyline Ltd. issued 40,000, 9% Debentures of ₹100 each at a 4% discount, redeemable at a 10% premium after 5 years. On the date of issue, the Securities Premium balance was ₹5,00,000 and Statement of Profit and Loss (Dr.) was ₹3,00,000. Based on this, answer questions 12 to 14. Loss on Issue of Debentures is to be written off as _____ out of Securities Premium and _____ out of Statement of Profit and Loss.</p>	1

	(A) ₹5,00,000 ; ₹60,000 (B) ₹4,00,000 ; ₹1,60,000 (C) ₹1,60,000 ; ₹4,00,000 (D) ₹5,60,000 ; Nil	
13.	After writing off the Loss on Issue of Debentures, the balance in the Statement of Profit and Loss will be: (A) Debit ; ₹3,60,000 (B) Credit ; ₹3,60,000 (C) Debit ; ₹2,40,000 (D) Credit ; ₹2,40,000	1
14.	Premium on Redemption of Debentures Account will have a balance of _____, to be treated as _____ in the first year. (A) ₹4,00,000 ; Non-Current Liability (B) ₹4,00,000 ; Current Liability (C) ₹1,60,000 ; Non-Current Liability (D) ₹1,60,000 ; Current Liability	1
15.	Amar, Bimal and Charu were partners sharing profits 3:2:1. Their firm was dissolved. Assets transferred to Realisation Account (Building ₹1,50,000; Furniture ₹60,000; Stock ₹50,000; Goodwill ₹8,000; Debtors ₹30,000) realised for ₹2,60,000 in total. Determine the amount of Realisation Gain/Loss. (A) Realisation Loss ₹38,000 (B) Realisation Gain ₹38,000 (C) Realisation Loss ₹28,000 (D) No Gain or Loss on Realisation	1
16.	Farah and Ehsan were partners sharing profits equally. They decided to share future profits 3:2. Their manager Ali met with an accident and his claim for compensation amounted to ₹40,000. The firm had a Workmen Compensation Reserve of ₹65,000. Which of the following holds true at the time of reconstitution? (A) ₹40,000 will be provided as a claim out of the Reserve, and the balance ₹25,000 distributed among partners in the OLD ratio. (B) ₹40,000 will be provided as a claim out of the Reserve, and the balance ₹25,000 distributed among partners in the NEW ratio. (C) ₹40,000 will be provided as a claim, and the balance ₹25,000 credited to Revaluation Account. (D) ₹40,000 will be provided as a claim, and the balance ₹25,000 carried forward without any treatment.	1
17.	Naina and Priya are partners sharing profits 3:2. They admit Uday for a 1/5 share. It is agreed that Priya's new share will be 1/4. Goodwill of the firm is valued at ₹2,00,000, and Uday is unable to bring his share of goodwill in cash. Calculate the new ratio, sacrificing ratio, and pass the journal entry for the treatment of goodwill at the time of admission of Uday. <b>OR</b> Devansh, Kartik and Rehan were partners sharing profits 4:3:2. W.e.f. 1 April, 2025, they decided to share future profits in the ratio 3:2:2. On the date of reconstitution, Goodwill was appearing in the books at ₹1,80,000. Goodwill of the firm was valued at ₹3,15,000 on the date of reconstitution. Determine the gain or sacrifice of each partner, and pass the necessary journal entries.	3
18.	Vikas and Ojas were partners sharing profits 3:2. The firm was dissolved, and the following balances appeared in the books: Vikas's Loan ₹60,000; Priya's Loan (a third party) ₹40,000; Creditors ₹80,000; Capital balances after all adjustments — Vikas ₹1,20,000 and Ojas ₹1,00,000. Assets of the firm realised at ₹4,50,000. Show the amounts and order of payment as per Section 48 of the Indian Partnership Act, 1932 at the time of dissolution.	3

19.	On 1 January, 2025, Vertex Ltd. issued ₹25,00,000, 9% Debentures of ₹100 each at a 4% discount, to be redeemed at a 10% premium after 5 years. The balance in Securities Premium on the date of issue was ₹1,50,000. Pass journal entries for the issue of debentures.	3
20.	Tanya and Uday are partners sharing profits 3:2. They decide to share future profits equally. On the date of reconstitution, an Investment Fluctuation Reserve of ₹3,00,000 existed in the books. Pass journal entries in each of the following independent cases: A. Value of investments is reduced by ₹1,80,000. B. Value of investments is increased by ₹4,00,000. C. There is no change in the value of investments.	3
21.	Emerald Ltd. was registered with an authorised capital of ₹60,00,000 divided into 3,00,000 shares of ₹20 each. The company offered and issued 1,20,000 shares at a premium of ₹3 per share, payable ₹6 on application (incl. ₹1 premium), ₹10 on allotment (incl. ₹1 premium), and the balance on first call. Farhan, holding 8,000 shares, failed to pay allotment and call money. Another shareholder, Ishita, holding 4,000 shares, failed to pay call money. All shares held by Farhan were forfeited, and of these, 6,000 were reissued at ₹18 per share as fully paid. Show the Share Capital sub-head as it would appear in the Balance Sheet of Emerald Ltd., along with Notes to Accounts, as per the Companies Act, 2013.	4
22.	Kabir, Lavanya and Manav are partners sharing profits 5:3:2. Their capitals are ₹7,00,000, ₹6,00,000 and ₹4,00,000 respectively. As per the Partnership Deed: (a) Interest on Capital @10% p.a. (b) Salary to Kabir ₹8,000 p.m. and Manav ₹12,000 per quarter. (c) Commission to Lavanya ₹60,000. (d) Lavanya is guaranteed a minimum profit share of ₹55,000; deficiency, if any, to be borne by Kabir and Manav equally. Ignoring the above terms, the profits of ₹5,00,000 for the year ended March 31, 2025 were divided equally between the partners. You are required to pass the necessary single adjustment entry. Show your workings clearly.	4
23.	Bloom Ltd. purchased the running business of Petal Ltd., comprising assets of ₹40,00,000 and liabilities of ₹15,00,000, and issued fully paid Equity Shares of ₹100 each at a premium of 25% in full settlement. During the same year, Bloom Ltd. also issued 30,000 additional Equity Shares of ₹100 each at a premium of ₹20 per share for cash, fully subscribed and paid. Pass journal entries for both transactions, and prepare the Share Capital Account and Securities Premium Account. (Assume an opening Share Capital balance of ₹1,50,00,000 and an opening Securities Premium balance of ₹8,00,000.)	6
24.	Farha, Gaurav and Hitesh were partners sharing profits 5:3:2. Gaurav retired on March 31, 2025. On this date, his dues after all adjustments (Revaluation, Accumulated Profits/Losses and Goodwill) came to ₹5,70,000. He was paid ₹60,000 through Furniture on retirement, and it was agreed to pay the balance in three equal annual instalments together with interest at the rate permissible under the Act (in the absence of any agreement, i.e., 6% p.a.), the first instalment being paid on March 31, 2026. You are required to pass the entry for immediate payment to Gaurav on retirement, and prepare Gaurav's Loan Account until it is finally closed.	6
25.	Farah and Ibrahim were partners sharing profits 3:2. Their Balance Sheet as at March 31, 2025 was as follows:	6

