

PRACTICE PAPER-1

CLASS-XII

ACCOUNTANCY

(2020-2021)

General Instructions:

1. This question paper comprises two Parts – A and B. There are 32 questions in the question paper. All questions are compulsory.

2. Question nos. 1 to 13 and 23 to 29 are very short answer type questions carrying 1 mark each.

3. Question nos. 14 and 30 are short answer type–I questions carrying 3 marks each.

4. Question nos. 15 to 18 and 31 are short answer type–II questions carrying 4 marks each.

5. Question nos. 19, 20 and 32 are long answer type–I questions carrying 6 marks each.

6. Question nos. 21 and 22 are long answer type–II questions carrying 8 marks each.

7. There is no overall choice. However, an internal choice has been provided in 2 questions of three marks, 2 questions of four marks and 2 questions of eight marks.

Q.NO.	Part- A (Accounting for Not for Profit organizations, Partnership firms and Companies)	MARKS
1.	A and B are partner's sharing profit equally. A draw regularly ₹ 4,000 at the end of every month for 6 months ended 30th September, 2019. Calculate interest on drawings @ rate 5% p.a. for a period of six months. a. ₹ 350 b. ₹ 450 c. ₹ 150 d. ₹ 250	1
2.	The Need of revaluation of assets and liabilities on admission arises due to: a. Assets should appears at revised values b. Any profit or loss on account of change in values of Assets and Liabilities belong to old partners c. All unrecorded assets and liabilities get recorded d. Liabilities should appears at revised values	1
3.	Alpha Ltd. forfeited 200 equity share of ₹ 10 each on which ₹ 6 each was paid.(includes ₹ 1 premium). On reissue, the company can allow maximum ₹ _____ each as discount.	1
4.	The opening balance of tournament fund was Rs 32,800. During the year, donation received towards this fund amount to Rs 15,400; amount spent tournament was ₹ 12,300 and interest received on tournament fund investment ₹ 4,000. The closing balance of tournament fund will be : (a) ₹ 56,500 (b) ₹ 64,500 (c) ₹ 39,900	1

	(d) ₹ 31,900									
5.	On dissolution advertisement suspense appearing in balance sheet is shown in :- (a) Realisation Account (b) Partner's Capital Account (c) Bank Account (d) Revaluation Account	1								
6.	A company forfeited 6,000 shares of ₹ 10 each on which application money of ₹ 3 has been paid. Out of these 2,000 shares were reissued as fully paid up and ₹ 4,000 has been debited to share forfeited account. Calculate the rate at which these shares were reissued. a. ₹ 8 Per share b. ₹ 13 Per share c. ₹ 12 Per share d. ₹ 14 Per share	1								
7.	On the basis of the following data, how much final payment will be made to a partner on firm's dissolution? Debit balance of capital account of the partner was ₹ 50,000. Share of profit on realization amounted to ₹ 70,000. Firm's Assets taken over by him was for ₹ 8,000. a. ₹ 12,000 b. ₹ 1,12,000 c. ₹ 1,28,000 d. ₹ 28,000	1								
8.	Arun and Vijay are partners in a firm sharing profits and losses in the ratio of 5:1. Extract of Balance Sheet <table border="1" data-bbox="154 1077 1425 1199"> <thead> <tr> <th>LIABILITIES</th> <th>₹</th> <th>ASSETS</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td>MACHINERY</td> <td>60,000</td> </tr> </tbody> </table> If value of machinery in the balance sheet is overvalued by 20%, then at what value will machinery be shown in new balance sheet: a. ₹ 44,000 b. ₹ 48,000 c. ₹ 32,000 d. ₹ 50,000	LIABILITIES	₹	ASSETS	₹			MACHINERY	60,000	1
LIABILITIES	₹	ASSETS	₹							
		MACHINERY	60,000							
9.	A, B and C are partners. In the year 2019-20 C expired on 31st march 2020 and on that day share of profits of C (deceased partner) was calculated as ₹ 12, 00,000. Which account will be debited to transfer C's share of profits: a. Profit and Loss Suspense Account. b. Profit and loss Appropriation Account. c. Profit and loss Account. d. None of the above.	1								
10.	A, B and C are partners In the year 2019-20 C expired on 31st Jan. 2020, on that day A and B decided to share future profits/losses in the ratio of 3:2 and share of profits of C (deceased partner) was calculated on	1								

