Series P/PB2/1

SET 1

CLASS XII PRE-BOARD EXAMINATION – 2025-26

Q.P. Code: 055/2/1

Roll No. | | | | | | | | |

Candidate must write the Q.P. Code on the title page of the answer-book.

- Please check that this question paper contains **14** printed pages.
- Please check that this question paper contains **34** questions.
- Q.P. Code given on the right hand side of the question paper should be written on the title page of the answer-book by the candidate.
- **Please write down the serial number of the question in the answer-book before attempting it.**
- 15 minute time has been allotted to read this question paper. The students will read the question paper only and will not write any answer on the answer-book during this period.

ACCOUNTANCY

Time allowed : 3 hours *Maximum Marks : 80*

General Instructions:

Read the following instructions very carefully and strictly follow them :

*(i) This question paper contains **34** questions. **All** questions are **compulsory**.*

*(ii) This question paper is divided into **two** parts **Part A** and **Part B.***

*(iii) **Part A** is **compulsory** for all candidates.*

*(iv) **Part B** has two options. Candidates have to attempt only one of the given options.*

Option I : Analysis of Financial Statements

Option II : Computerised Accounting

*(v) Questions number **1 to 16** (Part A) and Questions number **27 to 30** (Part B) are multiple choice questions. Each question carries **1** mark.*

*(vi) Questions number **17 to 20** (Part A) and Questions number **31 and 32** (Part B) are short answer type questions. Each question carries **3** marks.*

*(vii) Questions number **21, 22** (Part A) and Question number **33** (Part B) are Long answer type-I questions. Each question carries **4** marks.*

*(viii) Questions number **23 to 26** (Part A) and Question number **34** (Part B) are Long answer type-II questions. Each question carries **6** marks.*

(ix) 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

1.	On 1st July, 2024, Ramesh has taken a loan from the firm amounting to ₹ 80,000. How much interest will be charged in the absence of a Partnership Deed? (A) ₹ 2,400 (B) ₹ 4,800 (C) ₹ 6,000 (D) Nil **(OR)** **Assertion (A):** Manager's commission is deducted before calculating profit. **Reason (R):** Rent to partner is a charge against profit. (A) Both A and R are true and R is the correct explanation of A. (B) Both A and R are true but R is not the correct explanation of A. (C) A is true but R is false. (D) A is false but R is true.	**(1)**
2.	On 1st January, 2024, A and B invested ₹ 1,20,000 each in a partnership firm. As per the Partnership Deed, interest on capital is to be allowed at 10% per annum. The firm earned a profit of ₹ 8,000 for the year ended 31st March, 2025. Later, it was found that interest on loan given by partner A amounting to ₹ 6,000 had not been provided. Calculate the interest on capital of A and B. (A) ₹ 6,000 each (B) ₹ 5,500 each (C) ₹ 3,000 each (D) ₹ 1,000 each **(OR)** Ravi's drawings during the year amounted to ₹10,000. Interest on drawings charged by the firm is ₹500. Find the rate of interest on drawings. (A) 5% p.a. (B) 10% p.a. (C) 5% (D) 10%	**(1)**
3.	Illakia Ltd. has assets of ₹ 10,00,000 whereas liabilities are: Fixed Assets – ₹ 4,00,000, Current Assets – ₹ 2,00,000 and Sundry Creditors - ₹ 50,000. If normal rate of return is 10 % and goodwill of the firm is valued at ₹ 50,000 at 2 years' purchase of super profit, find average profit of the firm. (A) ₹ 90,000 (B) ₹ 80,000 (C) ₹ 65,000 (D) ₹ 25,000	**(1)**
4.	If Investments appear in the books at ₹80,000 and Investment Fluctuation Reserve is ₹12,000, and investments are sold at ₹70,000, the loss of ₹10,000 will be: (A) Debited to Partners' Capital Accounts (B) Debited to Revaluation Account (C) Adjusted from Investment Fluctuation Reserve (D) Written off to Goodwill Account **(OR)** At the time of change in profit-sharing ratio among partners A, B, and C, the following balances appeared in the books of the firm: Deferred Revenue Expenditure – ₹1,20,000 Profit and Loss Account (Cr.) – ₹2,40,000	**(1)**

