

Solutions to RAC–DS1/Set-3

1. (c) Dr. Jim's Capital A/c, Cr. Kim's Capital A/c by ₹ 24,000

$$[\text{Kim's Sacrifice} = \frac{3}{5} - \frac{1}{3} = \frac{4}{15} \text{ (Sacrifice)}]$$

$$\text{Jim's Sacrifice} = \frac{2}{5} - \frac{2}{3} = \left(\frac{4}{15}\right) \text{ (Gaining partner)}$$

2. (a) Both (A) and (R) are correct and (R) is the correct explanation of (A).

3. (b) 960

$$[120 \text{ shares} \times ₹8 \text{ each} = ₹ 960]$$

OR

- (c) 9,00,000

$$[\text{Purchase consideration} = ₹ 5,00,000 \text{ (Debentures)} + ₹ 50,000 \text{ (Securities Premium)} + ₹ 3,50,000 \text{ (Cheque)}]$$

4. (a) 8% p.a.

$$[(₹ 5,00,000 \times 6/12 \times R/100) + (₹ 5,80,000 \times 6/12 \times R/100)] = ₹ 43,200$$

$$2,500R + 2,900R = 43,200$$

$$R = 43,200/5,400 = 8]$$

OR

- (c) ₹ 22,000

$$\left[\frac{1}{3} (\text{₹ } 90,000 - \text{₹ } 24,000) \right]$$

5. (b) Interest on Partner's Capital

6. (c) Statement I is correct and Statement II is incorrect.

OR

- (c) Debited with ₹ 14,000

$$[2,000 \times ₹ 7]$$

7. (c) Assertion (A) is incorrect but Reason (R) is correct.

8. (b) Dr. Revaluation A/c and Cr. Mohan's Capital A/c by ₹ 7,500

OR

- (b) Loss of ₹ 7,200 $[\text{₹ } 1,20,000 \times \frac{3}{8} = ₹ 7,200]$

$$[\text{Divisible Loss} = ₹ 9,300 + (\text{₹ } 90,000 \times \frac{6}{100} \times \frac{6}{12}) = ₹ 9,300 + ₹ 2,700 = ₹ 12,000]$$

9. (b) ₹ 2,000

$$[\text{Shares applied} = 800 \times \frac{1,20,000}{80,000} = 1,200]$$

$$\text{Allotment money due} = 800 \times ₹ 4 = ₹ 3,200$$

$$\text{Allotment money unpaid} = ₹ 3,200 - (400 \times ₹ 3) = ₹ 2,000]$$

10. (c) ₹ 3,600

$$[1200 \times ₹ 3]$$

11. (a) Statement (ii) and (iv) are True.

12. (b) Realisation A/c Dr. 1,44,000

To Cash A/c 1,44,000

13. (a) Both (A) and (R) are correct and (R) is the correct explanation of (A).

14. (d) Rita's Capital A/c Dr. 7,000

To Mita's Capital A/c 1,400

To Nita's Capital A/c 5,600

$$\left[\text{Rita: } \frac{1}{3} - \frac{5}{10} = \frac{10-15}{30} = \frac{-5}{30} \text{ (Gain), Mita: } \frac{1}{3} - \frac{3}{10} = \frac{10-9}{30} = \frac{1}{30} \text{ (Sacrifice),} \right.$$

$$\left. \text{Nita: } \frac{1}{3} - \frac{2}{30} = \frac{10-6}{30} = \frac{4}{30} \text{ (Sacrifice)} \right]$$

15. (c) ₹ 48,800

$$\text{Super Profit} = ₹ 50,000/2.5 = ₹ 20,000$$

$$\text{Super Profit} = \text{Actual Profit} - \text{Normal Profit}$$

$$₹ 20,000 = \text{Actual Profit} - (₹ 2,40,000 \times 12/100)$$

$$\text{Actual Profit} = ₹ 20,000 + ₹ 28,800 = ₹ 48,800$$

OR

(b) Vikas

[Period for Interest on drawings for Chaman: 6 months, Vikas: 7.5 months and Kishan: 6.5 months but total drawings are same for everyone.]