	<p>the basis of last year profit as ₹ 12,00,000. Which account will be debited to transfer C's share of profits:</p> <ol style="list-style-type: none"> Profit and Loss Suspense Account. Profit and loss Appropriation Account. Profit and loss Account. Gaining partners' Capital/Current Account. 																			
11.	<p>For which of the following situations, the Sacrificing ratio of partners is not used at the time of admission of a new partner?</p> <ol style="list-style-type: none"> When new partner brings only a part of his share of goodwill. When new partner is not able to bring his share of goodwill. When, at the time of admission, goodwill already appears in the balance sheet. When new partner brings his share of goodwill in cash. 	1																		
12.	<p>A firm had Assets of ₹ 1, 50,000 partner's capital account showed a balance of ₹ 1, 20,000 and reserves constituted the rest. If normal rate of return is 10% per annum and Goodwill is valued at ₹48,000 at four years purchase of super profits , find the super profit of firm :</p> <ol style="list-style-type: none"> ₹ 6,000 ₹ 18,000 ₹ 12,000 ₹ 8,000 	1																		
13.	<p>A partnership firm earned divisible profit of ₹ 5,00,000, interest on capital is to be provided to partner is ₹ 3,00,000, interest on loan taken from partner is ₹ 50,000 and profit sharing ratio of partners is 5:3 sequence the following in correct way</p> <ol style="list-style-type: none"> Distribute profits between partners Charge interest on loan to Profit and Loss A/c Calculate the net profit Transfer to Profit and Loss appropriation A/c Provide interest on capital <ol style="list-style-type: none"> [ii, iii, iv, i] [iii, ii, iv, i] [ii, iii, i, iv] [ii, iv, iii, i] 	1																		
14.	<p>Calculate the amount of sports material to be transferred to Income and Expenditure Account of Prisha Sports Club, Delhi, for the year ended 31st March, 2020 from the following information:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Receipts</th> <th style="width: 10%;">₹</th> <th style="width: 25%;">Payments</th> <th style="width: 10%;">₹</th> </tr> </thead> <tbody> <tr> <td>Sale of Sports Material (Book value ₹ 2,000)</td> <td style="text-align: center;">1,500</td> <td>Payment to creditors of Sports Material</td> <td style="text-align: center;">10,000</td> </tr> <tr> <td></td> <td></td> <td>Cash Purchase of Sports Material</td> <td style="text-align: center;">4,000</td> </tr> </tbody> </table> <p>Additional information:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #4a7ebb; color: white;"> <th style="width: 35%;">Particulars</th> <th style="width: 30%;">01.04.2019 (₹)</th> <th style="width: 35%;">31.03.2020 (₹)</th> </tr> </thead> <tbody> <tr style="background-color: #4a7ebb; height: 20px;"> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Receipts	₹	Payments	₹	Sale of Sports Material (Book value ₹ 2,000)	1,500	Payment to creditors of Sports Material	10,000			Cash Purchase of Sports Material	4,000	Particulars	01.04.2019 (₹)	31.03.2020 (₹)				3
Receipts	₹	Payments	₹																	
Sale of Sports Material (Book value ₹ 2,000)	1,500	Payment to creditors of Sports Material	10,000																	
		Cash Purchase of Sports Material	4,000																	
Particulars	01.04.2019 (₹)	31.03.2020 (₹)																		

Stock of sports material	6,000	5,500
Creditors of sports materials	3,500	2,500
Advance paid to creditors of sports material	1,000	5,000

OR

Calculate the amount of subscription to be included in income and expenditure account of Nipun Club as on 31.03.2020:

Particulars	₹
Subscription received during the year 2019-2020:	
for the year 2018-19	20,000
For the Year 2019-20	3,00,000
For the year 2020-21	30,000
For the year 2021-22	10,000
	3,60,000
Subscription outstanding as on 31.03.2019 (out of which 5,000 were considered to be irrecoverable)	
	35,000
Subscription received in advance as on 31.03.2019	20,000
Subscription outstanding as on 31.03.2020	60,000

15. Ankit, Bobby and Kartik were partners in a firm sharing profits in the ratio 4: 3: 3. The firm was dissolved on 31-3-2020. Pass the necessary Journal entries for the following transactions after various assets (other than cash and bank) and third party liabilities had been transferred to Realisation Account :
- (i) The firm had stock of ₹80,000. Ankit took over 50% of the stock at a discount of 20% while the remaining stock was sold off at a profit of 30% on cost.
- (ii) A liability under a suit for damages included in creditors was settled at ₹32,000 as against only ₹13,000 provided in the books. Total creditors of the firm were ₹50,000.
- (iii) Bobby's sister's loan of ₹20,000 was paid off along with interest of ₹2,000.
- (iv) Kartik's Loan of ₹12,000 was settled at ₹12,500.