	Partners share future profits in the ratio of 3 : 2 : 1, while their old ratio was equal. Calculate the net amount to be credited in partners' capital accounts due to revaluation of these items. (A) ₹20,000 (B) ₹40,000 (C) ₹60,000 (D) ₹1,20,000	
5.	Anita and Beena were partners sharing profits and losses in the ratio 5 : 3. They admitted Chetan into partnership for a 20% share in the future profits. Chetan brought ₹7,50,000 as total contribution, which included ₹1,50,000 for his share of goodwill. On revaluation of assets and liabilities, there was a gain of ₹2,40,000. Find the new capital of Beena after all adjustments. (A) ₹10,90,000 (B) ₹5,76,000 (C) ₹7,20,000 (D) ₹9,90,000 **(OR)** P and Q share profits in the ratio 7 : 3. R is admitted for 1/5 share, which he acquires 2/3 from P and 1/3 from Q. Find the new profit-sharing ratio. (A) 28 : 12 : 10 (B) 17:7:6 (C) 21 : 9 : 10 (D) 20 : 10 : 5	**(1)**
6.	X, Y, and Z are partners sharing profits in the ratio of 3 : 2 : 1. The Workmen Compensation Reserve appears in the books at ₹60,000. A claim for compensation is estimated at ₹30,000. Y retires from the firm, and his capital before adjustment is ₹40,000. Find Y's Capital Account after this adjustment. (A) ₹45,000 (B) ₹50,000 (C) ₹35,000 (D) ₹55,000	**(1)**
7.	At the time of reconstitution of a partnership firm, the following adjustments were made: Land and Building undervalued by ₹15,000 Machinery decreased by ₹5,000 Stock (Book Value ₹20,000) revalued at ₹18,000 Find the Revaluation Gain or Loss. (A) Revaluation Loss ₹20,000 (B) Revaluation Loss ₹22,000 (C) Revaluation Gain ₹8,000 (D) Revaluation Loss ₹8,000	**(1)**
8.	Raja, Ram and Mohan are partners and sharing profit and losses in the ratio of 3:2:5. On July 31st, 2025, Mohan passed away in an accident and the profit was determined at ₹ 7,50,000 as on that date. Choose the correct journal entry.	**(1)**

	Date	Particulars	Dr (₹)	Cr (₹)
(A)	31.7.'25	Profit and Loss Appropriation A/c Dr	7,50,000	
		To Raja's Capital A/c		2,25,000
		To Ram's Capital A/c		1,50,000
		To Mohan's Capital A/c		3,75,000
(B)	31.7.'25	Profit and Loss Suspense A/c Dr	7,50,000	
		To Raja's Capital A/c		2,25,000

				To Ram's Capital A/c		1,50,000	
				To Mohan's Capital A/c		3,75,000	
		(C)	31.7.'25	Profit and Loss Suspense A/c Dr	1,50,000		
				To Mohan's Capital A/c		1,50,000	
		(D)		None of the above			

