

# OSF

Date : 07-03-2024

## STD 12 Commerce Elements of Account 12th Account Practice Sheet Day 25 (Part 2)

Total Marks : 100

### Section A

\* Choose The Right Answer From The Given Options. [20]

1. Which type of preference shares have right to receive dividend and additional dividend also?

(A) Redeemable preference share      (B) Convertible preference share      (C) Participating preference share      (D) Non-convertible preference share

Ans. : (A) Redeemable preference share

2. After necessary amendments, Indian government has incorporated new Companies Act in the year.

(A) 2010      (B) 1956      (C) 2012      (D) 2013

Ans. : (D) 2013

3. While writing the journal entry for share forfeiture, which amount is to be debited to share capital account?

(A) Fact/ at par value of share      (B) Per share received amount      (C) Per share called up amount      (D) Per share amount not received

Ans. : (C) Per share called up amount

4. Which type of preference share have right to receive capital amount during the life period of a company?

(A) Cumulative preference share      (B) Redeemable preference share      (C) Convertible preference share      (D) Participating preference share

Ans. : (A) Cumulative preference share

5. To which account excess amount of share forfeiture account is to be transferred?

(A) Share premium account      (B) Capital reserve account      (C) Reserve capital account      (D) Share instalment account

Ans. : (B) Capital reserve account

6. Which type of debentures can be converted into shares?

(A) bearer      (B) convertible      (C) registered      (D) listed

Ans. : (B) convertible

7. When full amount of the debenture is called on application by the company then, that amount is credited to which account?

(A) Debenture application A/c      (B) Debenture application and allotment A/c

(C) Debenture allotment A/c

(D) Debenture holders A/c

**Ans. :** (B) Debenture application and allotment A/c

8. Which item is shown under the heading of non-current liabilities in the balance sheet ?

(A) Bills payable

(B) Creditors

(C) Bank overdraft

(D) Debenture

**Ans. :** (D) Debenture

9. Cost of Goods consumed of a company for the current year is Rs. 1,12,500. If it has increased by 12.5% during current year as compared to last year, then what was the Cost of Goods consumed for the last year?

(A) 100000

(B) 110000

(C) 125000

(D) 150000

**Ans. :** 100000

10. What is the first objective of the financial statement?

(A) To know the financial position of the business entity.

(B) To know the profit or loss of the business entity.

(C) To know the cash flow position of the business entity.

(D) None of these given

**Ans. :** To know the profit or loss of the business entity.

11. When financial statements are analysed by the management for their decisions, then what is this analysis called?

(A) Horizontal analysis

(B) Vertical analysis

(C) Internal analysis

(D) External analysis

**Ans. :** External analysis

12. 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

13. Which of the following analysis indicates the classification on the basis of time period ?

(A) External Analysis

(B) Internal Analysis

(C) Vertical Analysis

(D) Long-Term Analysis

**Ans. :** Long-Term Analysis

14. Total of Balance Sheet of Shyam Company Ltd. Is Rs. 34,00,000. Find the Equity Share Capital of the company at 40%.

(A) Rs.13,50,000

(B) Rs.13,70,000

(C) Rs.13,55,000

(D) Rs.13,60,000

**Ans. :** Rs.13,60,000

15. Working capital turnover is 5 times, current assets is of Rs.7.00.000 and sales is at Rs.22,00,000 then find the value of current liabilities.