16. (d) Y withdrew and X brought ₹ 2,50,000

17. **Journal**

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
(i)	General Reserve A/c		21,000	
	To A's Capital A/c			4,200
	To B's Capital A/c			6,300
	To C's Capital A/c			10,500
	(Being transfer of reserve to capital accounts of partners in their old ratio)			
(ii)	Investment Fluctuation Reserve A/c Dr.		36,000	
	Revaluation A/c Dr.		24,000	
	To Investment A/c			60,000
	(Being reduction in value of investment charged from IFR and excess amount from revaluation account)			
(iii)	A's Capital A/c Dr.		4,800	
	B's Capital A/c Dr.		7,200	
	C's Capital A/c Dr.		12,000	
	To Revaluation A/c			24,000
	(Being transfer of loss of revaluation to capital accounts of partners in their old ratio)			

18. Dr.

Profit and Loss Appropriation A/c

Cr.

for the year ending 31st March, 2023

Particulars		Amount (₹)	Particulars		Amount (₹)
To Interest on Capital A/c:			By Profit and Loss A/c (Net Profit)		4,00,000
Arpit	36,000				
Seema	24,000				
Kashi	12,000	72,000			
To Salary A/c (Arpit)		24,000			
To Commission A/c (Seema)		14,000			
To Net Profit transferred to capitals:					
Arpit	1,16,000				
Seema	1,36,000				
Kashi	38,000	2,90,000			
		4,00,000			4,00,000

Working Notes:

Arpit's Share = ₹ 2,90,000 × $\frac{2}{5}$ = ₹ 1,16,000 which is more than guaranteed Profit of ₹ 1,30,000
 – ₹ 24,000 (Salary) = ₹ 1,06,000

Seema's Share = – ₹ 2,90,000 × $\frac{2}{5}$ = ₹ 1,16,000 which is less than guaranteed Profit of ₹ 1,60,000
 – ₹ 24,000 (Interest on Capital) = ₹ 1,36,000 by ₹ 20,000

Kashi's Share = ₹ 2,90,000 × $\frac{1}{5}$ = ₹ 58,000

∴ Divisible Profit will be distributed as Arpit ₹ 1,16,000, Seema ₹ 1,36,000 (i.e., ₹ 1,16,000 + ₹ 20,000) and Kashi ₹ 38,000 (i.e., ₹ 58,000 – ₹ 20,000)

OR**Adjustment Entry**

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	X's Current A/c To Y's Current A/c (Being interest on capital and salary of partners adjusted)	Dr.	10,667	10,667

Working Note:**Adjustment Table**

Particulars	X		Y		Firm	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Wrong profit already credited, now debited	2,40,000	—	1,20,000	—	—	3,60,000
Interest on Capital to be credited (12%)	—	72,000	—	48,000	1,20,000	—
Salary to be credited	—	40,000	—	24,000	64,000	—
Net Profit (2 : 1)	—	1,17,333	—	58,667	1,76,000	—
	2,40,000	2,29,333	1,20,000	1,30,667	3,60,000	3,60,000
Net Effect	10,667(Dr.)		10,667(Cr.)		—	

19.

Journal

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
(i)	Bank A/c To Bank Loan A/c (For loan taken from PNB Bank)	Dr.	40,00,000	40,00,000
(ii)	Debenture Suspense A/c To 9% Debentures A/c (For 30,000, 9% debentures of ₹ 100 each issued as collateral security)		30,00,000	30,00,000

Balance Sheet (Extract)

Particulars	Note No.	Amount (₹)
LIABILITIES		
1. Non-Current Liabilities		
(a) Long-term Borrowings	1	40,00,000

Note to Accounts:

Note No.	Particulars	Amount (₹)
1.	Long-term Borrowings: Loan from PNB Bank 9% Debentures (issued as collateral security) <i>Less:</i> Debenture Suspense A/c	40,00,000 30,00,000 <u>(30,00,000)</u> NIL

OR**Journal**

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
(i)	Incorporation Expenses A/c To Promoters' A/c (For amount due to promoters)	Dr.	4,00,000	4,00,000
(ii)	Promoters' A/c To Share Capital A/c (For issue of 8,000 shares of ₹ 50 each to promoters)	Dr.	4,00,000	4,00,000
(iii)	Underwriting Commission A/c To Underwriters' A/c (For amount due to underwriters)	Dr.	1,50,000	1,50,000
(iv)	Underwriters' A/c To Share Capital A/c (For issue of 3,000 shares of ₹ 50 each to under writers)	Dr.	1,50,000	1,50,000

20.