9.	Arjun, Bala and Charu were partners sharing profits and losses equally. Bala died on 30th September, 2024, and the total amount due to Bala's executors was ₹18,00,000. Bala's executors were paid ₹4,00,000 immediately, and the balance was to be paid in equal half-yearly instalments together with interest @ 10% p.a. Find the total amount to be paid to Bala's Executor's for the year ended March 31, 2025. (A) ₹70,000 (B) ₹7,70,000 (C) ₹65,000 (D) ₹75,000	**(1)**
10.	At the time of dissolution, A's Capital stood at ₹1,50,000. A's share of dissolution loss was ₹30,000. A also agreed to settle firm's creditors amounting to ₹50,000 on behalf of the firm. Find the final payment to A. (A) ₹1,70,000 (B) ₹1,50,000 (C) ₹1,30,000 (D) ₹2,00,000	**(1)**
11.	At the time of dissolution of a partnership firm, the assets realised were insufficient to pay all dues. After paying the firm's external debts, a small balance remained. Which of the following has priority in payment from the remaining assets? (A) Partners' capital (B) Partners' loan to the firm (C) Partners' drawings (D) Distribution among partners in profit-sharing ratio	**(1)**
12.	PQR Ltd. forfeited 3,000 shares of ₹10 each, ₹6 called up, for non-payment of ₹2 per share. 2,000 shares were reissued at ₹7 per share as fully paid. The amount to be transferred to Capital Reserve is: (A) ₹2,000 (B) ₹3,000 (C) ₹4,000 (D) ₹6,000 **(OR)** Sun Ltd. issued 4,000 shares of ₹10 each at ₹12 (including ₹2 premium), payable: ₹4 on Application (including ₹1 premium) ₹5 on Allotment (including ₹1 premium) ₹3 on First & Final Call Applications were received for 5,000 shares. Allotment was made on pro-rata basis. Meena applied for 500 shares. Find the amount received from her on allotment. (A) ₹450 (B) ₹400 (C) ₹1,200 (D) ₹1,600	**(1)**

	From the given hypothetical situation, answer Q 13 – 15. On 1st April, 2025, Galaxy Ltd. issued 60,000; 10% Debentures of ₹100 each at 10% discount, redeemable at 10% premium after 5 years. On the date of issue, the balance in Securities Premium A/c was ₹6,00,000, and Statement of Profit & Loss (Dr.) balance was ₹3,00,000.	
13.	Loss on Issue of Debentures is to be written off as ₹ _____ out of Securities Premium and ₹ _____ out of Statement of Profit and Loss. (A) ₹6,00,000 ; ₹6,00,000 (B) ₹4,00,000 ; ₹2,00,000 (C) ₹6,00,000 ; Nil (D) ₹5,00,000 ; ₹1,00,000	**(1)**
14.	After writing off the Loss on Issue of Debentures, the balance in Statement of Profit and Loss will be _____. (A) Debit ₹3,00,000 (B) Debit ₹9,00,000 (C) Nil (D) Credit ₹9,00,000	**(1)**
15.	Premium on Redemption of Debentures Account will have a balance of ₹ _____ to be treated as _____ in the fifth year. (A) ₹6,00,000 ; Non-Current Liability (B) ₹6,00,000 ; Current Liability (C) ₹5,00,000 ; Non-Current Liability (D) ₹4,00,000 ; Non-Current Liability	**(1)**
16.	**Assertion (A):** Share Premium can be used to write off preliminary expenses. **Reason (R):** Utilisation of Securities Premium is restricted under Section 52(2) of the Companies Act, 2013. (A) Both A and R are true and R is the correct explanation of A. (B) Both A and R are true but R is not the correct explanation of A. (C) A is true but R is false. (D) A is false but R is true.	**(1)**
17.	Vijay and Shiva are partners in a firm, sharing profits and losses in the ratio of 5:3. They decide to change their profit-sharing ratio equally. On the date of the change, the firm's balance sheet shows a General Reserve balance of ₹ 80,000. It is mutually agreed upon to set aside ₹ 30,000 from the General Reserve to cover a potential Workmen Compensation Claim. You are required to pass the necessary journal entry to distribute the General Reserve. **(OR)** Anbu and Bala are partners in a firm sharing profits and losses equally (1:1). Their fixed capitals are ₹ 60,000 and ₹ 40,000, respectively. After the final accounts for the year were prepared, it was discovered that: 1. Interest on Capital @ 5% p.a. was omitted. 2. Interest on Drawings: Anbu ₹ 500 and Bala ₹ 300 were omitted. You are required to prepare the necessary journal entry to rectify these omissions through a single adjustment entry.	**(3)**