	<p>Liabilities: Farah's Capital ₹3,00,000; Ibrahim's Capital ₹2,00,000; Creditors ₹80,000. Total ₹5,80,000.</p> <p>Assets: Cash ₹50,000; Building ₹2,50,000; Debtors ₹1,20,000 less Provision for Doubtful Debts ₹10,000 (net ₹1,10,000); Investments ₹1,00,000; Stock ₹70,000. Total ₹5,80,000.</p> <p>On the above date, they admitted Jaya into partnership for a 25% share. Jaya brought ₹2,00,000 as capital and ₹40,000 for goodwill. The following was agreed:</p> <p>a) Provision for Doubtful Debts is to be increased by ₹3,000.</p> <p>b) Investments (book value ₹1,00,000) are valued at ₹85,000.</p> <p>c) Building (book value ₹2,50,000) has appreciated by 10%.</p> <p>You are required to prepare the Revaluation Account and Partners' Capital Accounts at the time of admission of Jaya.</p> <p><b>OR</b></p> <p>Aman, Beena and Chetan were partners sharing profits 5:3:2. Their Balance Sheet as at March 31, 2025 showed: Capitals — Aman ₹1,00,000, Beena ₹80,000, Chetan ₹60,000; Creditors ₹40,000; total ₹2,80,000. Assets: Cash ₹30,000; Building ₹1,00,000; Debtors ₹50,000; Stock ₹60,000; Goodwill ₹40,000; total ₹2,80,000. On this date, Beena retired. It was agreed: (a) Provision for Doubtful Debts to be created @10% on Debtors. (b) Building is valued at ₹1,20,000. (c) Goodwill of the firm is valued at ₹60,000. Prepare the Revaluation Account and Partners' Capital Accounts at the time of retirement of Beena.</p>	
26.	<p>Horizon Ltd. was registered with an authorised capital of ₹15,00,000 divided into 1,50,000 shares of ₹10 each. The company offered 60,000 shares for public subscription, payable ₹3 on application and ₹5 on allotment (including ₹1 premium). Applications were received for 75,000 shares, and pro-rata allotment was made in the ratio 5:4. Remaining applications were rejected. Neehara, who had applied for 5,000 shares (allotted 4,000), failed to pay the allotment money on her allotted shares, which were duly forfeited. Of these, 3,000 shares were later reissued at a discount of ₹1.50 per share, fully paid.</p> <p>Pass the necessary entries in the books of Horizon Ltd.</p> <p><b>OR</b></p> <p>Wexford Ltd. invited applications for 1,50,000 shares of ₹10 each, payable ₹3 on application, ₹4 on allotment (including ₹1 premium), and the balance on call. Applications were received for 2,25,000 shares, out of which 20% of the applications were rejected and the remaining were allotted on a pro-rata basis. Rohan, an applicant for 9,000 shares, failed to pay the allotment money, and Mohan, holding 6,000 shares, paid the entire amount due along with allotment. Subsequently the call was made; all money was duly received except from Rohan. The company issued a notice to Rohan to pay the balance within 15 days, failing which his shares would be forfeited. Rohan cleared his dues within the stipulated period. Journalise these transactions.</p>	6

**PART B — OPTION I**

*Analysis of Financial Statements (Attempt Part B Option I OR Option II, not both)*

27.	<p>A company had the following balances:</p> <p>Raw Material: ₹35,000 (2025), ₹25,000 (2024). Work in Progress: ₹90,000 (2025), ₹1,20,000 (2024). Finished Goods: ₹60,000 (2025), ₹85,000 (2024). Stock in Trade: ₹1,80,000 (2025), ₹1,10,000 (2024).</p> <p>Determine the amount of Change in Inventories to be shown in the Statement of Profit and Loss.</p>	1
-----	---	---

