CUET (UG)

Accountancy Sample Paper - 10

Solved

Time Allowed: 45 minutes **Maximum Marks: 200**

General Instructions:

1. The test is of 45 Minutes duration.
2. The test contains 50 questions out of which 40 questions need to be attempted.
3. Marking Scheme of the test:

a. Correct answer or the most appropriate answer: Five marks (+5).
b. Any incorrectly marked option will be given minus one mark (-1).
c. Unanswered/Marked for Review will be given zero mark (0).

Attempt any 40 questions

1. After closing accounts, it was found that interest on capital of Mr. Rehan @ 12% p.a. was omitted: **[5]**

His capital (Fluctuating) balance as on 31.03.2021 is	5,00,000
Additional capital introduced on 01.07.2020 is	100,000
Drawing against profit on 01.10.2020 is	60,000
Mr. Rehan's salary is	80,000 p.a.
Mr. Rehan's commission is	10,000
Interest on drawing (Mr. Rehan)	5,000 p.a

Interest on his capital will be:

a) 60,000
b) 50,400
c) 50,000
d) 54,000

2. When the profits are guaranteed by the partners on the old profit sharing ratio, which of the following is not true? **[5]**

a) Amount guaranteed to a partner is transferred to Profit and Loss Appropriation A/c.
b) All of these
c) Then the remaining profits are distributed among old partners/remaining partners in remaining ratio.
d) Guaranteed amount is calculated according to his share.

3. For the firm, interest on drawings is: **[5]**

a) Capital payment

b) Capital receipt

c) Expenses

d) Income

4. A and B are partners with the capitals of ₹ 2,00,000 and ₹ 1,00,000 respectively. Interest payable on capital is 10% p.a. Determine amount of appropriation for each partner when the profit earned by the firm is ₹ 24,000. **[5]**

a) ₹ 15,000 and ₹ 9,000

b) No interest will be paid

c) ₹ 20,000 and ₹ 10,000

d) ₹ 16,000 and ₹ 8,000

5. Sunny and Manish are partners sharing profits in the ratio of 3 : 2 before they changed the profit-sharing ratio to equal. The Balance Sheet as on the date of change in profit-sharing ratio showed debit balance in Profit & Loss Account of ₹ 50,000. The balance of ₹ 50,000 should **[5]**

a) be carried forward in the Balance Sheet as it is

b) be transferred to their respective Capital Accounts in the ratio of 1 : 1.

c) be transferred to their respective Capital Accounts in the ratio of 3 : 1.

d) be transferred to their respective Capital Accounts in the ratio of 3 : 2

6. E, F and G are partners sharing profits in 7 : 6 : 5 ratio. Their fixed capitals are Rs, 70,000, Rs. 40,000 and Rs. 80,000 respectively. It is now decided that the total capital of the firm should be Rs. 3,60,000 and should be in the profit sharing ratio of the partners. Calculate the amount of capital to be contributed by the individual partners. **[5]**

a) E will contribute Rs 20,000; F 80,000 and G Rs 70,000

b) E will contribute Rs 80,000; F 70,000 and G Rs 20,000

c) E will contribute Rs 70,000; F 20,000 and G Rs 80,000

d) E will contribute Rs 70,000; F 80,000 and G Rs 20,000

7. Heena, Manish and Neha were partners sharing profits in the ratio of 2 : 2 : 1. They decided to share future profits in the ratio of 7 : 5 : 3 with effect from 1st April, 2022. Their Balance Sheet as on that date showed a balance of ₹ 45,000 in Advertisement Suspense Account. The amount to be debited respectively to the capital accounts of Heena, Manish and Neha for writing off the amount in Advertisement Suspense Account will be: **[5]**

a) ₹ 15,000, ₹ 15,000 and ₹ 15,000

b) ₹ 22,500, ₹ 22,500 and Nil

c) ₹ 21,000, ₹ 15,000 and ₹ 9,000

d) ₹ 18,000, ₹ 18,000 and ₹ 9,000

8. X, Y and Z were partners sharing profits in the ratio 2 : 3 : 4 with effect from 1st January, 2023 they agreed to share profits in the ratio 3 : 4 : 5. Each partner's gain or sacrifice due to change in the ratio will be: **[5]**