In the books of Dishu, Aanya and Naisha

Journal

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	Dishu's Capital A/c (₹ 1,20,000 × 1/6) Dr.		20,000	
	To Aanya's Capital A/c (₹ 1,20,000 × 1/12)			10,000
	To Naisha's Capital A/c (₹ 1,20,000 × 1/12)			10,000
	(Being the single adjusting entry passed on change in profit sharing ratio)			

Working Notes:

	Dishu	Aanya	Naisha
Old share	1/3	1/3	1/3
New share	1/2	1/4	1/4
	<u>1/6 (Gain)</u>	<u>1/12 (Sacrifice)</u>	<u>1/12 (Sacrifice)</u>
		(₹)	
General Reserve		1,00,000	
Goodwill		1,10,000	
Profit & Loss A/c (Dr. Balance.)		(60,000)	
Revaluation Loss		(30,000)	
Amount to be adjusted		<u>1,20,000</u>	

21.

Balance Sheet (Extract)

Particulars	Note No.	Amount (₹)
EQUITY & LIABILITIES		4,95,500
Shareholders' Funds		
Share Capital	1	

Notes to Accounts:

Note No.	Particulars	Amount (₹)
1.	Share Capital	
	Authorised Capital:	
	1,00,000 Equity Shares @ ₹ 10 each	10,00,000
	Issued Capital:	
	50,000 Equity Shares @ ₹ 10 each	5,00,000
	Subscribed Capital:	
	Subscribed and Fully Paid up	
	48,500 (50,000 (s) – 3,000 (s) shares forfeited + 1500 (s) Reissued)	
	Equity Shares @ ₹ 10 each	4,85,000
	Add: Shares Forfeited A/c (1500 (s) × ₹ 7)	10,500
		<u>4,95,500</u>

22.

Journal

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
(i)	Bank/Cash A/c To Realisation A/c (For balance 60% furniture sold)		1,80,000	1,80,000
(ii)	Realisation A/c To Bank/Cash A/c (For cash paid to creditors)		8,500	8,500
(iii)	Realisation A/c To Shalu's Capital A/c (For remuneration payable to Shalu for dissolution expenses)		11,000	11,000
(iv)	Bank/Cash A/c To Realisation A/c (For realisation of stock)		1,60,000	1,60,000

23.

Journal

(a) Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
(i)	Equity Share Capital A/c To Calls-in-Arrears A/c (2,160 + 1,800) To Shares Forfeited A/c (Being 900 shares forfeited)	Dr.	7,200	3,960 3,240
(ii)	Bank A/c Share Forfeiture A/c To Equity Share Capital A/c (Being 450 shares reissued @ ₹ 6 per share as ₹ 8 paid up)	Dr. Dr.	2,700 900	3,600
(iii)	Shares Forfeited A/c To Capital Reserve A/c (Being gain on reissue of forfeited shares transferred to capital reserve)	Dr.	720	720

Dr.**Journal****Cr.**

Particulars	Amount (₹)	Particulars	Amount (₹)
To Equity Share Capital A/c	700	By Equity Share Capital Bal. A/c	3240
To Capital Reserve A/c	720		
To Balance c/d	1620		
	<u>3,240</u>		<u>3,240</u>

Working Note:

$$\text{No. of shares allotted to Rajan} = 1,080 \times \frac{30,000}{36,000} = 900 \text{ shares}$$

Application money paid by him (1,080 × ₹ 3)	₹ 3,240
Application money adjusted for Share Capital (900 × ₹ 3)	₹ 2,700
Excess money	<u>₹ 540</u>
Allotment due from him (900 × ₹ 3)	₹ 2,700
Less: Excess application money adjusted	₹ 540
Amount not received on Allotment	<u>₹ 2,160</u>