(A) Rs.1.50,000

(B) Rs.7.50.000

(C) Rs.5.70.000

(D) Rs.2.60.000

**Ans. :** (D) Rs.2.60.000

16. Which of the following is not included in the current asset?

- (A) bank balance                      (B) investments                      (C) debtors                      (D) Stock Bank

**Ans. :** (B) investments

17. Which of the following is not included in operating expense?

- (A) Loss on sale of asset                      (B) Loss due to fire  
(C) Interest paid                      (D) All of the given

**Ans. :** (D) All of the above

18. For which of the following items the ratio is computed in days?

- (A) For total purchase                      (B) For credit sales  
(C) For credit purchase                      (D) Both (b) and (c)

**Ans. :** (D) Both (b) and (c)

19. Bank overdraft ..... .

- (A) is current liability but considered as financing activity  
(B) is current liability but considered as operating activity  
(C) is current liability but considered as investing activity  
(D) is not activity of cash flow statement

**Ans. :**

(A) is current liability but considered as financing activity

20. Increase in current assets and decrease in current liabilities means ..... .

- (A) Both are cash outflow  
(B) Both are cash inflows  
(C) are cash outflow and cash inflow respectively.  
(D) are cash inflow and cash outflow respectively.

**Ans. :** (A) Both are cash outflow

### Section B

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

**[10]**

21. What is under-subscription and over-subscription of shares?

(B) Empty

**Ans. :** When applications are received for less number of shares than the shares issued for public subscription, it is known as under subscription. When applications are received for more number of shares than the shares issued for public subscription, it is known as oversubscription.

22. Which kind of balance 'share (security) premium' account has?

**Ans. :** Share premium account has credit balance.

23. Show the classification of non-current liabilities.

**Ans. :** Classification of non-current liabilities :

- Long-term borrowings,
- Other long-term liabilities,
- Long-term provisions.

24. State objectives of preparing financial statements.

**Ans. :** Following are some of the objectives of preparation of financial statements :

- To know about true and fair view of financial performance of a company.
- To know the true and fair view of financial position of a company.
- To comply with legal requirements.
- To communicate financial information of the company to various interested parties.

25. State the profitability ratios.

**Ans. :** Profitability ratios are as follows:

- (1)Gross profit ratio,
- (2) Net profit ratio,
- (3) Operating ratio,
- (4) Operating profit ratio.

26. Will the current ratio increase or decrease when the current assets increase and the current liabilities remain unchanged?

**Ans. :** Current ratio increases when the current assets increase and the current liabilities remain unchanged.

27. What is the other name of efficiency ratio?

**Ans. :** The other name of Efficiency ratio is activity ratios.

28. Which transactions are always investing activities?

**Ans. :**

Following transactions are always investing activities

Activities through cash inflow : Sale of fixed tangible and intangible assets, sale of long term investments like shares, debentures, bonds etc. return of long term lending etc.

Activities through cash outflow : Purchase of fixed tangible and intangible assets, capitalized expenses, self-constructed assets, purchase of long term investments like shares, debentures, bonds etc. and long term lending etc.

29. What is operating activities?

**Ans. :** "Operating activities means main activities of business to earn income, which are neither investing activities nor financing activities."

30. Give illustration of such transaction which is cash transaction but not cash flow.

**Ans. :**

Cash deposited with bank and cash withdrawn from bank is an example of cash transaction but it is not cash flow.

## Section C

\* Answer The Following Questions.

[12]

31. Reserved Capital and Capital Reserve :

**Ans. :** Following are the points of differences for Reserved Capital and Capital Reserve :

Reserved Capital	Capital Reserve
(1) When board of directors think that they have sufficient called up capital and no further capital is needed in future then by special resolution passed in shareholder's meeting regarding uncalled capital is kept as reserve, then that capital is called reserved capital.	(1) Reserve created from capital profit is called capital reserve. It is not created from the normal transaction of business.
(2) When company going to be liquidated or winding up then this amount of capital can be called from shareholders.	(2) This can not be possible in capital reserve.
(3) Reserved capital can be created from the starting of the company proceeding.	(3) Capital reserve can be created at any time in the business.
(4) If there is sufficient called up capital then only reserved capital can be created.	(4) If there is capital profit then only capital reserve can be created.

32. On 1-7-2017 Sundaram Limited issued 14,000, 8% debentures of Rs.300 each at a premium of 5%. These debentures are redeemed on 30-6-2023 at Rs.330 per debenture. Write the necessary journal entries in the books of company (without narration).

