

OSF

Date : 07-03-2024

STD 12 Commerce Elements of Account 12th Account Practice Sheet Day 20 (Part 2 - Ch.4 to 6)

Total Marks : 50

Section A

* Choose The Right Answer From The Given Options. [10]

1. Sales Revenue of a company for the last year was Rs. 5,00,000. If it increases by 10.5% during current year, then what would be the sales for current year?

(A) Rs.5,50,000 (B) Rs.5,25,500 (C) Rs. 5,52,500 (D) Rs.5,55,200

Ans. : Rs. 5,52,500

2. Which statement is prepared to know the financial position of a business unit at a particular time?

(A) Income Statement (B) Balance Sheet (C) Cash Flow Statement (D) Funds Flow Statement

Ans. : Income Statement

3. From the following which analysis is classified on the basis of duration?

(A) Vertical analysis (B) Long-term analysis (C) Horizontal analysis (D) External analysis

Ans. : Long-term analysis

4. In a company, trade payables of current year is Rs. 62,500 and in which 25 % increase with the comparison of previous year, then how much is the amount of trade payables in previous year?

(A) Rs.50,000 (B) Rs.15,625 (C) Rs.12,500 (D) Rs.78,125

Ans. : Rs.50,000

5. Total of Balance sheet as on 31 —3— '17 and 31 —3— '18 are Rs.28,00,000 and Rs. 42,00,000 respectively. Percentage to total of Balance sheet of both' year are 45 % and 47.62 % respectively, then determine the value of tangible assets as on 31 —3— '17.

(A) Rs.20,00,000 (B) Rs.13,33,360 (C) Rs.18,90,000 (D) Rs.12,60,000

Ans. : Rs.12,60,000

6. Which of the following is not included in the administration expense for the operating ratio?

(A) administration expense (B) sales expense (C) financial expense and taxes (D) and both

Ans. : (C) financial expense and taxes

7. Which of the following ratios are included in traditional classification?

(A) Composite ratios (B) Liquidity ratios (C) Profitability ratios (D) Solvency ratios

Ans. : (A) Composite ratios

8. Which of the following ratios is revenue based profitability ratio?
(A) Gross profit ratio (B) Net profit ratio
(C) Operating ratio (D) Both (a) and (b)

Ans. : (D) Both (a) and (b)

9. Operating ratio suggest for business.

(A) Gross profitability (B) Liquidity (C) Solvency (D) Efficiency

Ans. : (A) Gross profitability

10. Which of the following is included in the investing activities?

(A) Amount paid for intangible assets (B) Sale or purchase of tangible assets (C) Purchase or sale of investments (D) All the above

Ans. : (D) All the above

Section B

*** Answer The Following Questions In One Sentence.**

[6]

11. State the stages of analysis of financial statements.

Ans. : Stages of analysis of financial statements are as follows:

- (1) New Structural arrangement of financial statements,
- (2) Comparison of reclarified and rearranged information,
- (3) Analysis and interpretation.

12. What creditors can determine through analysis of financial statements?

Ans. : Creditors can determine credit worthiness of business units through analysis of financial statements.

13. Describe the types of financial analysis on the basis of parties.

Ans. : On the basis of parties types of financial analysis are as follows:

- (i) External party
- (ii) Internal

14. State the efficiency ratios.

Ans. : Efficiency ratios are as follows:

- (1) Stock turnover,
- (2) Working capital turnover,
- (3) Debtors turnover,
- (4) Creditors turnover.

15. Where are the self-constructed assets recorded?

Ans. :

Self-constructed assets are recorded in activities of cash outflow of investing activities.

16. What is cash flow?

Ans. :

Section C

[18]

Ans. :

Particular	Note No.	31-3-2017 (Rs.)	31-3-2016 (Rs.)
Sales revenue		33,00,000	22,00,000
Other income		2,25,000	1,50,000
Expenses		23,76,000	15,40,000
Income tax rate 30%			

Ans. :

Particulars	Note No.	Amount (Rs.)	Percentage to total of balance sheet
	[3]		