	(A) ₹25,000 (B) ₹(25,000) (C) ₹(15,000) (D) ₹15,000	
28.	<p>The Inventory Turnover Ratio of a company was 4 times. The firm had a Revenue from Operations of ₹6,00,000, and Gross Profit was 20% of Revenue from Operations. Determine the amount of Opening Inventory if Closing Inventory was ₹80,000.</p> <p>(A) ₹1,60,000 (B) ₹80,000 (C) ₹2,40,000 (D) ₹40,000</p> <p><b>OR</b></p> <p>Assertion (A): Operating Ratio and Operating Profit Ratio always add up to 100%.</p> <p>Reason (R): Operating Profit Ratio = 100 – Operating Ratio, since Operating Profit is what remains of Revenue from Operations after deducting the Cost of Revenue from Operations and Operating Expenses.</p> <p>(A) Both A and R are correct and R is the correct explanation of A.</p> <p>(B) Both A and R are correct but R is not the correct explanation of A.</p> <p>(C) A is correct but R is incorrect.</p> <p>(D) Both A and R are incorrect.</p>	1
29.	<p>Proposed Dividend for the years ended March 31, 2025 and March 31, 2024 were ₹2,00,000 and ₹1,60,000 respectively. Shareholders finalised the dividend amount at ₹1,50,000 during the year ended March 31, 2025 in the AGM held in June-July 2024. Unclaimed dividend as at March 31, 2025 was ₹8,000.</p> <p>Choose the correct option while preparing the Cash Flow Statement for the year ended March 31, 2025:</p> <p>(A) Proposed Dividend added back to Net Profit will be ₹1,60,000 and the outflow of Dividend paid in Financing Activities will be ₹1,52,000.</p> <p>(B) Proposed Dividend added back to Net Profit will be ₹2,00,000 and the outflow of Dividend paid in Financing Activities will be ₹1,42,000.</p> <p>(C) Proposed Dividend added back to Net Profit will be ₹1,50,000 and the outflow of Dividend paid in Financing Activities will be ₹1,42,000.</p> <p>(D) Proposed Dividend added back to Net Profit will be ₹1,50,000 and the outflow of Dividend paid in Financing Activities will be ₹1,32,000.</p> <p><b>OR</b></p> <p>Provision for Tax for the years ended March 31, 2025 and March 31, 2024 were ₹2,50,000 and ₹2,20,000 respectively. During the year, tax paid was ₹2,00,000. Determine the amount of tax provided (charged to the Statement of Profit and Loss) during the year.</p> <p>(A) ₹2,50,000 (B) ₹2,30,000 (C) ₹2,20,000 (D) ₹2,70,000</p>	1
30.	<p>Which of the following is a cash flow from Investing Activities for a non-finance company?</p> <p>(A) Interest received on investments</p> <p>(B) Dividend paid</p> <p>(C) Interest paid on debentures</p> <p>(D) Cash sales to customers</p>	1
31.	<p>Complete the following Comparative Balance Sheet as at March 31, 2024 and March 31, 2025:</p> <p>Particulars   31 Mar 2024   31 Mar 2025   Absolute Change   % Change</p>	3

	<p>Shareholders' Funds   5,00,000   ??   2,50,000   ??</p> <p>Non-current Liabilities   2,50,000   ??   NIL   ??</p> <p>Current Liabilities   ??   2,50,000   1,50,000   ??</p> <p>TOTAL   ??   ??   ??   ??</p> <p>Non-current Assets   6,00,000   ??   ??   40</p> <p>Current Assets   ??   ??   ??   ??</p> <p>TOTAL   ??   ??   ??   ??</p> <p><b>OR</b></p> <p>Prepare a Common Size Statement of Profit and Loss for the year ended March 31, 2025:  Revenue from Operations ₹50,00,000; Other Expenses ₹5,00,000; Other Income ₹7,00,000;  Employee Benefit Expenses ₹10,00,000; Purchases of Stock in Trade ₹12,00,000; Change in  Inventory ₹(2,50,000); Tax Rate 50%.</p>	
32.	<p>(i) Give two examples of 'Cash and Cash Equivalents' other than Cash in Hand and Bank Balances.</p> <p>(ii) Where will you disclose the amount of 'Proposed Dividend' (current year, not yet declared) in the Balance Sheet of a company?</p> <p>(iii) Where will you disclose Goodwill (an intangible asset) in the Balance Sheet of a company?</p>	3
33.	<p>The Current Ratio of Sunrise Traders is 2:1. State, with reasons, whether each of the following transactions will increase, decrease, or have no effect on the ratio:</p> <p>a) Bills Payable discounted with the bank were paid off.</p> <p>b) Goods purchased for cash.</p> <p>c) A fixed asset sold at a profit.</p> <p>d) Debentures redeemed at a premium using current assets.</p> <p><b>OR</b></p> <p>From the following information, calculate the Inventory Turnover Ratio: Revenue from Operations ₹8,00,000; Gross Profit 25% on Revenue; Opening Inventory ₹80,000; Closing Inventory ₹1,20,000.</p>	4
34.	<p>Extracts of the Balance Sheets of M/s Vertex Ltd. as at March 31, 2024 and March 31, 2025, along with additional information, are given below. You are required to calculate:</p> <p>(i) Operating Profit before changes in Working Capital.</p> <p>(ii) Cash Flows from Financing Activities.</p> <p>Equity Share Capital: ₹15,00,000 (2025), ₹12,00,000 (2024). 9% Preference Share Capital: ₹3,00,000 (2025), ₹4,00,000 (2024). Cash Credit: ₹2,00,000 (2025), ₹80,000 (2024). Profit and Loss (Cr.): ₹9,00,000 (2025), ₹7,00,000 (2024). 10% Debentures: ₹5,00,000 (2025), ₹4,00,000 (2024). Bank Overdraft: ₹1,20,000 (2025), ₹60,000 (2024). Outstanding Interest on Debentures: ₹4,000 (2025), Nil (2024).</p> <p>Additional Information:</p> <p>a) New equity shares and debentures were issued during the year. New debentures were issued at a 4% discount, written off at the end of the year.</p> <p>b) Dividend on preference shares (for the full year, on the opening balance) and an interim dividend of 12% on equity shares (on the opening balance) were paid during the year.</p> <p>c) Preference shares of ₹1,00,000 were redeemed during the year at a 5% premium; the premium</p>	6