**Ans. :**

### Journal entries in the books of Siddhpur Sundaram Limited

Date/N o.	Particulars	L.F.	Debit(Rs.)	Credit(Rs.)
1- 0 7- '1 7	Bank A/c <span style="float: right;">D r.</span>  To Debenture app. and allotment A/c		44,10,000	44,10,000

1-07-17	Debenture application and allotment A/c	D r.	44,10,000	
	Loss on issue of debentures A/c	D r.	4,20,000	
	To 8% debenture A/c			42,00,000
	To Securities premium Reserve A/c			2,10,000
	To premium on redemption of debenture A/c			4,20,000
30-06-23	8% debenture A/c	D r.	42,00,000	
	Premium on redemption of deb. A/c	D r.	4,20,000	
	To Debenture holders A/c			46,20,000
30-06-23	Debenture holders A/c	D r.	46,20,000	
	To Bank A/c			46,20,000

33. On 1-7-2017 Paras Pharma Limited issued 20,000, 9% debentures of f 400 each, are to be redeemed after 7 years at a premium of 12%. As per conditions in prospectus the amounts payable on application Rs.125 per debenture and balance amount at the time of allotment. Pass the necessary journal entries for the issue of debentures in the books of the company.

Ans. :

**Journal entries in the books of Paras Pharma Limited**

Date/N o.	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
1.	Bank A/c To 9% Debenture app. A/c (Being received amount on 20,000 debentures at Rs.125 per debenture)	D r.	25,00,000	25,00,000
2.	9% debenture application A/c To 9% debenture A/c (Being application money on allotted debenture transfer to debenture A/c)	D r.	25,00,000	25,00,000
3.	9% debenture allotment A/c Loss on issue of debentures A/c To 9% debentures A/c	D r. D r.	55,00,000 9,60,000	55,00,000

	To Prem. on redemption of deb. A/c (Being amount called on 20,000 debentures at Rs.275 per debenture and debentures to be redeemed at 12% premium)			9,60,000
4.	Bank A/c	D r.	55,00,000	
	To 9% debenture allotment A/c (Being received amount of allotment)			55,00,000

34. From the following transactions calculate cash flow from operating activities:

Particulars	(Rs.)
Profit before taxes	99,000
Income tax provision	29,000
Proposed dividend	39,000
Depreciation	22,000
Dividend received	21,000
Interest received	20,000
Interest paid	28,000
Goodwill written off	15,000

**Ans. :**

Cash flow from Operating Activities:

Particulars	(Rs.)	(Rs.)
Profit before taxes		99,000
Add: Non-cash expenses appropriation and provisions :		
Income tax provision	29,000	
Proposed dividend	39,000	
Goodwill written off	15,000	
Depreciation	22,000	
Interest paid	28,000	1,33,000
		2,32,000
Less: Non-operating incomes :		
Interest received	20,000	
Dividend received	21,000	
Profit on sale of asset	12,000	53,000
Profit (cash flow) before changes in Working Capital		<u>1,79,000</u>

#### Section D

\* **Answer The Following Questions With Necessary Calculations.** [20]

35. From the following profit-loss statements for the year ending on 31-3-2019 and 31-3-2018 of Hidustan Ltd, prepare comparative profit-loss statement :

Particulars	Note No.	31-3-2019 (Amount in ₹)	31-3-2018 (Amount in ₹)
Revenue from sales		22,50,000	26,00,000
Other incomes		1,00,000	5,00,000
Net purchases		16,00,000	19,00,000
Other expenses (percentages of sales)		22 %	18 %
Changes in stock		(1,00,000)	(50,000)
Income tax rate is 30 %			