a) X Gain $\frac{1}{36}$; Y Sacrifice $\frac{1}{36}$; Z Nil

b) X Sacrifice $\frac{1}{36}$; Y Nil; Z Gain $\frac{1}{36}$

c) X Gain $\frac{1}{36}$; Y Nil; Z Sacrifice $\frac{1}{36}$

d) X Sacrifice $\frac{1}{36}$; Y Gain $\frac{1}{36}$; Z Nil

9. Current assets do not include: **[5]**

a) Bills Receivable

b) Inventory

c) Prepaid Expenses

d) Goodwill

10. Gagan, Vinod and Shubham are partners. Juhi is admitted as new partner. Sacrificing ratio of the partners is 1 : 2 : 1. New profit sharing ratio 2 : 1 : 1 : 1.
What was the old profit sharing ratio of Gagan, Vinod and Shubham? **[5]**

a) 9 : 6 : 5

b) 1 : 2 : 1

c) 2 : 1 : 1

d) 13 : 14 : 9

11. A and B are partners in a firm sharing profits in the ratio of 5 : 3. They admit C as a new partner for $\frac{1}{7}$ share. New Ratio will be 4 : 2 : 1. Sacrificing ratio will be: **[5]**

a) 5 : 3

b) 3 : 2

c) 4 : 2

d) 3 : 5

12. Kabir and Farid are partners in a firm sharing profits in the ratio of 3 : 1 on 1-4-2019 they admitted Manik into partnership for l/4th share in the profits of the firm. Manik brought his share of goodwill premium in cash. Goodwill of the firm was valued on the basis of 2 years purchase of last three years average profits. The profits of last three years were: **[5]**

2016 - 17	90,000
2017 - 18	1,30,000
2018 - 19	86,000

During the year 2018-19 there was a loss of ₹ 20,000 due to fire which was not accounted for while calculating the profit.
Goodwill of the firm:

a) 2,00,000

b) 1,02,000

c) 2,04,000

d) 1,08,667

13. Sakshi and Chandra were partners in a firm sharing profits and losses in the ratio of 5 : 3. Mansi was admitted as a new partner. It was decided that the new profit sharing ratio of Sakshi, Chandra and Mansi will be 10 : 6 : 5. The sacrificing ratio of Sakshi and Chandra will be: **[5]**

a) 2 : 1
b) 6 : 5
c) 25 : 78
d) 5 : 3

14. Increase in liability at the time of retirement of a partner is: **[5]**

a) Credited to Revaluation Account
b) Shown in balance sheet
c) Debited to Profit and Loss Account
d) Debited to Revaluation Account

15. A, B and C are the partners sharing profits in the ratio 3 : 2 : 1, C retires. If A and B purchase the share of retiring partner equally, what will be the new profit-sharing ratio? **[5]**

a) 1 : 1
b) 7 : 5
c) 2 : 3
d) 3 : 2

16. When will old partners capital account is debited and goodwill account is credited? **[5]**

a) When existing Goodwill is given
b) To Find out the amount due to outgoing partner
c) When goodwill shown after balance sheet
d) To Calculate the retiring partner's share of Goodwill

17. On dissolution of a firm, a partner took over ₹ 17,000 investments for ₹ 14,000. Which one of the following account will be debited/credited with how much amount? **[5]**

a) Realisation Account Credit with ₹ 3,000
b) Partner's Capital Account Debit with ₹ 14,000
c) Partner's Capital Account Credit with ₹ 17,000
d) Realisation Account Credit with ₹ 17,000

18. Investments valued ₹ 2,00,000 were not shown in the books. One of the creditors took over these investments in foil satisfaction of his debt of ₹ 2,20,000. How much amount will be deducted from creditors? **[5]**

a) ₹ 2,00,000
b) ₹ 4,20,000
c) ₹ 2,20,000
d) ₹ 20,000

19. Which of the following is not the mode of dissolution of the firm? **[5]**

a) On happening of an event b) Dissolution by court

c) Retirement of a partner d) By Mutual Agreement

20. On firm's dissolution, when a partner voluntarily gives his personal asset to firms' creditor as payment, the account credited will be: **[5]**

a) Partner's Capital A/c b) Cash A/c

c) Realisation A/c d) Partner's loan A/c

21. Lalita Ltd. forfeited Mamta's shares. Mamta who had applied for 600 shares of ₹ 10 each and was allotted 400 shares failed to pay allotment money of ₹ 4 per share including premium of ₹ 2. She had paid only the application money of ₹ 2 per share. The first and final call was not yet called. The Journal entry for forfeiture of shares by opening calls in arrears account will be: **[5]**

a)