			31-3-2016	31-3-2017	31-3-2016	31-3-2017
(1)	Equity and Liabilities:					
1	Shareholders' funds:					
.	(a) Share capital					
	Equity share capital		?	20,00,000	40	?
	Preference share capital		?	10,00,000	20	?
	(b) Reserves and surplus					
	Profit-loss account		?	8,00,000	15	?
2	Non-current liabilities					
.	10 % debentures		?	10,00,000	20	?
3	Current liabilities					
.	Trade payables		?	1,00,000	3	?
	Other liabilities		?	1,00,000	2	?
	Total		<u>34,00,000</u>	<u>50,00,000</u>	<u>100</u>	<u>100</u>
(2)	Assets:					
1	Non-current assets :					
.	(a) Fixed assets					
	(i) Tangible assets		10,20,000	?	?	35
	(ii) Intangible assets		6,80,000	?	?	30
	(b) Non-current investments		8,50,000	?	?	22
2	Current assets:					
.	(i) Trade receivables		3,40,000	?	?	3
	(ii) Stock		2,38,000	?	?	6
	(iii) Cash - cash equi.		2,72,000	?	?	2
	Total		<u>34,00,000</u>	<u>50,00,000</u>	<u>100</u>	<u>100</u>

19. You are provided comparative balance sheets as at 31-3-2016 and 31-3-2017 of Shivani Company Limited ascertain balancing figures :

Particulars	Note No.	31-3-2016 (Rs.)	31-3-2017 (Rs.)	Increase/ Decrease(Rs.)	Increase/ Decrease(%)
(1)	Equity and Liabilities				
1	Shareholders' funds :				
.	(a) Share capital				
	Equity share capital	24,00,000	?	?	25.00
	(b) Reserves and surplus	12,00,000	?	?	25.00
2	Non-current liabilities				
.	10 % debentures	10,00,000	?	?	20.00

	11 % bank loan		12,00,000	?	?	25.00
3	Current liabilities		2,00,000	?	?	5.00
		Total	60,00,000	?	?	23.50
(2)	Assets :					
1	Non-current assets :					
	Tangible assets		?	32,10,000	2,10,000	?
	Intangible assets		?	22,00,000	2,00,000	?
2	Current assets		?	20,00,000	10,00,000	?
		Total	?	74,10,000	14,10,000	?

Ans. :

**Comparative Balance Sheet of Shivani Company Limited
as on 31-3-2016 and 31-3-2017**

Particulars	Note No.	31-3-2016 (Rs.)	31-3-2017 (Rs.)	Increase/ Decrease(Rs.)	Increase/ Decrease(%)
(1) Equity and Liabilities					
1 Shareholders' funds :					
(a) Share capital					
Equity share capital		24,00,000	<u>30,00,000</u>	<u>6,00,000</u>	25.00
(b) Reserves and surplus		12,00,000	<u>15,00,000</u>	<u>3,00,000</u>	25.00
2 Non-current liabilities			-	-	
10 % debentures		10,00,000	<u>12,00,000</u>	<u>2,00,000</u>	20.00
11 % bank loan		12,00,000	<u>15,00,000</u>	<u>3,00,000</u>	25.00
3 Current liabilities		2,00,000	<u>2,10,000</u>	<u>10,000</u>	5.00
Total		60,00,000	<u>74,10,000</u>	<u>14,10,000</u>	23.50
(2) Assets :					
1 Non-current assets :					
Tangible assets		<u>30,00,000</u>	32,10,000	2,10,000	<u>7.00</u>
Intangible assets		<u>20,00,000</u>	22,00,000	2,00,000	<u>10.00</u>
2 Current assets		<u>10,00,000</u>	20,00,000	10,00,000	<u>100</u>
Total		<u>60,00,000</u>	<u>74,10,000</u>	<u>14,10,000</u>	<u>23.50</u>

20. Explain the approaches of proprietary funds.

Ans. : There are two approaches used to determine the owner's funds. Under both the approaches owners' funds remain identical.

1. Liabilities Based Approach: As per this approach ;

Owners' funds = Equity share capital + Preference share capital + Reserves and surplus – Debt balance of P & L A/c (if any).

2. Assets Based Approach: As per this approach ;

Owners' funds = Non-current Assets + Current Assets – Non-current liabilities – Current liabilities.

