# ANSWER KEY

## ACCOUNTANCY

1. A
2. B
3. D
4. D
5. B
6. False.
7. A
8. A
9. D
10. Sumbhav's Capital A/c — Dr 3,000
    To Shagun's Capital A/c 3,000
11. C
12. A
14. C
15. A

16

| | P | | Q | | R | | firm | |
|---|---|---|---|---|---|---|---|---|
| | Dr | Cr | Dr | Cr | Dr | Cr | Dr | Cr |
| I. O. C | | 40,000 | | 50,000 | | 60,000 | 1,50,000 | - |
| I. O. D | 700 | | 500 | | 1,800 | | | 3000 |
| Share of profit/loss | 49000 | | 49000 | | 49000 | | | 1,47,000 |
| | 49700 | 40000 | 49500 | 50000 | 50800 | 60000 | | |
| | 9,700 | | | 500 | | 9,200 | 150000 | 150000 |

P's Current A/c 9,700
To Q's Current 500
To R's Current A/c 9,200

17.

| | | |
|---|---|---|
| Cash A/c ——— Dr | 38,000 | |
| To Chandan's Capital A/c | | 30000 |
| To Premium | | 8000 |
| Premium | 8000 | |
| To Anil Cap | | 5,333 |
| To Bimal Cap | | 2,667 |
| Chandan's Current A/c | 2000 | |
| To Anil Cap A/c | | 1333 |
| To Bimal Cap A/c | | 667 |

18. Kunal surrendered = $\frac{3}{5} \times \frac{1}{3} = \frac{1}{5}$

Yash surrendered = $\frac{1}{10}$

Sac. Ratio : Kunal ; Yash = $\frac{1}{5} : \frac{1}{10}$

= 2 : 1

Kunal's new share = $\frac{3}{5} - \frac{1}{5} = \frac{2}{5}$

Yash new share = $\frac{2}{5} - \frac{1}{10} = \frac{3}{10}$

Rakesh share = $\frac{1}{5} + \frac{1}{10} = \frac{3}{10}$

New Ratio = Kunal : Yash : Rakesh

$\frac{2}{5} : \frac{3}{10} : \frac{3}{10} = 4 : 3 : 3$.

19. Total capital = 2,20,000 × 5 = ₹ 11,00,000

Sum of capital = 4,65,000 + 2,45,000 + 2,20,000
= 9,30,000

Hidden Goodwill = 11,00,000 − 9,30,000 = 1,70,000

Rohit's share = 1,70,000 × 1/5 = ₹ 34,000

20. Alfa's new share = 3/4 − 1/8 = 5/8

Beta's new share = 1/4 − 1/8 = 1/8

Gama's share = 1/4

New Ratio = Alfa : Beta : Gama = 5/8 : 1/8 : 1/4 = 5 : 1 : 2

New capital

Alfa = 1,60,000 × 5/8 = 1,00,000

Beta = 1,60,000 × 1/8 = 20,000

Gama = 1,60,000 × 2/8 = 40,000

Alfa = 1,00,000 − 60,000 = 40,000 Deficit.

Beta = 20000 − 30,000 = (10,000) Excess.

21. Cal. of opening capital:

| | Gupta | Mehta |
|---|---|---|
| Closing Capital | 90,000 | 70,000 |
| − Share of profit | (21,000) | (21,000) |
| − Salary | (12,000) | - |
| − Additional capital | (20,000) | |
| + Capital withdrawn | - | 10,000 |
| Opening Capital | 37,000 | 59,000 |

10C

Gupta = $(37000 \times \frac{12}{100}) + (20,000 \times \frac{12}{100} \times \frac{8}{12})$ = 4,640

Mehra = $(59000 \times \frac{12}{100}) - (10,000 \times \frac{12}{100} \times \frac{3}{12})$ = 6,780

22. Cap. Employed = 32,80,000
Normal profit = 3,28,000
Super Profit = 4,00,000 - 3,28,000 = 72,000

(i) Goodwill (cap of SP) = $72000 \times \frac{100}{10} = \underline{7,20,000}$

(ii) Goodwill = 72000 × 3 = 2,16,000

23.

Dr | Revaluation A/c | Cr

| | | | |
|---|---|---|---|
| Furniture | 1,000 | Machinary | 6,000 |
| Provision | 500 | Creditors | 3,500 |
| Claim for compensation | 2,000 | | |
| Rev. profit | 6,000 | | |
| Ramesh Cap 2000 | | | |
| Sreyash Cap 2000 | | | |
| Harish Cap 2,000 | | | |
| | 9,500 | | 9,500 |

| | R | S | H | | R | S | H |
|---|---|---|---|---|---|---|---|
| P/L A/c | 5000 | 5000 | 5000 | Bal b/d | 50000 | 30000 | 27000 |
| Harish Cap | 2000 | | | Gen Res. | 10000 | 10000 | 10000 |
| | | | | Revaluation | 2000 | 2000 | 2000 |
| | | | | Ramesh Cap | | | 2000 |
| Bal c/d | 55,000 | 37,000 | 36,000 | | | | |
| | 62000 | 42000 | 41,000 | | 62000 | 42000 | 41,000 |

24.