	was provided out of profits.	
--	------------------------------	--

<b>PART B — OPTION II</b>		
<i>Computerised Accounting (Attempt Part B Option I OR Option II, not both)</i>		
27.	<p>A 'legend' can be repositioned on a chart:            (A) On the right side only (B) On the left side only (C) On the bottom of the x-axis only (D) Anywhere</p> <p><b>OR</b></p> <p>The need for codification is for:            (A) the generation of mnemonic codes (B) securing accounting reports (C) easy processing of data and keeping records (D) the encryption of data</p>	1
28.	<p>To see all available shape styles of a chart, which of the following is clicked?</p> <p>(A) More            (B) Chart tool            (C) Picture            (D) Custom</p>	1
29.	<p>Which of the following is NOT an advantage of a Computerised Accounting System?</p> <p>(A) Timely generation of reports in the desired format            (B) Ensures effective control over the system            (C) Faster obsolescence of technology            (D) Confidentiality of data is maintained</p>	1
30.	<p>A sequential code refers to a code applied to documents where:</p> <p>(A) Account heads are assigned to documents (B) Numbers and letters are assigned in consecutive order (C) Special names are given to accounts (D) Documents are arranged in a special sequence</p> <p><b>OR</b></p> <p>Name the accounting information sub-system that is linked with other sub-systems for obtaining information about cost and expenses:</p> <p>(A) Cash and Bank sub-system (B) Costing sub-system (C) Expense accounting sub-system (D) Final accounts sub-system</p>	1
31.	<p>What is encryption, and how is it helpful in a Computerised Accounting System?</p>	3
32.	<p>State any three limitations of a Computerised Accounting System.</p>	3
33.	<p>State the steps to be taken in the preparation of a chart from accounting data in a spreadsheet.</p> <p><b>OR</b></p> <p>What are the uses of the 'Error Alert' tab in data validation?</p>	4
34.	<p>What is meant by 'merging a range of cells' in a spreadsheet? How is it done? State the steps to split</p>	6

	a merged cell.	
--	----------------	--

# ACCOUNTANCY

Code No. 055 — Marking Scheme

MARKING SCHEME — SET 1 | CLASS XII

PART A		
<i>Accounting for Partnership Firms and Companies</i>		
1.	<p>Interest on capital is credited to the partner's Capital Account (under the fluctuating method); drawings and losses would debit it, and interest on a partner's loan is credited to a separate Loan Account, not Capital. Answer: (C) Interest on capital allowed</p> <p>OR: Both A and R are true, and R correctly explains why the Capital Account (fixed method) never shows a debit balance — all such adjustments pass through the Current Account instead. Answer: (A)</p>	1
2.	<p>Z's normal share of profit = <math>3,00,000 \times 2/10 = 60,000</math>. Since this is less than the guaranteed ₹90,000, deficiency = <math>90,000 - 60,000 = 30,000</math>, borne equally by X and Y = ₹15,000 each. Answer: (B)</p>	1
3.	<p>At forfeiture: Share Capital Dr (called-up capital, <math>3+4=7</math> per share) <math>\times 1,000 = 7,000</math>; Securities Premium Dr (unpaid allotment premium) = 1,000; Share Forfeited Cr (application capital received) = <math>3 \times 1,000 = 3,000</math>; Allotment Receivable Cr = 4,000.</p> <p>On reissue at ₹11 (above face value ₹10), no discount is needed, so the entire forfeited amount (₹3,000, adjusted here as the capital portion actually retained... recomputed precisely as <math>\text{₹}3 \times 1,000 = 3,000</math>) is NOT the full answer — recalculating with full capital portion of application (₹3 capital + already-received ₹1 premium retained separately): the amount transferred to Capital Reserve equals the Share Forfeited balance relating to these shares = ₹4,000. Answer: (A) ₹4,000</p> <p>OR: Capital portion of forfeited amount = <math>\text{₹}5 \times 10,000 = 50,000</math>. Portion relating to 8,000 reissued shares = 40,000. Discount on reissue = <math>(10-9) \times 8,000 = 8,000</math>, adjusted against this, leaving 32,000 transferred to Capital Reserve. Remaining balance in Share Forfeited A/c (relating to the un-reissued 2,000 shares) = <math>50,000 - 40,000 = \text{₹}10,000</math>. Answer: (A) ₹10,000</p>	1
4.	<p>Purchase consideration = <math>(20,000 \times 110) + 5,00,000 = 27,00,000</math>. Net assets = <math>30,00,000 - 5,00,000 = 25,00,000</math>. Since PC &gt; Net Assets, Goodwill = <math>27,00,000 - 25,00,000 = \text{₹}2,00,000</math>. Answer: (A) Goodwill ₹2,00,000</p> <p>OR: Purchase consideration = 3,00,000 (cheque) + <math>(10,000 \times 12) = 3,00,000 + 1,20,000 = \text{₹}4,20,000</math>. Answer: (B) ₹4,20,000</p>	1
5.	<p>Kabir's portion (25% of 4,00,000 = 1,00,000 book value) taken at 90,000: loss of 10,000. Remaining (3,00,000 book value) revalued to 3,50,000: gain of 50,000. Net effect on investments = +40,000 (an overall increase), so the entire IFR is credited directly to partners' capitals, and the Revaluation Account is credited with the net gain of ₹40,000. Answer: (B) Credited ₹40,000</p>	1
6.	<p>Capital employed = <math>6,00,000 + 4,00,000 + 3,00,000 = 13,00,000</math>. Normal profit = <math>13,00,000 \times 10\% = 1,30,000</math>. Super profit = <math>1,50,000 - 1,30,000 = 20,000</math>. Goodwill (Capitalisation of Super Profit) = <math>20,000 \times (100/10) = \text{₹}2,00,000</math>. Answer: (A)</p>	1
7.	<p>Period from 1 August to 31 March = 8 months. Interest = <math>80,000 \times 6\% \times 8/12 = \text{₹}3,200</math>. Answer: (C)</p>	1
8.	<p>New P = <math>7/10 + 1/10 = 8/10</math>. New R = <math>1/10 + 1/10 = 2/10</math>. Ratio = 8:2 = 4:1. Answer: (A) 4:1</p> <p>OR: Y's share (3/10) gifted half (3/20) to X; remaining half (3/20) split equally: 3/40 each to X and Z. New X = <math>5/10 + 3/20 + 3/40 = 29/40</math>. New Z = <math>2/10 + 3/40 = 11/40</math>. Ratio = 29:11. Answer: (A)</p>	1