21. From the following given details calculate cash flow from investing activities:

Particulars	31-3-2017 (Rs.)	31-3-2016 (Rs.)
Plant and machines	9,20,00	7,20,000
Depreciation fund on plant and machines	1,50,000	1,20,000
Goodwill	90,000	95,000
Patent	70,000	1,30,000
10% Investments	95,000	2,70,000
General reserve	45,000	30,000
Profit and loss A/c	60,00	4,000
Equity share capital	6,00,00	4,50,000
Bank loan	1,00,000	1,50,000
Current liabilities	90,00	60,000
Interest received on investments Rs. 18,000		
Some of the patents were sold during the year		

Ans. :

statement of cash flow from investing:

Particulars	(Rs.)
Plant and machines	(2,00,000)
Sale of patents	60,000
Sale of 10% investments	1,75,000
Interest received on investments	18,000
Cash flow from Investing Activities	<u>53,000</u>

22. From the following transactions, identify transactions of operating activities :

- (i) Wages paid
- (ii) Purchase of building
- (iii) Sale of furniture
- (iv) Payment to creditors
- (v) Dividend paid
- (vi) Rent paid
- (vii) Office expenses paid
- (viii) Sales – distribution expenses paid
- (ix) Carriage inward
- (x) Carriage outward
- (xi) Royalty paid
- (xii) Income tax

Ans. :

No. Transaction Explanation

- (i) Wages paid It is an operating activity.
- (ii) Purchase of building It is not an operating activity.
- (iii) Sale of furniture It is not an operating activity.
- (iv) Payment to creditors It is an operating activity.
- (v) Dividend paid It is not an operating activity.
- (vi) Rent paid It is an operating activity.
- (vii) Office expenses paid It is an operating activity.
- (viii) Sales-distribution expenses paid It is an operating activity.
- (ix) Carriage inward It is an operating activity.
- (x) Carriage outward It is an operating activity.
- (xi) Royalty paid It is an operating activity.
- (xii) Income tax It is an operating activity.

Section D

*** Answer The Following Questions With Necessary Calculations. [16]**

23. A summarised profit and loss statements for the year ending on 31-3-2018 and 31-3-2019 of Bharat Ltd. are as follows. From it prepare comparative profit-loss statement :

Profit-loss statement of year ending as on 31-3-2018 and 31-3-2019

Particulars	Note No.	31-3-2019 (Amount in ₹)	31-3-2018 (Amount in ₹)
Revenue from sales		15,00,000	10,00,000
Other incomes		1,00,000	50,000
Cost of goods consumed		6,00,000	4,00,000
Financial expenses		1,30,000	65,000
Depreciation		70,000	35,000
Other expenses		2,00,000	1,00,000
Income tax rate 30 %			

Ans. :

Comparative profit-loss statement fo Bharat Limited for the year ending on 31-3-2018 and 31-3-2019.

No.	Particulars	Note No.	31-3-2018 (in ₹)	31-3-2019 (in ₹)	Increase/ Decrease (in ₹)	Increase/ Decrease (in %)
I	Revenue from sales		10,00,000	15,00,000	5,00,000	50
II	Other incomes		50,000	1,00,000	50,000	100
III	Total revenue		10,50,000	16,00,000	5,50,000	52.38
IV	Expenses :					
	Cost of goods consumed		4,00,000	6,00,000	2,00,000	50
	Financial expenses		65,000	1,30,000	65,000	100
	Depreciation		35,000	70,000	35,000	100
	Other expenses		1,00,000	2,00,000	1,00,000	100
	Total expenses		6,00,000	10,00,000	4,00,000	66.67
V	Profit before income tax		4,50,000	6,00,000	1,50,000	33.33
VI	Income tax (30 %)		1,35,000	1,80,000	45,000	33.33
VII	Profit after income tax		3,15,000	4,20,000	1,05,000	33.33

24. Two year's balance sheets of Radheshyam Company are as follows. Ascertain balancing figures :

No.	Particulars	Note No.	(Amount in ₹)		Percentage with total of Balance sheet	
			31-3-2019 (in ₹)	31-3-2018 (in ₹)	31-3-2019 (in %)	31-3-2018 (in %)
I	Equity and liabilities :					
	(1) Shareholders fund		?	35,00,000	60	?
	(2) Non-current liabilities		?	12,00,000	30	?
	(3) Current liabilities		?	3,00,000	10	?
	Total		35,00,000	50,00,000	100	100
II	Assets :					
	(1) Non-current assets		24,50,000	?	?	80
	(2) Current assets		10,50,000	?	?	20
	Total		35,00,000	50,00,000	100	100

Ans. :