Date	Particulars		L.F.	Dr. (₹)	Cr. (₹)
	Share Capital A/c	Dr.		1,600	
	Securities Premium A/c	Dr.		800	
	To Share forfeited A/c				1,600
	To Calls in Arrears A/c				800

b)

Date	Particulars		L.F.	Dr. (₹)	Cr. (₹)
	Share Capital A/c	Dr.		2,000	
	To Share forfeited A/c				1,200
	To Calls in Arrears A/c				800

c)

Date	Particulars		L.F.	Dr. (₹)	Cr. (₹)
	Share Capital A/c	Dr.		1,600	
	Securities Premium A/c	Dr.		800	
	To Share forfeited A/c				1,200

d)

Date	Particulars		L.F.	Dr. (₹)	Cr. (₹)
	Share Capital A/c	Dr.		1,600	
	To Share forfeited A/c				800
	To Calls in Arrears A/c				800

	To Calls in Arrears A/c			1,200

22. Is there any limit of Securities Premium on the issue of shares. If yes then what is the limit. **[5]**

a) 25%
b) 10%
c) 20%
d) Unlimited

23. X Ltd. forfeited Rohini's shares who has applied for 5,000 shares and was allotted 4,000 shares failed to pay allotment money of ₹ 4 per share (including premium of ₹ 2) on which she had paid application money of ₹ 2 only. **[5]**
Amount Credited to **Forfeited Shares Account** will be:

a) ₹ 14,000
b) ₹ 16,000
c) ₹ 2,000
d) ₹ 10,000

24. Interest payable on debentures is: **[5]**

a) an appropriation of profits of the company
b) a charge against profits of the company
c) transferred to sinking fund investment account
d) transferred to general reserve

25. Office Products Ltd, issued on 1st April, 2018, 20,000, 9% Debentures of ₹ 100 each at a premium of 10% redeemable at a premium of 5% after 5 years. Issue price was payable along with application. Calculate the amount of premium on redemption of debentures. **[5]**

a) 1,80,000
b) 20,00,000
c) 1,00,000
d) 2,00,000

26. Mohit Ltd. issues 20,000, 9% debentures of ₹ 100 each at a discount of 5% redeemable at the end of 5 years at a premium of 6%. For what amount **Loss on Issue of Debentures Account** will be debited? **[5]**

a) ₹ 1,20,000
b) ₹ 1,00,000
c) ₹ 2,20,000
d) ₹ 2,80,000

27. Which one of the following is commitment? **[5]**

a) Interim Dividend
b) Dividend Arrears on Cumulative

Preference Shares

c) Unpaid/Unclaimed Dividend d) Proposed Dividend

28. **Accumulated Dividend Arrears** on preference shares is shown in the company's balance sheet as: **[5]**

a) Short-term Provisions b) Commitments

c) Contingent Liability d) Current Liability

29. Shares on which the company has not called the entire nominal value is shown in the Note to Accounts on Share Capital under Subscribed Capital as: **[5]**

a) Subscribed but not fully paid-up; b) Any of these

c) Subscribed and fully paid-up; d) Paid up capital

30. Securities Premium Reserve is shown on the Equity and Liabilities part of the Balance Sheet under the head: **[5]**

a) Reserves and Surplus b) Assets

c) Share Capital d) Current Liabilities

31. In the Statement of Profit & Loss of a Common Size Statement: **[5]**

a) Figure of assets is assumed to be equal to 100 b) Figure of net profit is assumed to be equal to 100

c) Figure of net revenue from operations is assumed to be equal to 100 d) Figure of gross profit is assumed to be equal to 100