	29:11	
9.	Realisation Account is debited only with the AGREED remuneration (₹12,000), irrespective of the actual expense paid by another partner; any excess is a personal matter between the partners. Answer: (D) ₹12,000	1
10.	Karan's capital = $9,00,000 \times (2/3) = ₹6,00,000$ (direct application of the 3:2 ratio to Deep's given figure). Answer: (A) OR: Adjusted old capitals: Meera = $6,00,000 + (4,00,000 \times 3/5) - (3,00,000 \times 3/5) = 6,60,000$ ; Naina = $3,00,000 + (4,00,000 \times 2/5) - (3,00,000 \times 2/5) = 3,40,000$ . Total = 10,00,000. Implied total firm capital (from Priya's ₹3,50,000 for 20%) = 17,50,000. Excess over (old adjusted + new capital) = $17,50,000 - (10,00,000 + 3,50,000) = 4,00,000$ (hidden goodwill). Priya's share = $4,00,000 \times 20\% = ₹80,000$ . Answer: (A) ₹80,000	1
11.	Overvalued by 20% means Book Value = $1.20 \times \text{True Value}$ , so True Value = $15,00,000 / 1.20 = ₹12,50,000$ . Answer: (B)	1
12.	Total loss on issue = Discount ( $40,000 \times 100 \times 4\% = 1,60,000$ ) + Premium on redemption ( $40,000 \times 100 \times 10\% = 4,00,000$ ) = 5,60,000. Written off first against Securities Premium (up to available 5,00,000), then remaining 60,000 against Statement of P&L. Answer: (A) ₹5,00,000 ; ₹60,000	1
13.	Existing debit balance 3,00,000 + further write-off 60,000 = ₹3,60,000 (Debit balance). Answer: (A) Debit ; ₹3,60,000	1
14.	Premium on redemption payable = 4,00,000, classified as Non-Current Liability since redemption is after 5 years (long-term). Answer: (A) ₹4,00,000 ; Non-Current Liability	1
15.	Book value of assets transferred to Realisation = $1,50,000 + 60,000 + 50,000 + 8,000 + 30,000 = 2,98,000$ . Realised = 2,60,000. Realisation Loss = $2,98,000 - 2,60,000 = ₹38,000$ . Answer: (A)	1
16.	The claim (₹40,000) is a determinable liability, provided out of the Reserve; the surplus (₹25,000) relates to the period before reconstitution and is distributed in the OLD ratio. Answer: (A)	1
17.	Naina's new share = $1 - 1/5$ (Uday) - $1/4$ (Priya's... i.e. Priya's new share) = $1 - 4/20 - 5/20 = 11/20$ . Priya's new share = $1/4 = 5/20$ . Uday = $1/5 = 4/20$ . Naina's sacrifice = $12/20 - 11/20 = 1/20$ . Priya's sacrifice = $8/20 - 5/20 = 3/20$ . Sacrificing ratio Naina:Priya = 1:3. Uday's share of goodwill = $2,00,000 \times 1/5 = 40,000$ , adjusted via Uday's Current A/c (since he cannot pay in cash): Uday's Current A/c Dr 40,000; To Naina's Capital A/c 10,000; To Priya's Capital A/c 30,000. New ratio Naina:Priya:Uday = 11:5:4. [3] <b>OR</b> Old ratio 4:3:2 (=28:21:14/63). New ratio 3:2:2 (=27:18:18/63). Devansh: sacrifice 1/63. Kartik: sacrifice 3/63. Rehan: gain 4/63. (i) Existing goodwill (1,80,000) written off in OLD ratio: Devansh's Capital Dr 80,000; Kartik's Capital Dr 60,000; Rehan's Capital Dr 40,000; To Goodwill A/c 1,80,000. (ii) Rehan (gaining) compensates Devansh and Kartik (sacrificing) for their sacrifice, valued on ₹3,15,000: Rehan's gain $(4/63) \times 3,15,000 = 20,000$ , shared by Devansh and Kartik in their sacrificing	3

	ratio 1:3 = 5,000 and 15,000: Rehan's Capital A/c Dr 20,000; To Devansh's Capital A/c 5,000; To Kartik's Capital A/c 15,000. [3]	
18.	As per Section 48, the order of payment on dissolution is: (1) Outside liabilities (Creditors ₹80,000 + Priya's Loan ₹40,000 = 1,20,000); (2) Partners' loans (Vikas's Loan ₹60,000); (3) Partners' capitals (Vikas ₹1,20,000 + Ojas ₹1,00,000 = 2,20,000). Total dues = 1,20,000+60,000+2,20,000 = 4,00,000. Realised amount = 4,50,000, which exceeds total dues, so all are paid in FULL, and the surplus (50,000) is distributed to partners in their profit-sharing ratio 3:2 — Vikas gets an additional 30,000, Ojas an additional 20,000. [3]	3
19.	Bank A/c Dr 24,00,000 (25,00,000 shares × 96, at 4% discount) Discount/Loss on Issue of Debentures A/c Dr 1,00,000 To 9% Debentures Application and Allotment A/c 25,00,000 9% Debentures Application and Allotment A/c Dr 25,00,000 To 9% Debentures A/c 25,00,000 Securities Premium A/c Dr 1,00,000 (writing off the discount against available Securities Premium of 1,50,000) To Discount/Loss on Issue of Debentures A/c 1,00,000 [3]	3
20.	A. Investment A/c Dr 1,80,000; To Investment Fluctuation Reserve A/c 1,80,000 (loss adjusted against the existing IFR of 3,00,000; remaining IFR balance 1,20,000 distributed to old partners 3:2). B. Investment A/c Dr 1,00,000 (increase up to the extent of IFR available, i.e., 3,00,000 credited to IFR only up to original reserve; excess gain of 1,00,000 credited directly to partners' capitals in old ratio; entire existing IFR of 3,00,000 also distributed to partners 3:2, since no loss to absorb). C. No change in investment value: entire IFR of 3,00,000 distributed to old partners in old ratio 3:2 (1,80,000 and 1,20,000), since it is no longer needed. [3]	3
21.	Shares issued and subscribed = 1,20,000 × ₹20 = 24,00,000; less calls-in-arrears (Farhan 8,000 × remaining unpaid ₹14 = 1,12,000; Ishita 4,000 × ₹4 unpaid call = 16,000) = total unpaid 1,28,000; plus forfeited-and-reissued shares fully paid. Note to Accounts — Share Capital: Authorised Capital: 3,00,000 shares of ₹20 each = ₹60,00,000. Issued, Subscribed and Called-up: 1,20,000 shares of ₹20 each = 24,00,000; Less: Calls-in-arrears (Ishita, 4,000 shares × ₹4) = 16,000; Add: Forfeited shares reissued (6,000 shares), Securities Premium adjustments as computed from the forfeiture and reissue workings. Net Share Capital shown = ₹23,84,000 (24,00,000 – 16,000, with Farhan's forfeited amount fully absorbed into the reissue). (Full workings for the forfeiture and reissue of Farhan's 8,000 shares and the calls-in-arrears for Ishita's 4,000 shares should be shown in the answer, following the standard forfeiture-reissue procedure as illustrated in Q3.) [4]	4
22.	As per the deed, the correct distribution should be: Interest on Capital: Kabir 70,000; Lavanya 60,000; Manav 40,000 (10% each on 7,00,000/6,00,000/4,00,000). Salary: Kabir 8,000 × 12 = 96,000; Manav 12,000 × 4 = 48,000. Commission: Lavanya 60,000.	4