18.	P and Q are partners sharing profits in the ratio of 4 : 1. Their capitals are ₹80,000 and ₹40,000 respectively. They admit R as a new partner for 1/5th share in profits. R brings in ₹30,000 as his capital. Compute: (i) The new profit-sharing ratio (ii) The value of Goodwill of the firm	**(3)**
19.	Meena and Latha were partners sharing profits in the ratio of 3 : 2. Give necessary journal entries at the time of dissolution in the following cases: (i) Workmen Compensation Reserve was ₹60,000 and the actual claim was ₹70,000. (ii) Latha agreed to carry out the dissolution process for a remuneration of ₹12,000. The actual dissolution expenses were ₹15,000, which were paid by the firm.	**(3)**
20.	On 1st April 2025, Kumar Ltd. purchased a building from Shiva Constructions for ₹10,50,000. Payment was made ₹1,00,000 by bank draft and the balance was paid by issuing 8% Debentures of ₹100 each at 5% discount, redeemable at 10% premium after 4 years. Pass the necessary journal entries in the books of Kumar Ltd. for: (a) Issue of debentures and purchase of building, and (b) Writing off the loss on issue of debentures.	**(3)**
21.	Kavya and Nisha are partners sharing profits in the ratio 3 : 2. Their capitals and other particulars for the year are as follows: Particulars | Kavya (₹) | Nisha (₹) Capital | 1,20,000 | 80,000 Interest on Drawings | 1,500 | 1,000 Salary | — | 15,000 Other information: 1. Net profit for the year ₹ 1,50,000. 2. Interest on capital is to be allowed @ 10% p.a.. 3. Nisha is guaranteed a minimum share of profit of ₹ 60,000 by Kavya. If Nisha's share of divisible profit falls short, Kavya will make it up. Prepare Profit & Loss Appropriation A/c.	**(4)**
22.	Opal Ltd. was registered with an authorised capital of ₹ 1,00,00,000 divided into 5,00,000 equity shares of ₹ 20 each. The company offered and issued 1,80,000 equity shares at a premium of ₹ 4 per share payable as follows: ₹ 8 on Application (including ₹ 2 premium) ₹ 12 on Allotment (including ₹ 2 premium) Balance on First Call. Ramesh, holding 11,000 shares, failed to pay allotment and call money. Sonia, holding 6,000 shares, failed to pay the call money only. All the shares held by Ramesh were forfeited. Of these forfeited shares, 9,000 forfeited shares were re-issued at ₹ 24 per share as fully paid.	**(4)**

Prepare:

1. "Share Capital" as it would appear in the Balance Sheet (extract) of Opal Ltd. for the current year; and
2. Notes to Accounts — Note on Share Capital in the format of Schedule III (Companies Act, 2013).

23. Extract of Financial Statements of Nila Ltd. are given below: **(6)**

Balance Sheet (Extract)

Equity and Liabilities	**Note No.**	**31-03-2025 (₹)**	**31-03-2024 (₹)**
Shareholders' funds			
Equity Share Capital	1	32,50,000	25,00,000
Reserves and Surplus	2	7,00,000	3,00,000

Note No. 1 Share Capital

Particulars	**31-03-2025 (₹)**	**31-03-2024 (₹)**
Authorised Share Capital: 5,00,000 equity shares of ₹10 each	50,00,000	50,00,000
Issued Capital	32,50,000	25,00,000
Subscribed Capital (Fully Paid)	32,50,000	25,00,000

Note No. 2 — Reserves and Surplus

Particulars	**31-03-2025 (₹)**	**31-03-2024 (₹)**
Securities Premium	7,00,000	3,00,000

Additional Information

1. During the year, 50,000 equity shares were issued at a premium of ₹3 per share for cash.
2. During the year, Nila Ltd. purchased the business of Maya Ltd. with Building – ₹ 3,00,000; Machinery – ₹ 2,00,000; Stock – ₹ 1,00,000; Sundry Creditors – ₹ 1,00,000 and other liabilities of ₹2,50,000.
   The purchase consideration agreed was ₹5,00,000 which was discharged by issuing 25,000 equity shares of ₹10 each fully paid to the vendor and Securities Premium credited for the balance (i.e., premium part).
3. No other shares were issued as bonus, sweat equity, ESOP, or in any other form.