Journal

(b)	Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
(i)		Equity Share Capital A/c Securities Premium A/c To Calls-in-Arrears A/c To Shares Forfeited A/c (Being 250 shares were forfeited)	Dr. Dr.	3,500 1,000	1,750 2,750
(ii)		Bank A/c To Equity Share Capital A/c To Securities Premium A/c (Being 120 shares were reissued @ ₹ 17 per share as ₹ 14 paid up)	Dr.	2,040	1,680 360
(iii)		Shares Forfeited A/c To Capital Reserve A/c (Being gain on reissue of forfeited shares transferred to capital reserve)	Dr.	1,320	1,320

OR

Journal

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
(i)	Bank A/c To Equity Share Application A/c (Being application money received on 25,000 shares @ ₹ 10)	Dr.	2,50,000	2,50,000
(ii)	Equity Share Application A/c To Equity Share Capital A/c (10,000 × ₹ 10) To Share allotment A/c (2,000 × ₹ 40) To Call-in-Advance A/c To Bank A/c (5,000 × ₹ 10) (Being application money transferred)	Dr.	2,50,000	1,00,000 80,000 20,000 50,000
(iii)	Equity Share Allotment A/c To Equity Share Capital A/c (10,000 × ₹ 30) To Securities Premium A/c (10,000 × ₹ 10) (Being share allotment money due)	Dr.	4,00,000	3,00,000 1,00,000

(iv)	Bank A/c To Equity Share Allotment A/c (Being allotment money of ₹ 40 per share received)	Dr.		3,20,000	3,20,000
(v)	Equity Share first & Final Call A/c (10,000 × ₹ 70) To Equity Share Capital A/c To Securities Premium A/c (10,000 × ₹ 10) (Being first call @ ₹ 70 due on 10,000 shares)	Dr.		7,00,000	6,00,000 1,00,000
(vi)	Bank A/c Calls-in-Arrears A/c Calls-in-Advance A/c To Equity Share First and Final Call A/c (Being first and final call received on 9,800 shares)	Dr. Dr. Dr.		6,68,000 12,000 20,000	7,00,000
(vii)	Equity Share Capital A/c (200 × ₹ 100) Securities Premium A/c (200 × ₹ 10) To Calls-in-Arrears A/c To Shares Forfeited A/c (Being 200 shares forfeited)	Dr. Dr.		20,000 2,000	12,000 10,000
(viii)	Bank A/c (100 × ₹ 75) Shares Forfeited A/c To Equity Share Capital A/c (Being 100 shares reissued @ ₹ 75 per share as fully paid up)	Dr. Dr.		7,500 2,500	10,000
(ix)	Shares Forfeited A/c To Capital Reserve A/c (Being gain on reissue of forfeited shares transferred to capital reserve)	Dr.		2,500	2,500

Working Note:

No. of shares allotted to Ankur = $200 \times \frac{12,000}{2,000}$	1,200 shares
Application money paid by him (1,200 × ₹ 10)	₹ 12,000
Application money adjusted by him (200 × ₹ 10)	₹ 2,000
Excess money	<u>₹ 10,000</u>
Allotment due from him = 200 × ₹ 40	₹ 8,000
Less: Excess money adjusted for allotment (200 × ₹ 40)	<u>₹ 8,000</u>
Balance Excess money	<u>₹ 2,000</u>
Call due from him = 200 × ₹ 70	₹ 14,000
Less: excess money adjusted	<u>₹ 2,000</u>
Unpaid amount by him on call	<u>₹ 12,000</u>

24. Dr.

Revaluation A/c

Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To Bad debts (1,100 – 800)	300	By Furniture	1,000
To Provision for Doubtful Debts (14,900 × 5%)	745	By Loss transferred to Capital A/cs:	
To Plant and Machinery	7,000	A	4,000
To Outstanding Expenses	955	B	2,400
		C	1,600
	9,000		8,000
			9,000

Dr.

Partners' Capital A/cs

Cr.