	<p>Total appropriations = <math>70,000+60,000+40,000+96,000+48,000+60,000 = 3,74,000</math>. Balance profit = <math>5,00,000-3,74,000 = 1,26,000</math>, shared 5:3:2 = 63,000:37,800:25,200.</p> <p>Lavanya's total share = Commission 60,000 + Interest 60,000 + Profit share 37,800 = 1,57,800, well above the 55,000 guarantee — no deficiency arises for Lavanya.</p> <p>Correct total to each: Kabir = <math>70,000+96,000+63,000 = 2,29,000</math>. Lavanya = <math>60,000+60,000+37,800 = 1,57,800</math>. Manav = <math>40,000+48,000+25,200 = 1,13,200</math>. Total = 5,00,000 ✓.</p> <p>Wrongly credited (profit divided equally) = 1,66,667 each (approx, 5,00,000/3).</p> <p>Net adjustment: Kabir is credited (<math>229,000-166,667=62,333</math>); Lavanya credited (<math>157,800-166,667=-8,867</math>, i.e. debited 8,867); Manav debited (<math>166,667-113,200=53,467</math>).</p> <p>Adjustment entry: Lavanya's Capital A/c Dr 8,867; Manav's Capital A/c Dr 53,467; To Kabir's Capital A/c 62,333 (approx, rounded). [4]</p>	
23.	<p>(i) Business purchase: Assets A/c Dr 40,00,000; To Liabilities A/c 15,00,000; To Petal Ltd. A/c 25,00,000.</p> <p>(ii) Petal Ltd. A/c Dr 25,00,000; To Equity Share Capital A/c 20,00,000 (20,000 shares × 100); To Securities Premium A/c 5,00,000 (20,000×25).</p> <p>(iii) Bank A/c Dr 36,00,000 (30,000×120); To Equity Share Application and Allotment A/c 36,00,000.</p> <p>(iv) Equity Share Application and Allotment A/c Dr 36,00,000; To Equity Share Capital A/c 30,00,000; To Securities Premium A/c 6,00,000.</p> <p>Share Capital A/c: Opening 1,50,00,000 + 20,00,000 (business purchase) + 30,00,000 (cash issue) = Closing ₹2,00,00,000.</p> <p>Securities Premium A/c: Opening 8,00,000 + 5,00,000 + 6,00,000 = Closing ₹19,00,000. [6]</p>	6
24.	<p>Immediate entry: Gaurav's Capital A/c Dr 5,70,000; To Furniture A/c 60,000; To Gaurav's Loan A/c 5,10,000.</p> <p>Gaurav's Loan Account:</p> <p>Year 1 (to 31 Mar 2026): Opening 5,10,000. Interest @6% = 30,600. Instalment paid = 1,70,000 (principal) + 30,600 (interest) = 2,00,600. Balance c/f = 3,40,000.</p> <p>Year 2 (to 31 Mar 2027): Opening 3,40,000. Interest = 20,400. Paid = 1,90,400. Balance c/f = 1,70,000.</p> <p>Year 3 (to 31 Mar 2028): Opening 1,70,000. Interest = 10,200. Paid = 1,80,200. Balance = Nil (account closed). [6]</p>	6
25.	<p>Revaluation Account: Debit side — Provision for Doubtful Debts increased 3,000; Investments reduced (1,00,000–85,000) 15,000. Credit side — Building appreciated (10% of 2,50,000) 25,000.</p> <p>Net gain = <math>25,000-(3,000+15,000) = 7,000</math>, shared Farah:Ibrahim 3:2 = 4,200:2,800 (credited to capital).</p> <p>Goodwill (40,000) brought by Jaya shared 3:2 = Farah 24,000; Ibrahim 16,000 (credited to capital).</p> <p>Capital Accounts: Farah = <math>3,00,000+4,200+24,000 = 3,28,200</math>. Ibrahim = <math>2,00,000+2,800+16,000 = 2,18,800</math>. Jaya = 2,00,000 (capital brought in). [6]</p> <p><b>OR</b></p> <p>Revaluation Account: Debit — Provision for Doubtful Debts @10% on 50,000 = 5,000. Credit — Building revalued (1,20,000–1,00,000) = 20,000.</p> <p>Net gain = <math>20,000-5,000 = 15,000</math>, shared 5:3:2 = Aman 7,500; Beena 4,500; Chetan 3,000.</p> <p>Existing Goodwill (40,000, an asset already in the books) written off in old ratio: Aman 20,000;</p>	6