Commonsize statement of balance sheet of Radhe Shyam Limited as at 31-3-2018 and 31-3-2019 :

No.	Particulars	Note No.	Amount (in ₹)		Percentage of total of balance sheet	
			31-3-2018 (in ₹)	31-3-2019 (in ₹)	31-3-2018 (in %)	31-3-2019 (in %)
I	Equity and Liabilities					
	(1) Shareholders' fund		21,00,000	35,00,000	60.00	70.00
	(2) Non-current liabilities		10,50,000	12,00,000	30.00	24.00
	(3) Current liabilities		3,50,000	3,00,000	10.00	6.00
	Total		35,00,000	50,00,000	100.00	100.00
II	Assets					
	(1) Non-current assets		24,50,000	40,00,000	70.00	80.00
	(2) Current assets		10,50,000	10,00,000	30.00	20.00
	Total		35,00,000	50,00,000	100.00	100.00

25. Identify operating activities from the following transactions of Meena Company.

- (1) Salary paid
- (2) Wages paid
- (3) Loan borrowed
- (4) Debentures redeemed
- (5) Received from debtors
- (6) Paid for bills payables
- (7) Sale of machine on cash
- (8) Brokerage received
- (9) Purchase of furniture
- (10) Interest received on investments
- (11) Paid interest on loan
- (12) Income tax refund

Ans. :

No.	Transactions	Explanation
(1)	Salary paid	Operating activity - Transaction of profit and loss statement
(2)	Wages paid	Operating activity - Transaction of profit and loss statement
(3)	Loan borrowed	Not operating activity - Transaction of equity and liabilities
(4)	Debentures redeemed	Not operating activity - Transaction of equity and liabilities
(5)	Received from debtors	Operating activity - Debtors are arised from sales Sales is operating activity.
(6)	Paid for bills payables	Operating activity - Bills payables arised from creditors and creditors from credit purchase - Purchase is operating activity.
(7)	Sale of machine on cash	Not operating activity - Transaction of assets
(8)	Brokerage received	Operating activity - Transaction of profit and loss statement

26. From the following details of Somnath Company Ltd., prepare cash flow statement as at 31-3-2017.

Particulars	31-3-2017 (₹)	31-3-2016 (₹)
I Equity and Liabilities		
(1) Shareholders' Funds		
(a) Equity share capital	18,00,000	16,00,000
Preference share capital	2,00,000	—
(b) Reserves and surplus : General reserve	1,00,000	80,000
Profit and loss A/c	48,000	40,000
(2) Non-current Liabilities :		
14 % debentures	2,60,000	2,40,000
(3) Current Liabilities :		
Bank overdraft	2,72,000	5,00,000
Trade payables	4,40,000	4,80,000
Short-term provisions :		
Taxation provision	1,68,000	1,20,000
Proposed dividend	2,32,000	2,00,000
Total	35,20,000	32,60,000
II Assets :		
(1) Non-current assets :		
Fixed assets : Tangible	16,00,000	16,40,000
Less : Depreciation fund	6,00,000	4,40,000
	10,00,000	12,00,000
(2) Current assets :		
Trade payables	9,60,000	8,00,000
Stock	14,00,000	12,00,000
Cash and cash equivalent	1,60,000	60,000
Total	35,20,000	32,60,000

Additional information :

(1) Interest paid on debentures ₹ 36,000

(2) Taxes paid ₹ 1,68,000

Ans. :

Taxation Provision Account

Dr

Cr

Particulars	Amt. (₹)	Particulars	Amt. (₹)
To Cash A/c (Payment) (will be deducted from operating activity)	1,68,000	By Balance b/d	1,20,000
To Balance c/d	1,68,000	By P & L A/c (Provision) (Will be added to operating activity)	2,16,000
	3,36,000		3,36,000

Fixed Assets Account

Dr

Cr

Particulars	Amt. (₹)	Particulars	Amt. (₹)
To Balance b/d	16,40,000	By Cash A/c (Sale) (Cash inflow from investing activity)	40,000
		By Balance c/d	16,00,000
	16,40,000		16,40,000

Depreciation Fund Account

Dr

Cr

Particulars	Amt. (₹)	Particulars	Amt. (₹)
To Balance c/d	6,00,000	By Balance b/d	4,40,000
		By Profit and Loss A/c (Provision)	1,60,000
	6,00,000		6,00,000