**Ans. :**

Comparative profit-loss statement of Hindustan 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		26,00,000	22,50,000	(3,50,000)	(13.46)
II	Other incomes		5,00,000	1,00,000	(4,00,000)	(80.00)
<b>III</b>	<b>Total revenue</b>		<b>31,00,000</b>	<b>23,50,000</b>	<b>(7,50,000)</b>	<b>(24.19)</b>
IV	Expenses :					
	Net purchase		19,00,000	16,00,000	(3,00,000)	(15.79)
	Other expenses		4,68,000	4,95,000	27,000	5.77
	Changes in stock		(50,000)	(1,00,000)	(50,000)	(100.00)
	<b>Total expenses</b>		<b>23,18,000</b>	<b>19,95,000</b>	<b>(3,23,000)</b>	<b>(13.93)</b>
V	Profit before income tax		7,82,000	3,55,000	(4,27,000)	(54.60)
VI	Income tax (30 %)		2,34,600	1,06,500	(1,28,100)	(54.60)
<b>VII</b>	<b>Profit after income tax</b>		<b>5,47,400</b>	<b>2,48,500</b>	<b>(2,98,900)</b>	<b>(54.60)</b>

36. Determine gross profit ratio:  
 (1) Sales Rs.10,00,000, Gross profit Rs.3,00,000  
 (2) Sales Rs.15,00,000, Cost of goods sold Rs.12,00,000  
 (3) Sales Rs.20,00,000, Sales return Rs.2,00,000  
 Operating stock Rs.2,50,000, Closing-stock Rs.3,50,000  
 Purchase Rs.12,00,000, Purchase expenses Rs.50,000

**Ans. :** स्वप्रयत्न

37. Answer the following questions in brief :  
 (1) Describe the operating activities for the following companies :  
 (i) Trading companies (ii) Insurance companies (iii) Bank



**Ans. : SELF LERNING**

38. From the following information and balance sheets of two years of Nirav Company, calculate cash flow from operating activities.

**Balance Sheets as at 31-3-2016 and 31-3-2017**

Particulars	31-3-2017 (₹)	31-3-2016 (₹)
<b>I Equity and Liabilities :</b>		
<b>(1) Shareholders' funds :</b>		
(a) Share capital	5,00,000	3,00,000
(b) Profit and loss A/c	4,50,000	3,00,000
<b>(2) Non-current liabilities</b>		
12 % debentures	3,00,000	2,00,000
<b>(3) Current liabilities :</b>		
(a) Bank overdraft	40,000	60,000
(b) Trade payables (Creditors)	60,000	90,000
(c) Short-term provisions : Proposed dividend	50,000	30,000
Taxation provision	50,000	40,000
<b>Total</b>	<b>14,50,000</b>	<b>10,20,000</b>
<b>II Assets :</b>		
<b>(1) Non-current assets :</b>		
(a) Fixed assets		
(i) Tangible assets	8,00,000	4,00,000
(ii) Intangible assets	4,50,000	3,20,000
<b>(2) Current assets</b>	2,00,000	3,00,000
<b>Total</b>	<b>14,50,000</b>	<b>10,20,000</b>

Additional information :

Interim dividend paid ₹ 20,000.

New debentures are issued at the end of year.

**Ans. :**

**Cash Flow from Operating Activities for the Year Ending on 31-3-2017**

<b>Particulars</b>	<b>(₹)</b>	<b>(₹)</b>
Closing balance of profit and loss statement	4,50,000	
<b>Less :</b> Opening balance of profit and loss statement	3,00,000	
Difference of profit and loss statement		1,50,000
<b>Add :</b> Non-cash expenses (provisions)		
Proposed dividend (of current year)	50,000	
Taxation provision (of current year)	50,000	
Interim dividend (provisions)	20,000	
Debenture interest	24,000	
		1,44,000
		2,94,000
<b>Less :</b> Non-operating income		—
<b>Operating profit before changes in working capital</b>		<b>2,94,000</b>
<b>Add :</b> Decrease in current assets	1,00,000	
Increase in current liabilities	—	1,00,000
		3,94,000
<b>Less :</b> Increase in current assets	—	
Decrease in current liabilities : Trade payables	30,000	30,000
		<b>3,64,000</b>
<b>Less :</b> Payment of income tax		40,000
<b>Cash flow from operating activities</b>		<b>3,24,000</b>