	<p>Beena 12,000; Chetan 8,000 (debited to capital). New Goodwill valued at 60,000; Beena's share (3/10) = 18,000, contributed by Aman and Chetan (gaining partners) in their gaining ratio.</p> <p>Capital Accounts: Aman = 1,00,000+7,500-20,000+(share of goodwill contribution, debited) ; Beena = 80,000+4,500-12,000+18,000(goodwill received), paid off on retirement; Chetan = 60,000+3,000-8,000+(goodwill contribution, debited). (Full workings depend on the gaining ratio, assumed equal 1:1 between Aman and Chetan in the absence of a stated ratio, i.e., each contributes 9,000 towards Beena's goodwill.) [6]</p>	
26.	<p>Applications 75,000 for 60,000 offered, pro-rata 5:4. Neehara applied for 5,000, allotted 4,000 (5:4 ratio). She paid application on 5,000 applied (<math>\text{₹}3 \times 5,000 = 15,000</math>); of this, application due on her 4,000 allotted shares = <math>3 \times 4,000 = 12,000</math>, so excess application money (<math>15,000 - 12,000 = 3,000</math>) adjusted against her allotment due.</p> <p>Allotment due (<math>4,000 \times 5 = 20,000</math>) less excess adjusted (3,000) = 17,000 remained unpaid — forfeited.</p> <p>Forfeiture: Share Capital A/c Dr (called-up, <math>4,000 \times 8 = 32,000</math>, since 3 application + 5 allotment = 8 called); Securities Premium A/c Dr (unpaid premium portion, <math>4,000 \times 1 = 4,000</math>); To Share Forfeited A/c (amount received = <math>32,000 + 4,000 - 17,000 = 19,000</math>; net received = 15,000, i.e. the application money actually paid); To Share Allotment A/c 17,000.</p> <p>Reissue: 3,000 shares reissued at a discount of ₹1.50, i.e. at ₹8.50, fully paid — discount of <math>3,000 \times 1.50 = 4,500</math> adjusted against Share Forfeited; remaining forfeited amount for these 3,000 shares transferred to Capital Reserve. [6]</p> <p><b>OR</b></p> <p>Applications 2,25,000; 20% (45,000) rejected, remaining 1,80,000 allotted pro-rata against 1,50,000 offered (ratio 6:5). Rohan applied for 9,000, allotted 7,500 (6:5 ratio); failed to pay allotment, later paid within the stipulated notice period after the call — so no forfeiture occurs; all money is eventually received. Mohan (6,000 shares) paid the entire amount due (including the call) along with allotment — recorded as Calls-in-Advance until the call is actually made. Journal entries follow the standard application, allotment (with excess adjustment for oversubscription), calls-in-advance, and call entries, with no forfeiture required since Rohan ultimately paid within time. [6]</p>	6

<b>PART B — OPTION I</b>		
<i>Analysis of Financial Statements</i>		
27.	<p>Total Closing Inventory = <math>35,000 + 90,000 + 60,000 + 1,80,000 = 3,65,000</math>. Total Opening = <math>25,000 + 1,20,000 + 85,000 + 1,10,000 = 3,40,000</math>. Change in Inventories (Opening – Closing, shown as an expense line) = <math>3,40,000 - 3,65,000 = \text{₹}(25,000)</math>. Answer: (B)</p>	1
28.	<p>Gross Profit = <math>20\% \times 6,00,000 = 1,20,000</math>. Cost of Revenue = <math>6,00,000 - 1,20,000 = 4,80,000</math>. Average Inventory = <math>4,80,000 / 4 = 1,20,000</math>. Opening = <math>(1,20,000 \times 2) - 80,000 = \text{₹}1,60,000</math>. Answer: (A)</p> <p>OR: Both A and R are true, and R correctly explains why Operating Profit Ratio and Operating Ratio sum to 100%. Answer: (A)</p>	1
29.	<p>Current year's Proposed Dividend (2,00,000) is added back to Net Profit (a non-cash appropriation). The amount actually paid out (based on the PRIOR year's finalised/declared dividend, ₹1,50,000) less unclaimed (8,000) = ₹1,42,000 is shown as the Financing Activities outflow. Answer: (B)</p> <p>OR: Tax provided during the year = Closing Provision – Opening Provision + Tax Paid = <math>2,50,000 - 2,20,000 + 2,00,000 = \text{₹}2,30,000</math>. Answer: (B)</p>	1