(i) Pass the journal entries in the books of Nila Ltd. for:

(a) Issue of shares for cash,

(b) Issue of shares for business acquisition

(ii) Prepare Share Capital Account in the books of Nila Ltd.

24.	Arjun, Bhanu and Chitra are partners sharing profits and losses in the ratio 5:3:2. Bhanu retired on 01-04-2025. On that date, after making all necessary adjustments (revaluation, accumulated profits/losses and goodwill), the total amount due to Bhanu was ₹ 8,40,000. Terms of payment: 1. Bhanu will be given Stock worth ₹ 1,20,000 immediately. 2. The balance will be paid in three equal annual instalments together with interest as per the provisions of the Partnership Act, 1932 (i.e. 6% p.a.) in the absence of any agreement. 3. The first instalment will be paid on 01-04-2026. Prepare the journal entry for the immediate settlement and prepare Bhanu's Loan Account till it is finally closed.	**(6)**
25.	Karan and Mohan are partners sharing profits and losses in the ratio of 3:2. Their balance sheet as on March 31, 2025, was as follows:	**(6)**

Balance Sheet of Arun and Varun

As on March 31, 2025

Liabilities	Amount (₹)	Assets	Amount (₹)	Amount (₹)
Capital Accounts:		Building		1,00,000
Arun	1,80,000	Machinery		50,000
Varun	1.20,000	Goodwill (Old)		30,000
General Reserve	30,000	Stock		70,000
Creditors	40,000	Debtors	40,000	
Outstanding Repairs	6,000	Less: Provision for doubtful debts	(3,000)	37,000
		Cash		89,000
	3,76,000			3,76,000

On April 1, 2025, they admitted Rishi as a new partner on the following terms:

1. Rishi will be given 1/5th share in the profits and will bring in ₹50,000 as capital.
2. Rishi is to bring a proportionate amount of premium for goodwill. Goodwill of the firm is to be valued at 2 years' purchase of the average profits of the last three years which were ₹60,000, ₹40,000 and ₹50,000.
3. Machinery is to be written down (overvalued on books) by ₹10,000 and Stock is to be undervalued by ₹15,000.
4. A provision for doubtful debts is to be created at 5% on Debtors.
5. There is an outstanding repair bill of ₹6,000 which is to be accounted for.
6. Capitals of Karan and Mohan are to be adjusted on the basis of Rishi's capital contribution. Necessary adjustment to be done by opening Cash/Bank Account.

You are required to prepare the Revaluation Account and Partners' Capital Accounts.

(OR)

Kishore, Manoj, and Prabhu were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 3.Their Balance Sheet as on 31st March, 2025 was as follows:

Balance Sheet of Kishore, Manoj, and Prabhu

As on 31st March, 2025

Liabilities	₹	Assets	₹
Creditors	70,000	Land and Building	8,00,000
Bank Overdraft	50,000	Machinery	5,00,000
Long-term Loan	4,40,000	Investments	1,50,000
Employees' Provident Fund	20,000	Stock	3,60,000
Capital Accounts:		Debtors	2,40,000
Kishore	7,00,000	Bank	70,000
Manoj	5,00,000	Advertisement Suspense A/c	60,000
Prabhu	4,00,000		
Total	**21,80,000**	**Total**	**21,80,000**

On 31st March, 2025, Manoj retired from the partnership, and the remaining partners Kishore and Prabhu decided to continue the business.

The following adjustments were agreed upon:

1. Land and Building to be appreciated by 20%.
2. Machinery to be depreciated by 10%.
3. Investments to be revalued at ₹1,20,000.
4. A provision for doubtful debts to be created at 5% on debtors.
5. Stock was found to be overvalued by ₹40,000.
6. Goodwill of the firm was valued at ₹6,00,000, and the continuing partners decided to share future profits and losses in the ratio of 3 : 2.
7. They agreed to maintain their capitals in the new profit-sharing ratio after the retirement of Manoj.