39. From the following details of Chirag Company compute cash flow from operating activities.

<b>Particulars</b>	<b>(₹)</b>
Profit of current year	3,20,000
Taxation provision	30,000
Proposed dividend	60,000
Goodwill written off	35,000
Depreciation charged	47,000
Loss on sale of asset	43,000
Rent received	45,000
Dividend received	65,000
Increase in current assets	1,00,000
Decrease in current liabilities	90,000

**Ans. :**

### Cash Flow from Operating Activities

Particulars	(₹)	(₹)
Profit of current year		3,20,000
Add : Non-cash expenses and provisions :		
Taxation provision	30,000	
Proposed dividend	60,000	
Goodwill written off	35,000	
Depreciation charged	47,000	
Loss on sale of asset	43,000	2,15,000
		5,35,000
Less : Non-operating incomes :		
Rent received	45,000	
Dividend received	65,000	1,10,000
<b>Operating profit before changes in working capital</b>		<b>4,25,000</b>
Add : Decrease in current assets	—	
Increase in current liabilities	—	—
		<b>4,25,000</b>
Less : Increase in current assets	1,00,000	
Decrease in current liabilities	90,000	1,90,000
<b>Cash flow from operating activities</b>		<b>2,35,000</b>

### Section E

\* Answer The Following Questions In Detail.

[16]

40. Write journal entries in the books of company for forfeiture and reissue of forfeited shares from the following information:
- (i) Company forfeited 1200 equity shares of Rs.10 each held by Katara for non-payment of allotment money of Rs.14 per share (including premium Rs.10) and first and final call money of Rs.3 per share. Company reissued all the forfeited shares after giving maximum permissible discount. These shares were purchased by Kanu.
- (ii) Ramesh holds 600 equity shares of Rs.10 each in company. He had paid application money at Rs.3 per share and allotment money at Rs.2.50 per share but could not pay first call money of Rs.2 per share. Company forfeited above shares before making final call after necessary formalities. Company reissued all these shares at a discount of Rs.4 per share.
- (iii) Company forfeited 400 equity shares of Rs.100 each, issued at a premium of 20% on face value. Rs.80 per share (including premium) are called up on these shares. For non-payment of allotment money at Rs.50 (including premium) these shares were forfeited before making share first and final call. These shares reissued before first and final call at Rs.36,000 as fully paid up.

Ans. :

**Journal entries in the books of Company**

Date	Particulars	L.F.	Debit(Rs.)	Credit(Rs.)
(1)				
1.	Equity share capital A/c D r.		12,000	
	Securities premium A/c D r.		12,000	
	To Share forfeiture A/c			3,600
	To Share allotment A/c			16,800
	To Share final call A/c			3,600
	(Being forfeited 1,200 shares for being non-payment of allotment and final call money)			
2.	Bank A/c D r.		8,400	
	Share forfeiture A/c D r.		3,600	
	To Equity share capital A/c (Being forfeited shares reissued by allowing maximum discount)			12,000
(2)				
1.	Equity share capital A/c D r.		4,500	
	To Share forfeiture A/c			3,300
	To Share first call A/c			1,200
	(Being forfeited 600 shares for being nonpayment of first call money)			
2.	Bank A/c D r.		2,100	
	Share forfeiture A/C D r.		2,400	
	To Equity share capital A/c (Being forfeited shares reissued at a discount of Rs.4)			4,500
3.	Share forfeiture A/c D r.		900	
	To Capital reserve A/c (Being remaining amount of share forfeiture account is transferred to capital reserve A/c)			900
(3)				
1.	Equity share capital A/c D r.		24,000	
	Securities premium A/c D r.		8,000	
	To Share forfeiture A/c			12,000
	To Share allotment A/c			20,000

	(Being forfeited 400 shares for being non-payment of allotment money)			
2.	Bank A/c Share forfeiture A/c To Equity share capital A/c (Being reissued 400 shares. as fully paid up shares considering first and final call amounts received in advance)	D r. D r.	36,000 4,000	40,000
3.	Share forfeiture A/c To Capital reserve A/c (Being remaining amount of share forfeiture account transferred to capital reserve A/c)	D r.	8,000	8,000

41. Sharda Limited issued 6,00,000 equity shares at Rs. 10 each, at a premium of Rs. 4 per share.

Amount called up per share is as under:

On application Rs. 4,

On allotment Rs. 3 + premium,

On share first and final call Rs. 3.