Particulars	A (₹)	B (₹)	C (₹)	Particulars	A (₹)	B (₹)	C (₹)
To Revaluation A/c	4,000	2,400	1,600	By Balance b/d	46,000	34,000	25,000
To C's Capital A/c	15,000	—	6,000	By A's Capital A/c	—	15,000	—
To Balance c/d	27,000	52,600	17,400	By C's Capital A/c	—	6,000	—
	46,000	55,000	25,000		46,000	55,000	25,000
To Furniture A/c	—	1,000	—	By Balance b/d	27,000	52,600	17,400
To Bank A/c (Bal. fig.)	—	51,600	—	By Bank A/c	48,000	—	12,600
To Balance c/d (Bal. fig.)	75,000	—	30,000				
	75,000	52,600	30,000		75,000	52,600	30,000

Balance Sheet

as at 1st April, 2023

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Accounts:		Land and Building	30,000
A	75,000	Plant and Machinery	28,000
C	30,000	Stock	12,800
Sundry Creditors	15,600	Sundry Debtors	14,900
Outstanding Expenses	955	Less: Provision for Doubtful Debts	745
		Cash at Bank (27,600 + 48,000 + 12,600 – 51,600)	36,600
	1,21,555		1,21,555

Working Note:

Capital of new firm = ₹ 1,05,000 (As per old balance sheet)

A's Capital = ₹ 1,05,000 × 5/7 = ₹ 75,000

C's Capital = ₹ 1,05,000 × 2/7 = ₹ 30,000

OR

Dr.		X's Capital Account		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
To X's Executors' A/c	3,46,000	By Balance b/d	3,00,000		
(Balancing Figure)		By General Reserve A/c	8,000		
		By Profit and Loss Suspense A/c	8,000		
		By Y's Capital A/c	15,000		
		By Z's Capital A/c	15,000		
	3,46,000		3,46,000		

Dr.		X's Executors' Account		Cr.	
Date	Particulars	(₹)	Date	Particulars	(₹)
30-11-2022	To Bank A/c	46,000	30-11-2022	By X's Capital A/c	3,46,000
31-3-2023	To Balance c/d	3,08,000	31-3-2023	By Interest on Loan A/c	8,000
		3,54,000		(8% on 3,00,000 for 4 Months)	3,54,000
30-11-2023	To Bank A/c	1,74,000	1-4-2023	By Balance b/d	3,08,000
	(1,50,000+24,000)		30-11-2023	By Interest on Loan A/c	16,000
31-3-2024	To Balance c/d	1,54,000		(8% on 3,00,000 for 8 Months)	
		3,28,000	31-3-2024	By Interest on Loan A/c	4,000
				(8% on 1,50,000 for 4 Months)	3,28,000
30-11-2024	To Bank A/c	1,62,000	1-4-2024	By Balance b/d	1,54,000
	(1,50,000+4,000 +8,000)		30-11-2024	By Interest on Loan A/c	8,000
		1,62,000		(8% on 1,50,000 for 8 Months)	1,62,000

25. Dr.		Partners' Capital A/cs			Cr.		
Particulars	Amit (₹)	Sumit (₹)	Nimit (₹)	Particulars	Amit (₹)	Sumit (₹)	Nimit (₹)
To Goodwill A/c	13,500	10,800	2,700	By Balance b/d	85,000	54,000	36,000
To Amit's Capital A/c	—	33,600	8,400	By General Reserve A/c	10,000	8,000	2,000
To Amit's Loan A/c	1,25,175	—	—	By Revaluation A/c	1,675	1,340	335
(Bal. fig.)				By Sumit's Capital A/c	33,600	—	—
To Balance c/d	—	18,940	27,235	By Nimit's Capital A/c	8,400	—	—
	1,38,675	63,340	38,335		1,38,675	63,340	38,335

Balance Sheet of the new firm

as at 31st March 2023

Liabilities		Amount (₹)	Assets		Amount (₹)
Capital Accounts:			Land		82,000
Sumit	18,940		Machinery		24,000
Nimit	27,235	46,175	Stock		25,000
Outstanding expenses		14,000	Debtors	50,000	
Creditors		44,650	Less: Provision for Doubtful Debts	5,000	45,000
Amit's Loan A/c		1,25,175	Bank		54,000
		2,30,000			2,30,000

Working Notes:

Calculation of Goodwill:

Total Profits = ₹ 34,000 + ₹ 42,000 + ₹ 50,000 = ₹ 1,26,000

Average Profit = ₹ 1,26,000/3 = ₹ 42,000

Goodwill = 2 × ₹ 42,000 = ₹ 84,000

Amit's share in Goodwill = 5/10 × ₹ 84,000 = ₹ 42,000 divided in gaining ratio 4%.

