

## ACCOUNTANCY ANSWER KEY 2025

### Part -A

**I. Choose the correct answer from the choices given:**

**5 x 1 = 5**

1. b)Equal proportion
2. d)1:1
3. d) Rate of interest
4. a)Fund Flow Statement
5. b)25%

**II. Fill in the blanks by choosing the appropriate answers from those given in the brackets. 5 x 1 = 5**

6. Intangible
7. Not transferred
8. Capital Reserve
9. Complementary
10. Balancing

**III. Match the following:**

**5 x 1 = 5**

11. a. iv)Share in the future profit  
b. vi)Official signature of the company  
c. v)Discharge of liability.  
d. ii)Short term in nature  
e. i)As per AS-3

**IV. Answer the following questions in ONE word or ONE sentence each:**

**5 x 1 = 5**

12. Name and address of the partners
13. True
14. Expiry of fixed period
15. Debentures
16. Return On Net Worth

**PART - B**

V. Answer any THREE questions, each question carries TWO marks.

03×02=06

17.

Basis	Fixed capital	Fluctuating capital
Accounts involved	a) Capital A/c b) Current A/c	Capital A/c
Adjustments	Adjustments are recorded in current A/c	Adjustments & balances are taken together

18. Retiring partner's capital A/c ..... Dr  
     To Cash/Bank
19. i) Authorized capital   ii) Paid up capital   iii) issued capital
20. i) To know the cash flow of the firm  
     ii) To judge the effectiveness of the management.
21. i) Interest paid on term deposits by bank  
     ii) Cash revenue from operation

**PART - C**

Answer any THREE questions, each question carries SIX marks.

03×06=18

22. Kiran – 1/6  
     Total profit Rs.90000.  
     Guaranteed profit = Rs.25000  
     New share = Remaining share x old share  
     Varun =  $5/6 \times 3/5 = 15/30$   
     Tarun =  $5/6 \times 2/5 = 10/30$   
     Kiran =  $1/6 \times 5/5 = 5/30$   
     New ratio = 15:10:5  
                 = 3:2:1

Distribution of total profit  
Varun:  $90000 \times \frac{3}{6} = 45000$   
Tarun:  $90000 \times \frac{2}{6} = 30000$   
Kiran:  $90000 \times \frac{1}{6} = 15000$

Deficiency amount = 25000-15000=10000  
 Share of deficiency  
 Varun:  $10000 \times \frac{1}{2} = 5000$   
 Tarun:  $10000 \times \frac{1}{2} = 5000$

Profit and loss appropriation account

Dr		Cr.	
Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
To Varun's capital 45000 - share of deficiency <u>5000</u>	40000	By P & L A/c	90000
To Tarun's capital 30000 - share of deficiency <u>5000</u>	25000		
To Kiran's capital 15000 + deficiency <u>10000</u>	25000		
	90000		90000

23. Sacrifice ratio = Old ratio – New ratio

$$\text{Rajesh} = \frac{5}{8} - \frac{3}{6} = \frac{3}{24}$$

$$\text{Rakesh's Share} = \frac{3}{8} - \frac{2}{6} = \frac{1}{24}$$

Gain ratio = 3 : 1

24. M=6, Share = 2/10

Executor's account

Dr.		Cr.	
Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
To balance c/d	32100	By C's capital A/c	20000
		By General reserve	1200
		By Interest on capital	1000
		By A's capital	5250
		By B's capital	3150
		By P&L Suspense A/C	1500
	32100		32100

Calculation of goodwill

$$\text{Goodwill} = \frac{13000 + 12000 + 16000 + 15000}{4} \times 3 = 42000$$

$$\text{C's share of goodwill} = 42000 \times \frac{2}{10} = 8400$$

$$\text{A's capital} = 8400 \times \frac{5}{8} = 5250$$

$$\text{B's Capital} = 8400 \times \frac{3}{8} = 3150$$

25.