26. Nova Ltd. invited applications for 80,000 equity shares of ₹10 each at a premium of ₹4 per share, payable as follows: **(6)**

On Application: ₹6 per share

On Allotment: ₹5 per share (including ₹4 premium)

On First and Final Call: ₹3 per share

Applications were received for 1,40,000 shares. The directors decided to make a pro-rata allotment in the ratio of 3:2, and adjust the excess application money towards the allotment amount due. Remaining applications were rejected. Mr. Raj, who was allotted 3,000 shares, failed to pay the allotment and call money. His shares were forfeited after the call was made. Later, all the forfeited shares were reissued to Ms. Neha at ₹13 per share, as fully paid-up.

	You are required to pass the Journal Entries in the books of Nova Ltd. for all the above transactions. **(OR)** Sunrise Ltd. invited applications for 12,000 equity shares of ₹10 each at a premium of ₹3 per share, payable as follows: On application: ₹5 per share On allotment: ₹5 per share (including premium of ₹3) On first and final call: ₹3 per share Applications were received for 18,000 shares. The directors decided to make a pro-rata allotment to all applicants and adjust the excess application money towards the amount due on allotment. Mr. Kumar, who was allotted 3,000 shares, failed to pay the allotment money. His shares were forfeited immediately after allotment. Mr. Ravi, who had applied for 1,500 shares, paid the first and final call money along with the allotment money. The first and final call was subsequently made to the remaining shareholders and all call money (except that on forfeited shares) was duly received. The forfeited shares of Mr. Kumar were later reissued to Ms. Anita at ₹11 per share as fully paid-up. You are required to pass the necessary journal entries in the books of Sunrise Ltd. to record all transactions	
	Part – B **Analysis of Financial Statements**	
27.	A company had the following balances in their books of Accounts: **Inventory Type** | **31-Mar-2024 (₹)** | **31-Mar-2025 (₹)** Raw Material | 60,000 | 50,000 Work-in-Progress | 80,000 | 1,00,000 Finished Goods | 1,50,000 | 1,30,000 Stock-in-Trade | 90,000 | 1,10,000 Determine the Change in Inventories to be shown in the Statement of Profit and Loss Account. (A) ₹ 15,000 (B) ₹ 10,000 (C) ₹ 5,000 (D) ₹ 20,000	**(1)**
28.	A company undertakes a transaction that increases its debt-equity ratio and decreases its current ratio. Which of the following transactions is most likely to cause this effect? (A) Issue of debentures to redeem preference shares (B) Purchase of inventory for cash (C) Purchase of machinery by issuing debentures (D) Issue of equity shares for cash	**(1)**

(OR)

Calculate Fixed Assets from the following information:

Share Capital = ₹4,00,000; Reserves & Surplus = ₹1,00,000

Current Assets = ₹2,00,000; Proprietary Ratio = 0.4 : 1

Options:

(A) ₹10,00,000 (B) ₹10,50,000 (C) ₹5,00,000 (D) ₹8,00,000

29. Which of the following represents cash inflows from financing activities? **(1)**

(i) Issue of debentures for ₹4,00,000

(ii) Redemption of preference shares for ₹2,00,000

(iii) Proceeds from issue of equity shares for ₹5,00,000

(iv) Payment of dividend ₹1,00,000

Options:

(A) (i) and (ii) (B) (ii) and (iv) (C) (i) and (iii) (D) (iii) and (iv)

(OR)

Provision for Tax on 31st March, 2025 and 31st March, 2024 were ₹5,00,000 and ₹3,80,000 respectively.

During the year, income tax paid was ₹4,20,000.

Determine the amount of tax provided during the year.

(A) ₹4,60,000 (B) ₹5,40,000 (C) ₹3,80,000 (D) ₹4,00,000

30. A company's net profit before tax is ₹8,00,000. **(1)**

Adjustments:

i. Depreciation ₹70,000

ii. Profit on sale of machinery ₹20,000

iii. Increase in current assets ₹30,000

iv. Decrease in current liabilities ₹40,000

v. Income tax paid ₹50,000

Find the Net Cash Flow from Operating Activities (CFO).