4

16. Radhika, Bani and Chitra were partners in a firm sharing profits and losses in the ratio of 2: 3: 1. With effect from 1st April, 2018 they decided to share future profits and losses in the ratio of 3: 2 : 1. On that date their Balance Sheet showed a debit balance of ₹24,000 in Profit and Loss Account and a balance of ₹1, 44,000 in General Reserve. It was also agreed that :
- (a) The goodwill of the firm is valued at ₹1, 80,000.
- (b) The Land (having book value of ₹3, 00,000) will be valued at ₹4, 80,000.
- Pass the necessary journal entries for the above changes.

4

OR

- Jay, Vijay and Karan were partners of an architect firm sharing profits in the ratio of 2: 2: 1. Their partnership deed provided the following :
- (i) A monthly salary of ₹15,000 each to Jay and Vijay.
- (ii) Karan was guaranteed a profit of ₹5, 00,000 and Jay guaranteed that he will earn an annual fee of ₹2, 00,000. Any deficiency arising because of guarantee to Karan will be borne by Jay and Vijay in the ratio of 3: 2. During the year ended 31st March, 2018 Jay earned fee of ₹1, 75,000 and the profits of the firm amounted to ₹15, 00,000.
- Showing your workings clearly prepare Profit and Loss Appropriation Account.