Note No.1 Finance cost

Particulars	Amount
Interest on loan	30000
Interest on debenture	20000
	50000

Note No.2 depreciation and amortisation expenses

Particulars	Amount
Depreciation	50000
Amortisation of intangible assets	33000
	83000

Statement of Profit and Loss for the year ended 31.03.2024

Particulars	Note No.	Rs.
I. Revenue from operations		385000
II. Other income		75000
<b>III. Total Revenue (A)</b>		<b>460000</b>
IV. Less: Expenses		
Purchase of stock in trade		97000
Employee benefit expenses		103000
Finance cost	1	50000
depreciation and amortisation expenses	2	83000
Other expenses		108000
<b>Total Expenses (B)</b>		<b>441000</b>
V. Profit before tax (A – B)		19000
Less :- Tax		5700
<b>Profit after tax</b>		<b>13300</b>

26. Cash flow from investing activities

Particulars		Amount
<u>Cash outflow:</u>		
Machinery purchased	200000	
Investments purchased	150000	
Land purchased	<u>100000</u>	450000
<u>Less Cash inflow</u>		
Sale of investment	60000	
Sale of patents	50000	
Dividend received	<u>35000</u>	145000
Net cash flow from investing activities		305000

**PART - D**

Answer any **THREE** questions each carrying twelve marks:

**3 × 12 = 36**

27. Revaluation A/C

Dr.

Cr.

Particulars	Amount	Particulars	Amount
To PDD (4000-2000)	2000	By stock (150000x20%)	3000
To Machinery (25000 x 10%)	2500	By building (60000-50000)	10000
To Furniture (10000x 10%)	1000		
To Profit transferred to partner's capital			
Manju 7500 x 2/5 = 3000			
Mohan 7500 x 2/5 = 3000			
Madan 7500 x 1/5 = 1500	7500		
	13000		13000

Partners' Capital A/c

Dr.				Cr.			
Particulars	Manju	Mohan	Madan	Particulars	Manju	Mohan	Madan
To Madan's Capital A/c	1500	1500		By balance b/d	50000	30000	20000
To Madan's loan			29000	By General Reserve (22500 x 2:2:1)	9000	9000	4500
To balance c/d	60500	40500		By Manju's capital A/c 3000x ½	-	-	1500
				By Mohan's capital A/c 3000x ½	-	-	1500
				By Revaluation A/c	3000	3000	1500
	62000	42000	29000		62000	42000	29000

Balance Sheet as on 1-4-2024

Liabilities	Amount	Assets	Amount
Creditors	35500	Cash @ Bank	20000
Madan's loan	29000	Debtors	40000
		Less PDD	<u>4000</u>
Capitals			36000
Manju 60500		Stock	15000
Mohan 40500	101000	Add: increased	<u>3000</u>
			18000
		Machinery	25000
		Less: depreciation	<u>2500</u>
			22500
		Furniture	10000
		Less: depreciation	<u>1000</u>
			9000
		Building	50000
		Add :- Appreciation	<u>10000</u>
			60000
	165500		165500

28.

## Realisation A/c

Dr.		Cr.	
Particulars	Amount	Particulars	Amount
To bills receivable	20000	By creditor's	50000
To stock	30000	By B/P	30000
To debtors	40000		
To building	50000	<u>By bank A/c</u>	
To motor car	27000	Stock	30400
To furniture	40000	B/R	19000
		Furniture	35000
<u>To bank A/c</u>		Debtors	<u>42600</u>
Creditors	50000		127000
Bills payable	<u>30000</u>	By Sridevi's capital A/c (buildings )	60000
	80000		
<u>To bank A/c</u> (realisation expense)	5000	By Sripriya's capital A/c (motor car)	26600
To profit t/f partner's capital A/c			
Sridevi	1600 x ½ =800		
Sripriya	1600 x ½ =800		
	1600		
	293600		293600

## Partners' Capital A/c

Dr.			Cr.		
Particulars	Sridevi	Sripriya	Particulars	Sridevi	Sripriya
To realisation A/c	60000	-	By balance b/d	75000	60000
To realisation A/c	-	26600	By reserve fund (10000 x 1:1)	5000	5000
To bank A/c	20800	39200	By Realisation A/c	800	800
	80800	65800		80800	65800

## Bank A/c

Dr.		Cr.	
Particulars	Amount	Particulars	Amount
To balance b/d	18000	By realization A/c	80000
To realization A/c	127000	By realization A/c	5000
		By partner's capital A/c	
		Sridevi	20800
		Sripriya	39200
	145000		60000
			145000