## P/L A/c

| | | | |
|---|---|---|---|
| To Rent (2500×4) | 10,000 | NP | 3,10,000 |
| To NP transfer to App A/c | 3,00,000 | | 310000 |
| | 310000 | | |

## Appropriation A/c

| | | | | | |
|---|---|---|---|---|---|
| I O C | | | NP b/d | | 3,00,000 |
| Akshay | 36000 | | I.O.D | | |
| Vishal | 24000 | | Akshay | 1,320 | |
| Sumit | 12000 | | Vishal | 1,500 | |
| | | 72,000 | Sumit | 900 | |
| Salary: | | | | | 3,720 |
| Akshay | | 24,000 | | | |
| Commission | | | | | |
| Sumit | | 20,000 | | | |
| Divisible profit | | 187,720 | | | |
| Akshay : 56316-2456 | 53860 | | | | |
| Vishal : 75088+4912 | 80000 | | | | |
| Sumit : 56316-2456 | 53860 | | | | |
| | | 303720 | | | 303720 |

## Capital A/c

| | A | V | S | | A | V | S |
|---|---|---|---|---|---|---|---|
| Drawings | 24000 | 20000 | 15000 | Bal b/d | 600000 | 400000 | 200000 |
| I O D | 1320 | 1500 | 900 | I O C | 36000 | 24000 | 12000 |
| | | | | Salary | 24000 | | |
| | | | | Commission | | | 20000 |
| | | | | D.P | 53860 | 80000 | 53860 |
| Bal c/d | 688540 | 482500 | 269160 | | | | |
| | 713860 | 504000 | 285860 | | 713860 | 504000 | 285860 |

25.

**Dr. Revaluation A/c Cr**

| | | | |
|---|---|---|---|
| Provision | 2000 | Land & Building | 18,000 |
| Revaluation profit transferred to | 20,000 | Stock | 4,000 |
| A Cap: 12000 | | | |
| B Cap: 8000 | | | |
| | 22000 | | 22000 |

**Capital A/c**

| | A | B | C | | A | B | C |
|---|---|---|---|---|---|---|---|
| Goodwill | 3000 | 2000 | - | Bal b/d | 10000 | 10000 | - |
| | | | | Cash | | | 24,000 |
| | | | | Premium | 3600 | 2400 | - |
| | | | | Revaluation | 12000 | 8000 | - |
| | | | | Gen Res. | 9000 | 6000 | - |
| Bal c/d | 33400 | 25,600 | 24000 | W. Ctend | 1800 | 1200 | - |
| | 36400 | 27600 | 24000 | | 36400 | 27600 | 24000 |

**Balance Sheet**

| Liabilities | | Assets | |
|---|---|---|---|
| Creditors | 10000 | Plant | 10000 |
| Claim for Compensation | 2,000 | Building (8000 + 18000) | 26000 |
| Capital A/c: | | Debtors (12000 - 3000) | 9000 |
| A 33400 | | Stock (12000 + 4000) | 16000 |
| B 25600 | | Cash (4000 + 6000 + 24000) | 34,000 |
| C 24000 | | | |
| | 83,000 | | |
| | 95000 | | 95000 |

26. B

27. Contingent liability

28. False

29. A

30. C

31. $CA = 3CL$ $\quad QA = 1.2CL$

$CA - CL = 1,80,000$

$3CL - CL = 180000$

$CL = 180000/2 = \underline{90,000}$

$CA = 3 \times 90,000 = \underline{2,70,000}$

$QA = 1.2 \times 90,000 = 1,08,000$

$Inventory = 270000 - 108000 = \underline{1,62,000}$

32.

| | Major Head | Sub Head |
|---|---|---|
| (a) Stores & Spares | Current Assets | Inventories |
| (b) Bank O/D | Current liabilities | Short term borrowings |
| (c) Securities Premium Reserve | Shareholders Fund | Reserves & surplus |
| (d) Provision for tax | Current liabilities | Short term Provision |

33. $DER = \frac{800000}{1000000} = 0.8:1$

$TADR = 20,00,000/800000 = 2.5:1$

$PR = \frac{10,00,000}{20,00,000} = 0.5:1$ or 50%

34.

NPBIT = 24000 + 16000 + 14000 = 54,000

Tax = $24000 \times \frac{40}{60} = 16000$

Interest on deb = 8,000

Interest on loan = 6000

ICR = $\frac{54000}{14000}$ = 3.85 times.