Subscription were received 3.5 times, out of which 4/7th the share applications were rejected full and pro-rata allotment was made to the remaining applicants. Excess application money were credited to share allotment and share calls.

Write the necessary journal entries in the books of Sharda Limited.

**Ans. :**

**Journal entries in the books of sharda limited**

Date	Particulars	L.F.	Debit(Rs.)	Credit(Rs.)
1.	Bank A/C To Equity share application A/C (Being received amount on 2100000 shares (subscribed 3.5 times) at 4 per share)	D r.	84,00,000	84,00,000
2.	Equity share application A/C To Equity share capital A/c To Equity share allotment A/c To Bank A/c (Being received amount on sanctioned 6,00,000 shares transferred to share capital A/C, additional amount received is adjusted and rejected application money refunded)	D r.	84,00,000	24,00,000 12,00,000 48,00,000
3.	Equity share allotment A/c	D r.	42,00,000	

	To Equity share capital A/C To Securities premium A/C (Being amount due on 6,00,000 shares cluding premium @ 4))			18,00,000 24,00,000
4.	Bank A/C D r.	30,00,000		30,00,000
	To Equity share allotment A/c (Being received difference of amount of share allotment call)			
5.	Equity share first and final call A/C D r.	18,00,000		18,00,000
	To Equity share capital A/C (Being amount due on share first and final call at 3 per share)			
6.	Bank A/C D r.	18,00,000		18,00,000
	Equity share first and final call A/C (Being received amount on first and final call)			
	<b>total</b>	<b>2,76,00,000</b>	<b>2,76,00,000</b>	<b>0</b>

### Section F

\* Answer The Following Essay Type Questions.

[22]

42. 1. Under which head, will you show the following balance of profit and loss as per schedule III of Companies Act 2013?[7 MARK]
- |                                |                                     |
|--------------------------------|-------------------------------------|
| (1) Sales                      | (9) Advertisement expenses          |
| (2) Salary                     | (10) Contribution to provident fund |
| (3) Depreciation               | (11) Interest on bank overdraft     |
| (4) Debenture interest receipt | (12) Bank charges                   |
| (5) Debenture interest paid    | (13) Goodwill                       |
| (6) Audit fee                  | (14) Bonus to employees             |
| (7) Sale of scrap              | (15) Debenture discount written of  |
| (8) Profit on sale of asset    |                                     |
2. Prepare statement indicating equity and liabilities of balance sheet as per schedule II of Companies Act, 2013 from the following balances.[4 MARK]
- |                             |              |
|-----------------------------|--------------|
| Trade payables              | Rs. 30,000   |
| Long-term provisions        | Rs. 60,000   |
| Reserves and surplus        | Rs. 80,000   |
| Other Current Liabilities   | Rs. 25,000   |
| Short-term borrowings       | Rs. 24,000   |
| Share capital               | Rs. 2,00,000 |
| Short-term provisions       | Rs. 35,000   |
| Long-term borrowings        | Rs. 1,20,000 |
| Other long-term liabilities | Rs. 76,000   |

Ans. :

1.