17.	<p>On 1st April, 2020, Vishwas Ltd was formed with an authorised capital of Rs 10, 00,000 divided into 1, 00,000 equity shares of Rs 10 each. The company issued prospectus inviting applications for 90,000 equity shares. The company received applications for 85,000 equity shares. During the first year, Rs 8 per share were called. Ram holding 1,000 shares and Shyam holding 2,000 shares did not pay the first call of Rs 2 per share. Shyam’s shares were forfeited after the first call and later on 1,500 of the forfeited shares were re-issued at Rs 6 per share, Rs 8 called up. Show the following</p> <p>(i) Share capital in the balance sheet of the company as per Schedule III Part I of the Companies Act, 2013. (ii) Also prepare ‘notes to accounts’ for the same.</p>	4																																																
18.	<p>Anupam and Abhishek are partners sharing profits and losses in the ratio of 3: 2. Their capital accounts showed balances of ₹ 1, 50,000 and ₹ 2, 00,000 respectively on Jan 01, 2017. Show the calculation of interest on capital for the year ending December 31, 2017 in each of the following alternatives:</p> <p>(a) If the partnership deed is silent as to the payment of interest on capital and the profit for the year is ₹ 50,000; (b) If partnership deed provides for interest on capital @ 8% p.a. and the firm incurred a loss of ₹ 10,000 during the year; (c) If partnership deed provides for interest on capital @ 8% p.a. and the firm earned a profit of ₹ 50,000 during the year; (d) If the partnership deed provides for interest on capital @ 8% p.a. and the firm earned a profit of ₹ 14,000 during the year.</p>	4																																																
19.	<p>From the following Receipts and Payments Account of Samara Club, prepare an Income and Expenditure Account for the year ended 31st March, 2020.</p> <p style="text-align: center;">Receipts and Payments Account of Samara Club for the year ended 31st March, 2020</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%; text-align: center;">Receipts</th> <th style="width: 10%; text-align: center;">₹</th> <th style="width: 40%; text-align: center;">Payments</th> <th style="width: 10%; text-align: center;">₹</th> </tr> </thead> <tbody> <tr> <td>To Balance b/d</td> <td style="text-align: right;">9,000</td> <td>By Rent</td> <td style="text-align: right;">29,000</td> </tr> <tr> <td>To Subscription:</td> <td></td> <td>By Investments</td> <td style="text-align: right;">20,000</td> </tr> <tr> <td>2018-19 10,000</td> <td></td> <td>By Honorarium</td> <td style="text-align: right;">4,000</td> </tr> <tr> <td>2019-20 52,000</td> <td></td> <td>By Machinery</td> <td style="text-align: right;">40,000</td> </tr> <tr> <td>2020-21 14,000</td> <td></td> <td>(Purchased on</td> <td></td> </tr> <tr> <td style="text-align: center;">-----</td> <td></td> <td>1.12.2019)</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">66,000</td> <td>By Balance c/d</td> <td style="text-align: right;">14,600</td> </tr> <tr> <td>To Sale of old furniture (Book value of 3,000)</td> <td style="text-align: right;">3,600</td> <td></td> <td></td> </tr> <tr> <td>To Government Grants</td> <td style="text-align: right;">25,000</td> <td></td> <td></td> </tr> <tr> <td>To Interest on Investments</td> <td style="text-align: right;">4,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">1,07,600</td> <td></td> <td style="text-align: right;">1,07,600</td> </tr> </tbody> </table> <p>Additional information:</p> <p>(i) The club had 60 members, each paying an annual subscription of ₹1,000. Subscription of ₹5,000 was still in arrears for the year 2018-19. (ii) On 31st March, 2020 prepaid rent was ₹4,000. (iii) Interest was accrued on investments amounting to ₹1,000. (iv) The Club had machinery amounting to ₹80,000 on 1st April, 2019. Depreciate machinery @ 10% p.a.</p>	Receipts	₹	Payments	₹	To Balance b/d	9,000	By Rent	29,000	To Subscription:		By Investments	20,000	2018-19 10,000		By Honorarium	4,000	2019-20 52,000		By Machinery	40,000	2020-21 14,000		(Purchased on		-----		1.12.2019)			66,000	By Balance c/d	14,600	To Sale of old furniture (Book value of 3,000)	3,600			To Government Grants	25,000			To Interest on Investments	4,000				1,07,600		1,07,600	
Receipts	₹	Payments	₹																																															
To Balance b/d	9,000	By Rent	29,000																																															
To Subscription:		By Investments	20,000																																															
2018-19 10,000		By Honorarium	4,000																																															
2019-20 52,000		By Machinery	40,000																																															
2020-21 14,000		(Purchased on																																																
-----		1.12.2019)																																																
	66,000	By Balance c/d	14,600																																															
To Sale of old furniture (Book value of 3,000)	3,600																																																	
To Government Grants	25,000																																																	
To Interest on Investments	4,000																																																	
	1,07,600		1,07,600																																															
20.	<p>(a) Rohit Ltd. has issued 50,000, 8% debentures of ₹ 100 each at a discount of 9% on July 1, 2019. The company has balance of ₹ 5, 00,000 in securities premium reserve. Pass necessary journal entries for issue of debentures and to write-off discount/Loss on issue of debentures. The debentures are redeemable after 5 years at a premium of 7%.</p>	6(3+3)																																																

(b) Blue Prints Ltd., purchased building worth ₹1, 50,000, machinery worth ₹1, 40,000 and furniture worth ₹10, 000 from XYZ Co., and took over its liabilities of ₹ 20,000 for a purchase consideration of ₹ 3, 15,000. Blue Prints Ltd., paid the purchase consideration by issuing 12% debentures of ₹100 each at a premium of 5%. Record necessary journal entries.

21. Garima Limited issued a prospectus inviting applications for 3,000 shares of ₹ 100 each at a premium of ₹20 payable as follows: On Application ₹20 per share On Allotment ₹50 per share (Including premium) On First call ₹20 per share On Second call ₹30 per share Applications were received for 4,000 shares and allotments made on prorata basis to the applicants of 3,600 shares, the remaining applications being rejected, money received on application was adjusted on account of sums due on allotment. Renuka to whom 360 shares were allotted, failed to pay allotment money and calls money, and her shares were forfeited. Kanika, the holder of 200 shares failed to pay the two calls, her shares were also forfeited. All these shares were sold to Naman as fully paid for ₹80 per share.

Show the journal entries in the books of the company.