32. No profit no loss point is called: **[5]**

a) Break-Even Point b) Fund Flow Point

c) Cash Flow Point d) Trend Analysis

33. In a common size Statement of Profit & Loss, the amount of net revenue from operations is assumed to be equal to **[5]**

a) 1,000 b) 1

c) 100 d) 10

34. Purchase of building results in **[5]**

a) no flow of cash

b) outflow of cash

c) inflow of cash

d) both inflow and outflow

35. How will you classify loans given by Tata Finance Company? **[5]**

a) Cash Flow from Operating Activities

b) Cash Flow from Investing Activities

c) Cash Flow from Financing Activities

d) No Cash Flow

36. Which of the following transactions will result into flow of cash? **[5]**

a) Sold machinery of book value of ₹ 50,000 at a gain of ₹ 10,000.

b) Deposited ₹ 40,000 into bank.

c) Sold short-term marketable securities for ₹ 25,000 at par.

d) Withdrew cash from bank ₹ 54,000.

37. How will you deal increase in the balance of Securities Premium Reserve while preparing a Cash Flow Statement? **[5]**

a) Cash flow from Investing activities

b) Cash Equivalent

c) Cash flow from Financing activities

d) Cash flow from operating activities

38. Main source of Income for a Not-for-Profit Organisation is: **[5]**

a) Rent

b) Sale of Assets

c) Donations and Subscriptions

d) Salaries

39. Income and Expenditure Account is prepared on: **[5]**

a) Cash Basis

b) Both Cash Basis and Accural Basis

c) Regular basis

d) Accrual Basis

40. Income and Expenditure Account reveals: **[5]**

a) Net Profit

b) Capital Account

c) Cash in Hand

d) Surplus or Deficiency

41. Fund earmarked for investment in fixed assets is known as: **[5]**

a) Annuity fund
b) Assets fund
c) Prize fund
d) Loan Fund

42. Average profit of a business over the last five years was ₹ 60,000. The normal commercial yield on capital invested in such business is 10% p.a. The net capital invested in the business is ₹ 5,00,000. Amount of goodwill, if it is based on 3 years' purchase of last 5 year's super-profits will be **[5]**

a) ₹ 1,50,000
b) ₹ 1,00,000
c) ₹ 1,80,000
d) ₹ 30,000

43. When goodwill is not a purchased goodwill, goodwill: **[5]**

a) may or may not be shown in the balance sheet.
b) is not shown in the balance sheet
c) is partly shown in the balance sheet
d) is shown in the balance sheet

44. The provisions of the Companies Act, 2013 in respect of redemption of debentures are to protect the interest of **[5]**

a) Shareholders
b) Creditors
c) Bankers
d) Debentureholdes

45. The amount is not set aside to Debenture Redemption Reserve (DRR) if **[5]**

a) The debentures are fully convertible
b) The debentures are not convertible
c) The debentures are partly convertible
d) None of these

46. Average Inventory 60,000; Inventory turnover ratio 8 times; selling price 25% above cost. Revenue from operation will be: **[5]**

a) 5,00,000
b) 6,00,000
c) 3,60,000
d) 4,80,000

47. Credit Purchases ₹ 6,00,000; Trade Payables Turnover Ratio 5; Calculate Closing Creditors, if Closing Creditors are ₹ 10,000 less than Opening Creditors. **[5]**

a) ₹ 1,15,000
b) ₹ 1,10,000
c) ₹ 1,30,000
d) ₹ 1,25,000

48. On the basis of following data, a Company's Closing Debtors will be: Credit Revenue from Operations ₹ 9,00,000; Average Collection period 2 months; Opening Debtors are ₹ 15,000 less as compared to Closing Debtors. **[5]**

a) ₹ 75,000
b) ₹ 1,42,500
c) ₹ 1,80,000
d) ₹ 1,57,500

49. A Company's Liquid Assets are ₹ 6,00,000, Inventory is ₹ 1,50,000 and its Current Liabilities are ₹ 4,00,000. Subsequently, it purchased goods for ₹ 1,00,000 on credit. Quick Ratio will be ________. **[5]**

a) 1.2 : 1
b) 1.4 : 1
c) 1.5 : 1
d) 1.7 : 1

50. Match the following: **[5]**

(a) Trade unions are interested in Financial Statement Analysis because	(i) Interest on loan and repayment of principal amount
(b) Bankers and Lenders are interested in Financial Statement Analysis because	(ii) Safety of investment
(c) Shareholders are interested in Financial Statement Analysis because	(iii) Negotiation or revision in wage agreement with employer
(d) Potential Investors are interested in Financial Statement Analysis because	(iv) They want to know; they should invest in that company or not

a) (a) - (iii), (b) - (iv), (c) - (ii), (d) - (i)
b) (a) - (iii), (b) - (i), (c) - (ii), (d) - (iv)
c) (a) - (i), (b) - (iii), (c) - (ii), (d) - (iv)
d) (a) - (iii), (b) - (i), (c) - (iv), (d) - (ii)