(A) ₹7,10,000 (B) ₹7,70,000 (C) ₹6,70,000 (D) ₹6,10,000

31. From the following information, prepare the Comparative Balance Sheet of Ram Ltd. as on 31st March 2024 and 31st March 2025 and fill in the blanks. **(3)**

Particulars	**31.03.2024 (₹)**	**31.03.2025 (₹)**	**Increase / Decrease (₹)**	**% Change**
Equity Share Capital	8,00,000	10,00,000	_____	_____
Reserves & Surplus	3,00,000	_____	1,50,000	50%
Fixed Assets	7,50,000	9,00,000	_____	_____
Current Assets	_____	4,80,000	80,000	_____
Current Liabilities	2,20,000	_____	-20,000	_____

(OR)

From the following information of Raman Ltd., prepare a Common Size Income Statement.

Revenue from Operations = ₹10,00,000

Other items are given as a percentage of Revenue from Operations:

Particulars	% of Revenue from Operations
Other Income	5%
Cost of Materials Consumed	70%
Employee Benefit Expenses	12%
Other Expenses	10%
Tax	4%
Net Profit	90,000

32. Identify under which **Major Head** and **Sub Head** each of the following items will appear in the **Balance Sheet** of a company as per the **Schedule III (Revised) of the Companies Act, 2013**. **(3)**

Name of the Item	Amount (₹)	Major Head	Sub Head
Securities Premium	1,20,000	_____	_____
Deferred Tax Liability	60,000	_____	_____
Short-term Provisions	40,000	_____	_____
Goodwill	90,000	_____	_____
Loose Tools	25,000	_____	_____

33. The Current Ratio of *M/s. Varun Ltd.* is 2 : 1.State, with reasons, whether the following transactions will increase, decrease, or have no change on the Current Ratio. **(4)**

S. No.	Transactions	Effect on Current Ratio	Reason
(i)	Bills Receivable realized in cash	_____	_____
(ii)	Creditors paid in cash	_____	_____
(iii)	Goods sold on credit (cost ₹40,000, sold for ₹50,000)	_____	_____
(iv)	Purchase of machinery for cash	_____	_____

(OR)

From the following information, calculate the Inventory Turnover Ratio of M/s. Arjun Ltd. for the year ended 31st March, 2025.

Given Data:

Revenue from Operations: ₹ 15,00,000

Gross Profit: 25% on Cost

Opening Inventory was $3/4^{th}$ of Closing Inventory

Closing Inventory was 20% of Revenue from Operations

34. Prepare a Cash flow statement on the basis of the information given in the balance sheet of Amusement Ltd as at 31/3/2025 and 31/3/2024 **(6)**

Particulars	**Note**	**31-03-2025**	**31-03-2024**
I **Equity and Liabilities**			
Shareholders fund:			
a) Share capital		12,00,000	11,00,000
b) Reserves and surplus	1	3,00,000	2,00,000
Non -Current Liabilities:			
Long term Borrowings		2,40,000	1,70,000
Current Liabilities			
a) Trade payable		1,79,000	2,04,000
b) Short term provisions(tax)		50,000	77,000
		19,69,000	**17,51,000**
II Assets			
Non -Current Assets:			
Property/Plant/Equipment			
1) Tangible	2	10,70,000	8,50,000
2) Intangible	3	40,000	1,12,000
Current Assets:			
a) Current Investment		2,40,000	1,50,000
b) Inventories		1,29,000	1,21,000
c) Trade Receivables		1,70,000	1,43,000
d) Cash and cash equivalent		3,20,000	3,75,000
		19,69,000	**17,51,000**

Notes to Accounts:

S.No	Particulars	31/3/2025	31/3/2024
1	**Reserves and Surplus**		
	Surplus (Balance in Statement in Profit and Loss	3,00,000	2,00,000
2	**Tangible assets**		
	Machinery	12,70,000	10,00,000
	Less: Accumulated depreciation	(2,00,000)	(1,50,000)
3	**Intangible assets**		
	Goodwill	40,000	1,12,000

Additional Information:

1. During the year a piece of machinery costing Rs 24,000 on which accumulated depreciation was Rs 16,000 was sold for Rs 6000.

- - - - - - - - -