OR

Devam Limited issued a prospectus inviting application for 30,000 equity shares of ₹10 each at a premium of ₹ 4 per share payable as follows: With Application (including premium ₹1) ₹ 3 On Allotment (including premium ₹1) ₹ 4 On First call (including premium ₹1) ₹ 4 On Second and Final call (2+1) Balance ₹ 3 Applications were received for 45,000 shares. 20% of the applications received were rejected and their application money was refunded. Remaining applicants were allotted shares on pro-rata basis. Mr. Sudhir, who has applied for 600 shares, failed to pay the allotment money and his shares were forfeited immediately after that.

Ms. Muskan, to whom 750 shares were allotted, failed to pay the first call and hence her shares were forfeited.

The forfeited shares of Mr. Sudhir were re-issued to Lakshya for ₹ 8 per share as fully paid up.

Final call was made due on remaining applicants and was received except on 1,000 shares of Amit. These shares were forfeited.

Of the shares forfeited, 1,500 shares were re-issued to Devika for ₹ 12 per share as fully paid up, the whole of Amit's share being included.

Record journal entries in the books of the company.

8

22. The Balance Sheet of W and R who shared profits in the ratio of 3 : 2 was as follows on January. 01, 2015.

8

Liabilities	₹	Assets	₹
Sundry Creditors	20,000	Cash in hand	5,000
Partner's Capital		Sundry Debtors 20,000	
W 40,000		Less: Prov. For DD 700	19,300
R 30,000	70,000	-----	
-----		Stock	25,000
		Plant and Machinery	35,000

		Patent	5,700
	90,000		90,000

On this date B was admitted as a partner on the following conditions:

1. He was to get 4/15 share of profit.
2. He had to bring in ₹30,000 as his capital.
3. He would pay cash for goodwill which would be based on 2 ½ years purchase of the profits of the past four years.
4. W and R would withdraw half the amount of goodwill premium brought by B.
5. The assets would be revalued as: Sundry Debtors at book value less a provision of 5%; Stock at ₹ 20,000; Plant and Machinery at ₹40,000; and Patents at ₹ 12,000.
6. Liabilities were valued at ₹ 23,000, one bill for goods purchased having been omitted from books.
7. Profit for the past four years were: 2011- ₹15,000, 2012- ₹20,000, 2013 -₹14,000, 2014 - ₹17,000.

Give necessary journal entries.

OR

The Balance Sheet of Ashish, Suresh and Lokesh who were sharing profits in the ratio of 5: 3: 2, is given below as on March 31, 2017.

Balance Sheet of Ashish, Suresh and Lokesh As on March 31, 2017

Liabilities	₹	Assets	₹
Sundry Creditors	1,24,000	Cash in hand	1,21,000
Outstanding Expenses	16,000	Sundry Debtors	1,72,000
Reserve Fund	1,80,000	Stock	1,85,000
Partner's Capital		Plant and Machinery	4,65,000
Shyam 7,20,000		Furniture and fittings	77,000
Gagan 4,15,000		Land	4,00,000
Ram 3,45,000		Building	3,80,000
-----	14,80,000		
	18,00,000		18,00,000

Suresh retires on June 30, 2017 date and the following adjustments are agreed upon his retirement.

1. Stock was valued at ₹ 1, 72,000.
2. Furniture and fittings were valued at ₹ 80,000.
3. Profit share of Suresh till the date of his retirement is to be calculated on the basis of firms last year profit which is ₹ 2, 00,000.
4. An amount of ₹ 10,000 due from Mr. Deepak, a debtor, was doubtful and a provision for the