26.

Journal

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
(i)	Bank A/c Dr. To 8% Debenture Application & Allotment A/c (For application money received for 5,000 8% debentures @ ₹ 200 each at a discount of ₹ 10 per debenture)		9,50,000	9,50,000
	8% Debenture Application & Allotment A/c Dr. Loss on Issue of Debentures A/c Dr. To 8% Debentures A/c To Premium on Redemption of Debentures A/c (For 5,000, 8% debentures of ₹ 200 each issued at a discount of ₹ 10 per debenture redeemable at a premium of ₹ 20 per share)		9,50,000 1,50,000	10,00,000 1,00,000
(ii)	Bank A/c Dr. To 9% Debenture Application & Allotment A/c (For application money received for 10,000 9% debentures @ ₹ 100 each at a premium of 15%)		11,50,000	11,50,000
	9% Debenture Application & Allotment A/c Dr. Loss on Issue of Debentures A/c Dr. To 9% Debentures A/c To Securities Premium A/c To Premium on Redemption of Debentures A/c (For 10,000 9% debentures @ ₹ 100 each at a premium of 15% redeemable at a premium of ₹ 12 per debenture)		11,50,000 1,20,000	10,00,000 1,50,000 1,20,000

(iii)	Bank A/c	Dr.	80,00,000	
	To 6% Debenture Application & Allotment A/c (For application money received for 8,000 6% debentures @ ₹ 1,000 each at a par)			80,00,000
	6% Debenture Application & Allotment A/c	Dr.	80,00,000	
	Loss on Issue of Debentures A/c	Dr.	4,00,000	
	To 6% Debentures A/c			
	To Premium on Redemption of Debentures A/c (For 8,000 6% debentures @ ₹ 1,000 each at a par redeemable at a premium of 5%)			80,00,000 4,00,000

27. (a) Purchase of Plant for cash

OR

(a) Static

28. (b) Financing activities

29. (d) Statement I is incorrect and Statement II is correct.

OR

(b) Debt Equity ratio

30. (c) Inflow ₹ 2,26,000 [\therefore Total Inflow = ₹ 2,00,000 – ₹ 24,000 + ₹ 50,000]

$$= \text{Interest on Debentures} = (\text{₹ } 25,000 \times \frac{8}{10}) + (\text{₹ } 2,00,000 \times \frac{8}{100} \times \frac{3}{12}) = \text{₹ } 24,000$$

31.	Item	Major Heads	Sub Heads
	(i) Bank overdraft	Current Liabilities	Short-term Borrowings
	(ii) Provision for tax	Current Liabilities	Short-term Provisions
	(iii) Provision for employee benefits	Non-current Liabilities	Long-term Provisions
	(iv) Provisions for warranties	Non-current Liabilities	Long-term Provisions
	(v) Loan payable on demand	Current Liabilities	Short-term Borrowings
	(vi) Stock of finished goods	Current Assets	Inventories

32. Interest Coverage Ratio = Profit before Interest and Tax/Interest on Long-term Debts

Profit after Interest and Tax = ₹ 2,40,000

$$\text{Profit before Tax} = \text{₹ } 2,40,000 \times \frac{100}{100 - 20} = \text{₹ } 3,00,000$$

Profit before Interest and Tax = ₹ 3,00,000 + ₹ 24,000 = ₹ 3,24,000

$$\text{Interest Coverage Ratio} = \frac{\text{₹ } 3,24,000}{\text{₹ } 24,000} = 13.5 \text{ times}$$

33.