29. Journal entries in the books of Hema Company Limited

SL NO.	Date	Particulars	LF	Debit(RS)	Credit(RS)
1		Bank a/c (60000x20) Dr To Equity share application a/c (Being application money received)		1200000	1200000
2		Equity share application a/c (60000x20) Dr To Equity share capital a/c (Being application money transferred)		1200000	1200000
3		Equity share allotment a/c (60000x50) Dr To Equity share capital a/c (60000x40) To securities premium a/c (60000x10) (Being allotment money due with premium)		3000000	2400000 600000
4		Bank a/c (60000x50) Dr To Equity share allotment a/c (Being allotment money received)		3000000	3000000
5		Equity share first & final call a/c (60000x40)Dr To Equity share capital a/c (Being first & final call money due)		2400000	2400000
6		Bank a/c (60000 – 5000= 55000 x 40) Dr To Equity share first & final call a/c (Being first & final call money received)		2200000	2200000
7		Equity share capital a/c (5000x100) Dr To Equity share first & final call a/c (5000x40) To Forfeited shares a/c (500000-200000) (Being shares forfeited for non-payment of first & final call)		500000	200000 300000
8		Bank a/c (4000x80) Dr Forfeited shares a/c (4000x20) Dr To Equity share capital a/c (4000x100) (Being shares re-issued)		320000 80000	400000
9		Forfeited shares a/c Dr To Capital Reserve a/c (300000 - 80000) (Being balance transferred to capital reserve)		220000	220000

### 30. Journal entries

SL NO.	Date	Particulars	LF	Debit(RS)	Credit(RS)
1 a.		8% debenture A/c (10000x100) Dr. To debenture holder's A/c (Amount due on redemption of debentures)		1000000	1000000
b.		Debenture holder's A/c Dr. To bank A/c (Payment made to debenture holders)		1000000	1000000
2 a.		12% debenture A/c (4000x100) Dr. Premium on redemption of debenture A/c (400000x10%) Dr. To debenture holder A/c (Amount due on redemption of debentures)		400000 40000	440000
b.		Debenture holder's A/c Dr. To Bank A/c (Payment made to debenture holder)		440000	440000
3 a.		10% debenture A/c Dr. To debenture holder A/c (amount due on redemption of debentures)		800000	800000
b.		Debenture's holder A/c Dr. To Bank A/c (Payment made to debenture holders)		800000	800000
4 a.		10% debenture A/c Dr. Premium on redemption of debentures A/c (300000x5%) To debenture holder A/c (Amount due on redemption of debentures)		300000 15000	315000
b.		Debenture holder A/c Dr. To Bank A/c (Payment made to debenture holder)		315000	315000
5 a.		8% debenture A/c (2000x100) Dr. To debenture holder A/c (Amount due on redemption of debentures)		200000	200000
b.		Debenture holder's A/c Dr. To Bank A/c (Payment made to debenture holder)		200000	200000

31. common size balance sheet of Vageesh co.Ltd.

Particulars	31.03.2023 RS	%	31.03.2024 RS	%
Equity and liabilities				
1. Shareholder's fund				
a. Share capital (equity share capital)	850000	54.83	1000000	54.05
b. Reserve and surplus	100000	6.45	50000	2.70
2. Non-current liabilities				
a. long term borrowings	450000	29.03	575000	31.08
3. Current liabilities				
a. Short term borrowings	150000	9.67	225000	12.16
<b>TOTAL LIABILITIES</b>	<b>1550000</b>	<b>100</b>	<b>1850000</b>	<b>100</b>
Assets				
1. Non-current assets				
a. Fixed assets				
I. Tangible assets	750000	48.38	900000	48.64
II. Intangible assets	400000	25.80	450000	24.32
2. Current assets				
a. Inventory	100000	6.45	200000	10.81
b. Other current assets	300000	19.35	300000	16.21
<b>TOTAL ASSETS</b>	<b>1550000</b>	<b>100</b>	<b>1850000</b>	<b>100</b>

32.

- a.  $\text{Current ratio} = \frac{\text{Current assets}}{\text{current liabilities}} = \frac{400000}{250000} = 1.6: 1$
- b.  $\text{Total asset to Debt ratio} = \frac{\text{Total assets}}{\text{Long term debt}} = \frac{1200000}{100000} = 12: 1$
- c.  $\text{Fixed asset's turnover ratio} = \frac{\text{Net revenue from operation}}{\text{Net fixed assets}} = \frac{2000000}{800000} = 2.5\text{times}$
- d.  $\text{Working capital turnover ratio} = \frac{\text{Net revenue from operation}}{\text{Working capital}} = \frac{2000000}{150000} = 13.33\text{times}$
- e.  $\text{Operating profit ratio} = \frac{\text{Operating profit}}{\text{Revenue from operation}} \times 100 = \frac{1600000}{2000000} \times 100 = 80\%$
- f.  $\text{Book value per share} = \frac{\text{Equity share holder's fund}}{\text{Number of equity shares}} = \frac{680000}{50000} = \text{Rs. } 13.6$

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