Solutions

1.
(d) 54,000
Explanation: Calculation of opening capital
= 5,00,000 - 1,00,000 + 60,000 - 80,000 - 10,000 + 5,000
= 3,75,000
Interest on Capital
= 3,75,000 $\times$ $\frac{12}{100}$ + 1,00,000 $\times$ $\frac{12}{100}$ $\times$ $\frac{9}{12}$
= 45,000 + 9,000
= 54,000

2.
(d) Guaranteed amount is calculated according to his share.
Explanation: Guaranteed amount is calculated according to his share.

3.
(d) Income
Explanation: Income

4.
(d) ₹ 16,000 and ₹ 8,000
Explanation: Interest on capital
A :- 2,00,000 $\times$ 10% = 20,000
B :- 1,00,000 $\times$ 10% = 10,000
Total interest on capital = ₹ 30,000
total profit = ₹ 24,000
profit is less then interest on capital then profit is appropriated
A :- $\frac{24,000}{30,000} \times 20,000$ = ₹16,000
B :- $\frac{24,000}{30,000} \times 10,000$ = ₹ 8,000

5.
(d) be transferred to their respective Capital Accounts in the ratio of 3 : 2
Explanation: be transferred to their respective Capital Accounts in the ratio of 3 : 2

6.
(d) E will contribute Rs 70,000; F 80,000 and G Rs 20,000
Explanation: Adjustment of capital of partners :
Old Capitals = 70,000; 40,000 and 80,000
New Capitals of partners = 1,40,000; 1,20,000 and 1,00,000 (3,60,000 in 7:6:5 ratio)
Amount of capital contributed by partners i.e.
E = 70,000
F = 80,000
G = 20,000

7.
(d) ₹ 18,000, ₹ 18,000 and ₹ 9,000

Explanation: Heena's share in Advertisement suspense account = 45,000 $\times \frac{2}{5}$ = 18,000
Manish's share in Advertisement suspense account = 45,000 $\times \frac{2}{5}$ = 18,000
Neha's share in Advertisement suspense account = 45,000 $\times \frac{1}{5}$ = 9,000

8.
(c) X Gain $\frac{1}{36}$; Y Nil; Z Sacrifice $\frac{1}{36}$
Explanation: X Gain $\frac{1}{36}$; Y Nil, Z Sacrifice $\frac{1}{36}$
Sacrificing ratio = Old ratio - New ratio
X :- $\frac{2}{9} - \frac{3}{12} = \frac{8-9}{36} = \frac{(-1)}{36} gain$
Y :- $\frac{3}{9} - \frac{4}{12} = \frac{12-12}{36} = 0$
Z :- $\frac{4}{9} - \frac{5}{12} = \frac{16-15}{36} = \frac{1}{36}$

9.
(d) Goodwill
Explanation: Goodwill

10.
(d) 13 : 14 : 9
Explanation: Old share = New share + sacrifice share
Gagan = 2/5 + 1/4 = 13/20
Vinod = 1/5 + 2/4 = 14/20
Shubham = 1/5 + 1/4 = 9/20

11.
(d) 3 : 5
Explanation: A = 5/8 - 4/7 = 3/56
B = 3/8 - 2/7 = 5/56

12.
(c) 2,04,000
Explanation: Average profit = 90,000 + 1,30,000 + 86,000/ 3
= 1,02,000
Goodwill = 1,02,000 X 2 = 2,04,000