Particulars	Head of Profit and Loss Statement
(1) Sales	Revenue from operation
(2) Salary	Employees benefit expenses
(3) Depreciation	Depreciation and amortized expenses
(4) Debenture interest receipt	Other income.
(5) Debenture interest paid	Financial cost (expense)
(6) Audit fee	Other expense
(7) Sale of scrap	Other income
(8) Profit on sale of asset	Other income
(9) Advertisement expenses	Other income
(10) Contribution to provident fund	Employees benefit expense
(11) Interest on bank overdraft	Financial cost (expense)
(12) Bank charges	Other expense,
(13) Goodwill	Will not be shown in profit and loss statement
(14) Bonus to employees	Employees benefit expense
(15) Debenture discount written off	Depreciations and amorized expense

Ans.

2.

#### Balance sheet

Particulars	Note No.	Amt. (Rs.)	As on .....(Rs)
<b>Equity and Liabilities:</b>			
(1) <b>Shareholder's funds:</b>			
(a) Share capital		2,00,000	
(b) Reserves and surplus		80,000	2,80,000
(2) <b>Non-current liabilities:</b>			
(a) Long-term borrowings		1,20,000	
(b) Other long-term liabilities		76,000	
(c) Long-term provisions		60,000	2,56,000
(3) <b>Current liabilities:</b>			
(a) Short-term borrowings		24,000	
(b) Trade payables		30,000	
(c) Other Current Liabilities		25,000	
(d) Short-term provisions		35,000	1,14,000
			<b>6,50,000</b>

43. Following is the balance sheet of Keyur Ltd. as on 31-3-2017

Particulars	Debit(Rs.)	Credit(Rs.)
Equity share capital		2,40,000
Office and sales expenses	24,000	
Purchase	4,26,000	
10% Debenture		1,20,000

Sales		9,60,000
Software	1,20,000	
Wages	24,000	
Debenture interest	12,000	
Salary	3,00,000	
Bank overdraft		14,400
Land-building	2,28,000	
Opening stock	36,000	
Discount received		15,600
Debtors	1,80,000	
	<u>13,50,000</u>	<u>13,50,000</u>

Other information:

(1) Closing stock rs. 42,000

(2) Make provision for tax at 50 % of net profit.

From the above-information, prepare final accounts of the company for the year ending on 31st March, 2017 as per schedule-III and Companies Act, 2013. Notes to the accounts are not required.

Ans. :

**Statement of profit and loss of Keyur Limited for the year ending on 31-3-2017**

Particulars	Note No.	Amount (Rs.)	As on (31-3-2017)
(1) Revenue from operation (Sales)		9,60,000	
(2) Other incomes (Discount received)		15,600	
(3) Total Revenue (I + II)			9,75,600
(4) Expenses:			
Cost of goods sold		4,20,000	
(Opening stock + Purchase Closing stock)			
Employees benefit expenses - Salary		3,00,000	
Financial cost Debenture interest		12,000	
Other expenses -			
Office and sales expenses		24,000	
Wages		24,000	
<b>Total Exp.</b>			7,80,000
(5) Profit before tax (III- IV)			1,95,600
(6) Provision for tax (50%)			97,800
(7) profit after tax (V-VI)			<u>97,800</u>

**Balance sheet of Keyur Limited as on 31-3-2017**

Particulars	Note No.	Amount (Rs.)	As on (31-3-2017)
<b>Equity and Liabilities:</b>			
(1) Shareholder's funds:			



(a) Share capital		2,40,000	
(b) Reserve and surplus (Net profit)		97,800	3,37,800
<b>(2) Non-current Liabilities:</b>			
(a) Long-term borrowed loan 10% debentures		1,20,000	1,20,000
<b>(3) Current Liabilities:</b>			
(a) Bank overdraft		14,400	
(b) Provision for tax		97,800	1,12,200
<b>Total</b>			<b><u>5,70,000</u></b>
<b>Assets:</b>			
<b>(1) Non-current Assets:</b>			
(a) Permanent asset :			
1) Tangible Land-Building		2,28,000	
2) Non-current investments Software		1,20,000	3,48,000
<b>(2) Current Assets:</b>			
(a) Closing stock of goods		42,000	
(b) Debtors		1,80,000	2,22,000
<b>Total</b>			<b><u>5,70,000</u></b>

-----