Comparative Balance Sheet*as on 31st March, 2023*

Particulars	2021-22 (A)	2022-23 (B)	Absolute change (₹) (C) = B – A	% Change (D) = C/A × 100
EQUITY AND LIABILITIES:				
Shareholders' Funds:				
Share Capital	15,00,000	20,00,000	5,00,000	33.33
Reserve & Surplus	3,00,000	4,00,000	1,00,000	33.33
Non-Current Liabilities:				
Long-term Borrowings	6,00,000	4,00,000	(2,00,000)	33.33
Current Liabilities:				
Trade Payables	50,000	2,00,000	1,50,000	300
Other Current Liabilities	50,000	—	(50,000)	(100)
	25,00,000	30,00,000	5,00,000	20
ASSETS:				
Non-Current Assets:				
Property, Plant and Equipment and Intangible Assets	12,50,000	16,00,000	3,50,000	28
Property, Plant and Equipment	1,00,000	2,00,000	1,00,000	100
Current Assets:				
Trade Recivable	2,50,000	4,00,000	1,50,000	60
Inventory	6,50,000	4,50,000	(2,00,000)	(30.77)
Cash and Cash Equivalents	2,50,000	3,50,000	1,00,000	40
	25,00,000	30,00,000	5,00,000	20

OR**Common-Size Statement of Profit and Loss***for the year ending 31st March, 2023*

Particulars	2021-22 (₹)	2023-23 (₹)	% of Revenue from Operations (2021-22)	% of Revenue from Operations (2022-23)
I. Revenue from Operations	1,50,000	2,00,000	100	100
II. Other Income	25,000	15,000	16.67	7.5
III. Total Revenue (I + II)	1,75,000	2,15,000	116.67	107.5
IV. Expenses:				
Cost of Materials Consumed	70,000	1,10,000	46.67	55
Finance Cost	5,000	5,000	3.33	2.5
Total Expenses	75,000	1,15,000	50	57.5
V. Profit before Tax (III – IV)	1,00,000	1,00,000	66.67	50
VI. Tax	40,000	40,000	26.67	20
VII. Profit after Tax (V – VI)	60,000	60,000	40	30

34.

Cash Flow Statement of Ashok Ltd.*For the year ended 31st March, 2023*

Particulars	Amount (₹)
Cash Flow from Operating Activities	
Net Profit before Tax	30,300
<i>Add:</i> Non-cash and Non-operating expenses	
Depreciation on Equipment	16,000
Loss on sale of Equipment	8,000
Amortisation of Goodwill	13,000
Depreciation on Building	30,000
Operating Profit before Working Capital Changes	97,300
Adjustment for Current Assets and Current Liabilities	
Decrease in Inventory	27,000
Decrease in Trade receivable	4,500
Increase in Trade Payable	8,400
Decrease in Outstanding Expenses	(700)
Net Cash inflow from Operating Activities before tax	1,36,500
<i>Less:</i> Tax paid	(18,600)
Cash Flow from Operating Activities	1,17,900

Working Notes:

(i)	(₹)
Balance as per Statement of Profit & Loss	(20,200)
<i>Add:</i> Provision for tax (Current year)	22,500
<i>Add:</i> Interim dividend paid	28,000
Net Profit before tax & extraordinary items	30,300

(ii) Dr.	Provision for Tax A/c		Cr.
Particulars	Amount (₹)	Particulars	Amount (₹)
To Bank A/c (Tax Paid) (Bal fig.)	18,600	By Balance b/d	28,600
To Balance c/d	32,500	By Statement of Profit and Loss (Provision Made)	22,500
	51,100		51,100

(iii) **Dr.** **Equipment A/c** **Cr.**

Particulars	Amount (₹)	Particulars	Amount (₹)
To Balance b/d	1,95,000	By Accumulated Depreciation A/c	8,000
To Bank (Purchase) (Bal. fig.)	77,000	By Bank (Sale)	16,000
		By Statement of Profit & Loss A/c (Loss)	8,000
		By Balance c/d	2,40,000
	2,72,000		2,72,000

(iv) **Dr.** **Accumulated Depreciation A/c** **Cr.**

Particulars	Amount (₹)	Particulars	Amount (₹)
To Equipment A/c	8,000	By Balance b/d	22,000
To Balance c/d	30,000	By Statement of Profit and Loss (Depreciation) (Bal. fig.)	16,000
	38,000		38,000