13.
(d) 5 : 3
Explanation: Explanation: Sakshi's Sacrificing ratio
$= \frac{5}{8} - \frac{10}{21} = \frac{105}{168} - \frac{80}{168} = \frac{25}{168}$
Chandra's Sacrificing Ratio
$= \frac{3}{8} - \frac{6}{21} = \frac{63}{168} - \frac{48}{168} = \frac{15}{168}$
Sacrificing Ratio = 25 : 15 = 5 : 3

14.
(d) Debited to Revaluation Account
Explanation: Revaluation of assets and liabilities is essentially necessary at the time of reconstitution of the partnership be it admission or retirement of partnership. Net profit or loss on revaluation is then distributed among the partners. An increase in liability or decrease in assets will be debited to the revaluation account whereas a decrease in

liabilities or increase in assets will be credited to the revaluation account. Increase in liability at the time of retirement of a partner is debited to revaluation account.

15.

(b) 7 : 5

Explanation: Purchase share

A = 1/6 *1/2 =1/12

B = 1/6 * 1/2 = 1/112

New profit sharing ratio

A =3/6 + 1/12= = 7/12

B = 2/6 + 1/12 = 5/12

7 : 5

16. **(a)** When existing Goodwill is given

Explanation: Old partners capital account is debited and goodwill account is credited when goodwill exists in the old balance sheet of the firm. Such goodwill is write off among all partners in their old ratio.

17.

(b) Partner's Capital Account Debit with ₹ 14,000

Explanation: Partner's Capital Account Debit with ₹ 14,000

18. **(a)** ₹ 2,00,000

Explanation: ₹ 2,00,000

19.

(c) Retirement of a partner

Explanation: Retirement of a partner

20. **(a)** Partner's Capital A/c

Explanation: Partner's Capital A/c

21.

(c)

Date	Particulars		L.F.	Dr. (₹)	Cr. (₹)
	Share Capital A/c	Dr.		1,600	
	Securities Premium A/c	Dr.		800	
	To Share forfeited A/c				1,200
	To Calls in Arrears A/c				1,200

Explanation:

Date	Particulars		L.F.	Dr. (₹)	Cr. (₹)
	Share Capital A/c (400×4)	Dr.		1,600	
	Securities Premium A/c (400×2)	Dr.		800	
	To Share forfeited A/c				1,200
	To Calls in Arrears A/c (400×3)				1,200

22.
(d) Unlimited
Explanation: There is no limit of securities premium on issue of shares as specified by the Companies Act. Share of a company whose face value is Rs.10 can be issued at a price of 300 Rupees (including premium 290).

23.
(d) ₹ 10,000
Explanation: Excess received from Rohini on Application
5,000 Shares - 4,000 Shares = 1,000 Shares @ ₹ 2 = 2,000

	₹
Amount Due on Allotment: 4000 × ₹ 4	16,000
Less: Excess received on application	2,000
Calls in Arrears	14,000

Entry for Forfeiture :

Date	Particulars		L.F.	Dr. (₹)	Cr. (₹)
	Share Capital A/c (4,000 × ₹ 4)	Dr.		16,000	
	Securities Premium Reserve A/c	Dr.		8,000	
	To Calls in Arrears A/c				14,000
	To Shares Forfeited A/c				10,000
	(4,000 shares forfeited)				

24.
(b) a charge against profits of the company
Explanation: a charge against profits of the company

25.
(c) 1,00,000
Explanation: Amount of Premium on redemption of debenture = ₹ 20,00,000 × 5% = ₹ 1,00,000

26.
(c) ₹ 2,20,000
Explanation: Loss on issue of debenture = (20,000 × 100) × 5% + (20,000 × 100) × 6%
Loss on issue of debenture = 1,00,000 + 1,20,000 = ₹ 2,20,000

27.
(b) Dividend Arrears on Cumulative Preference Shares
Explanation: Dividend Arrears on Cumulative Preference Shares

28.
(b) Commitments
Explanation: Commitments

29. **(a)** Subscribed but not fully paid-up;
Explanation: Shares on which the company has not called the entire nominal value is shown in subscribed but not fully paid capital.