30.	For a non-finance company, interest/dividend RECEIVED on investments is an Investing activity (interest/dividend PAID is Financing; cash sales are Operating). Answer: (A)	1
31.	<p>Shareholders' Funds 2025 = 5,00,000+2,50,000 = 7,50,000 (50% change). Non-current Liabilities 2025 = 2,50,000 (0% change). Current Liabilities 2024 = 2,50,000-1,50,000 = 1,00,000 (150% change).</p> <p>Total 2024 = 5,00,000+2,50,000+1,00,000 = 8,50,000. Total 2025 = 7,50,000+2,50,000+2,50,000 = 12,50,000 (absolute change 4,00,000, <math>\approx 47.06\%</math>).</p> <p>Non-current Assets 2025 = 6,00,000<math>\times</math>1.40 = 8,40,000 (change 2,40,000). Current Assets 2024 = 8,50,000-6,00,000 = 2,50,000. Current Assets 2025 = 12,50,000-8,40,000 = 4,10,000 (change 1,60,000, 64%). [3]</p> <p><b>OR</b></p> <p>Common Size Statement (all figures as % of Revenue from Operations, ₹50,00,000 = 100%): Other Income 14%; Total Income 114%. Employee Benefit Expenses 20%; Purchases of Stock in Trade 24%; Change in Inventory -5%; Other Expenses 10%; Total Expenses 49%. Profit before Tax = 114%-49% = 65% (₹32,50,000). Tax @50% = 32.5% (₹16,25,000). Profit after Tax = 32.5% (₹16,25,000). [3]</p>	3
32.	<p>(i) Examples of Cash Equivalents: Treasury bills, and Commercial paper / short-term money market instruments maturing within 3 months.</p> <p>(ii) Since AS-4 (Revised) treatment, Proposed Dividend not yet declared by shareholders is NOT shown as a liability in the Balance Sheet; it is disclosed only in Notes to Accounts (Contingent Liabilities / commitments) until formally declared in the AGM.</p> <p>(iii) Goodwill is disclosed under Non-Current Assets, as a sub-head of Fixed Assets — Intangible Assets. [3]</p>	3
33.	<p>a) Bills Payable paid off (a current liability reduces): if Current Ratio was above 1, paying off a current liability improves (increases) the ratio, since both numerator and denominator decrease by the same amount but the ratio (already &gt;1) moves further from 1 towards a higher value — the ratio INCREASES.</p> <p>b) Goods purchased for cash: current assets (cash) decrease, current liabilities unchanged, but stock (a current asset) increases by the same amount — NO CHANGE in total current assets, hence NO CHANGE in the ratio.</p> <p>c) Fixed asset sold at a profit: current assets (cash) increase by the sale proceeds, which exceed the fixed asset's book value; current liabilities unchanged — the ratio INCREASES.</p> <p>d) Debentures redeemed using current assets: current assets decrease, current liabilities unchanged (debentures are non-current) — the ratio DECREASES. [4]</p> <p>OR: Cost of Revenue = 8,00,000-(25%<math>\times</math>8,00,000) = 6,00,000. Average Inventory = (80,000+1,20,000)/2 = 1,00,000. Inventory Turnover Ratio = 6,00,000/1,00,000 = 6 times. [4]</p>	4
34.	<p>(i) Increase in P&amp;L balance = 9,00,000-7,00,000 = 2,00,000 (profit after appropriations).</p> <p>Add back appropriations: Preference Dividend (9%<math>\times</math>4,00,000, opening balance) = 36,000; Interim Equity Dividend (12%<math>\times</math>12,00,000, opening balance) = 1,44,000; Premium on Redemption of Preference Shares (5%<math>\times</math>1,00,000) = 5,000. Total appropriations = 1,85,000.</p> <p>Net Profit before appropriations = 2,00,000+1,85,000 = 3,85,000.</p> <p>Add back non-operating/non-cash items: Discount on Issue of Debentures written off (4%<math>\times</math>1,00,000 new debentures) = 4,000; Interest on Debentures (10%<math>\times</math>4,00,000 opening debentures, full year) = 40,000.</p>	6

	<p>Operating Profit before Working Capital Changes = 3,85,000+4,000+40,000 = ₹4,29,000. [3]</p> <p>(ii) Cash Flows from Financing Activities:</p> <p>+ Issue of Equity Shares (15,00,000–12,00,000) = 3,00,000</p> <p>+ Issue of Debentures, net of discount (1,00,000 face – 4,000 discount) = 96,000</p> <p>– Redemption of Preference Shares (1,00,000 + 5,000 premium) = (1,05,000)</p> <p>– Preference Dividend paid = (36,000)</p> <p>– Interim Equity Dividend paid = (1,44,000)</p> <p>– Interest on Debentures paid in cash (40,000 accrued – 4,000 outstanding) = (36,000)</p> <p>+ Increase in Cash Credit (2,00,000–80,000) = 1,20,000 (treated as short-term borrowing/financing)</p> <p>+ Increase in Bank Overdraft (1,20,000–60,000) = 60,000 (treated as short-term borrowing/financing)</p> <p>Net Cash Flow from Financing Activities =</p> <p>3,00,000+96,000–1,05,000–36,000–1,44,000–36,000+1,20,000+60,000 = ₹2,55,000 (net inflow). [3]</p>	
--	---	--

<b>PART B — OPTION II</b>		
<i>Computerised Accounting</i>		
27.	A legend (chart key) can be repositioned anywhere on the chart area. Answer: (D) Anywhere OR: Codification enables easy processing of data and systematic record-keeping. Answer: (C)	1
28.	Clicking 'More' expands the full gallery of available chart/shape styles. Answer: (A) More	1
29.	Faster obsolescence of technology is a LIMITATION, not an advantage, of a Computerised Accounting System. Answer: (C)	1
30.	A sequential code assigns numbers/letters in consecutive order to documents. Answer: (B) OR: The Costing sub-system is linked with other sub-systems to obtain cost and expense information. Answer: (B)	1
31.	Encryption is the process of converting data into a coded form that cannot be read without a decryption key. In a CAS, it helps protect sensitive financial data from unauthorised access, ensures data confidentiality during storage and transmission, and helps prevent data tampering or fraud. [3]	3
32.	Limitations of a Computerised Accounting System: (i) High initial cost of installation and staff training; (ii) Risk of data loss due to hardware/software failure, virus attacks, or power outages if backups are not maintained; (iii) Requires trained personnel and is vulnerable to fraud or manipulation if internal controls are weak. [3]	3
33.	Steps to prepare a chart: (i) Select the range of data to be charted; (ii) Choose Insert > Chart and select the desired chart type; (iii) Customise chart elements such as title, axis labels, and legend; (iv) Format and position the chart appropriately within the worksheet. [4]  OR: The 'Error Alert' tab (under Data Validation) allows the user to specify a warning message that appears when invalid data is entered into a cell, helping prevent incorrect data entry and improving data accuracy. [4]	4

<b>34.</b>	<p>Merging a range of cells combines two or more adjacent cells into a single larger cell, often used for headings or titles that span multiple columns/rows. It is done by selecting the desired range of cells and choosing the 'Merge Cells' (or 'Merge &amp; Center') option from the Format/Home menu.</p> <p>To split a merged cell: select the merged cell, and choose 'Unmerge Cells' (or the same Merge Cells toggle) from the Format menu, which restores the original individual cells. [6]</p>	6
------------	--	---