30. **(a)** Reserves and Surplus
Explanation: Securities Premium Reserve is shown on the Equity and Liabilities part of the Balance Sheet under the head Reserves and Surplus.
31.
(c) Figure of net revenue from operations is assumed to be equal to 100
Explanation: Figure of net revenue from operations is assumed to be equal to 100
32. **(a)** Break-Even Point
Explanation: No profit no loss point is known as the break-even point.
33.
(c) 100
Explanation: 100
34.
(b) outflow of cash
Explanation: outflow of cash
35. **(a)** Cash Flow from Operating Activities
Explanation: Cash Flow from Operating Activities
36. **(a)** Sold machinery of book value of ₹ 50,000 at a gain of ₹ 10,000.
Explanation: Sold machinery of book value of ₹ 50,000 at a gain of ₹ 10,000.
37.
(c) Cash flow from Financing activities
Explanation: Cash flow from Financing activities
38.
(c) Donations and Subscriptions
Explanation: Main source of income of NPO is legacies, donations and subscriptions. Not-for-Profit organisations are set up for promoting science, commerce, social cause, etc. The main purpose is not to earn profits but to provide services.
39.
(d) Accrual Basis
Explanation: The accrual basis of accounting is wherein all the expenses that are actually incurred and incomes actually earned are recorded. It's recorded when it's realized and not when received.
40.
(d) Surplus or Deficiency
Explanation: The income and expenditure account is prepared to present income and expenses. Excess of Income over expenditure is called surplus and excess of expenditure over income is called a deficit in income and expenditure account.
41.
(b) Assets fund
Explanation: Assets funds are used to account for the construction or acquisition of fixed assets such as buildings, equipment roads and dams. These are also called Capital project funds or Assets fund.
42.
(d) ₹ 30,000
Explanation: ₹ 30,000

43.

(b) is not shown in the balance sheet

Explanation: is not shown in the balance sheet

44.

(d) Debentureholdes

Explanation: Debentureholdes

45. **(a)** The debentures are fully convertible

Explanation: The debentures are fully convertible

46.

(b) 6,00,000

Explanation: Inventory Turnover Ratio = Cost of revenue from operations / Average Inventory

8 = Cost of revenue from operations / 60,000

Cost of revenue from operations = 4,80,000

Gross profit = ¼ x 4,80,000 = 1,20,000

Revenue from operations = Cost of revenue from operations + Gross profit = 4,80,000 + 1,20,000 = 6,00,000

47. **(a)** ₹ 1,15,000

Explanation: Trade Payable turnover ratio = $\frac{net\ credit\ purchase}{Average\ Trade\ payable} = \frac{6{,}00{,}000}{Average\ trade\ payable}$

Average trade payable = $\frac{₹6{,}00{,}000}{5}$ = ₹ 1,20,000

Closing creditors = opening creditor - ₹ 10,000

Average trade payable = $\frac{opening\ creditor+closing\ creditor}{2}$

₹ 2,40,000 = opening creditor + opening creditor - ₹ 10,000

2 opening creditor = ₹ 2,50,000

opening creditor = ₹ 1,25,000

Closing creditor = ₹ 1,25,000 - ₹ 10,000 = ₹ 1,15,000

48.

(d) ₹ 1,57,500

Explanation: Trade receivable turnover ratio = $\frac{net\ credit\ sale}{Average\ Trade\ receivable} = \frac{₹\ 9{,}00{,}000}{Average\ trade\ receivable}$

Average trade receivable = $\frac{₹9{,}00{,}000}{6}$ = ₹ 1,50,000

Opening debtor = closing debtor - ₹ 15,000

average trade receivable = $\frac{opening\ debtor+closing\ debtor}{2}$

₹ 3,00,000 = closing debtor - ₹ 15,000 + closing debtor

2 closing debtor = ₹ 3,00,000 + ₹ 15,000

closing debtor = ₹ 1,57,500

Debt collection period = $\frac{12}{Inventory\ turnover\ ratio}$

Trade receivable turnover ratio = 6 times

49. **(a)** 1.2 : 1

Explanation: Liquid asset = 6,00,000

Current liability = 4,00,000 + 1,00,000 = 5,00,000

Liquid ratio = $\frac{6{,}00{,}000}{5{,}00{,}000} = 1.2 : 1$

50.

(b) (a) - (iii), (b) - (i), (c) - (ii), (d) - (iv)

Explanation: (a) - (iii), (b) - (i), (c) - (ii), (d) - (iv)