	<p>same was required.</p> <p>5. Goodwill of the firm was valued at ₹ 2, 00,000.</p> <p>6. Suresh was paid ₹ 40,000 immediately on retirement and the balance was transferred to his loan account.</p> <p>7. Ashish and Lokesh were to share future profits in the ratio of 3:2.</p> <p>Prepare Revaluation Account, Capital Account and Balance Sheet of the reconstituted firm.</p>	
	<p>PART-B</p> <p>(ANALYSIS OF FINANCIAL STATEMENT)</p>	
23.	<p>Interest received on investment by a financing company is shown under:</p> <p>a) Operating Activity</p> <p>b) Investing Activity</p> <p>c) Financing Activity</p> <p>d) Cash and Cash Equivalents</p>	1
24.	<p>A Company's working capital is ₹10 lakhs (Negative Balance) in the year 2018. It became ₹ 5 lakhs in the year 2019. What is the percentage of change?</p> <p>a) 150%</p> <p>b) 100%</p> <p>c) 250%</p> <p>d) 50%</p>	1
25.	<p>Which analysis is considered as dynamic analysis?</p> <p>(a) Horizontal analysis</p> <p>(b) Vertical Analysis</p> <p>(c) Internal Analysis</p> <p>(d) External Analysis</p>	1
26.	<p>The current ratio is 2.5: 1. Current assets are ₹50,000 and current liabilities are ₹20,000. How much must be the decline in the current assets to bring the ratio to 2: 1.</p>	1
27.	<p>The debit balance of statement of profit and loss will be disclosed under the head _____ as the _____ figure.</p>	1
28.	<p>If net revenue from operations of a firm is ₹15, 00,000, Gross profit is ₹9, 00,000 and other operating expenses are ₹75,000. What will be the percentage of operating income on net revenue from operations?</p> <p>a) 45%</p> <p>b) 55%</p> <p>c) 35%</p> <p>d) 65%</p>	1

29.	A plant costing ₹1, 00,000, accumulated depreciation being ₹20,000 is sold at a profit of ₹8,000. Amount that will be shown as inflow under Investing Activity will be Rs. _____ .	1																																																																
30.	<p>From the given information calculate the inventory turnover ratio: Revenue from operations ₹2, 00,000; Gross profit 25% on cost. Opening inventory was 1/3rd of the value of closing inventory. Closing inventory was 30% of revenue from operations.</p> <p style="text-align: center;">OR</p> <p>Shareholder's fund ₹14,00,000 ; Total debts (liabilities) ₹18,00,000; Current liabilities ₹2, 00,000; Calculate Total assets to Debt ratio.</p>	3																																																																
31.	<p>Explain any four objectives of analysis of financial Statements.</p> <p style="text-align: center;">OR</p> <p>Following is the Statement of Profit & Loss of ABS Limited for the year ended March ,2020: Statement of Profit & Loss for the year ended March 31, 2020</p> <table border="1" data-bbox="154 789 1349 1117"> <thead> <tr> <th>Particulars</th> <th>Notes to Accounts</th> <th>2018-19 Amount ₹</th> <th>2019-20 Amount ₹</th> </tr> </thead> <tbody> <tr> <td>Revenue from Operations</td> <td></td> <td>50,00,000</td> <td>80,00,000</td> </tr> <tr> <td>Expenses:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>(a) Employee Benefit Expenses</td> <td></td> <td>10 % of Revenue from Operations</td> <td>10 % of Revenue from Operations</td> </tr> <tr> <td>(b) Other Expenses</td> <td></td> <td>10,00,000</td> <td>12,00,000</td> </tr> <tr> <td>Tax Rate</td> <td></td> <td>40%</td> <td>40%</td> </tr> </tbody> </table> <p>Prepare Comparative Income Statement of ABS Limited.</p>	Particulars	Notes to Accounts	2018-19 Amount ₹	2019-20 Amount ₹	Revenue from Operations		50,00,000	80,00,000	Expenses:				(a) Employee Benefit Expenses		10 % of Revenue from Operations	10 % of Revenue from Operations	(b) Other Expenses		10,00,000	12,00,000	Tax Rate		40%	40%	4																																								
Particulars	Notes to Accounts	2018-19 Amount ₹	2019-20 Amount ₹																																																															
Revenue from Operations		50,00,000	80,00,000																																																															
Expenses:																																																																		
(a) Employee Benefit Expenses		10 % of Revenue from Operations	10 % of Revenue from Operations																																																															
(b) Other Expenses		10,00,000	12,00,000																																																															
Tax Rate		40%	40%																																																															
32.	<p>Following is the balance sheet of Power Ltd. as on 31-03-2020 :</p> <table border="1" data-bbox="154 1188 1349 1873"> <thead> <tr> <th>Particulars</th> <th>Note no.</th> <th>31-03-2020 ₹</th> <th>31-03-2019 ₹</th> </tr> </thead> <tbody> <tr> <td>I. Equity & liabilities</td> <td></td> <td></td> <td></td> </tr> <tr> <td>1. Shareholders' funds</td> <td></td> <td></td> <td></td> </tr> <tr> <td> a) Share capital</td> <td></td> <td>6,30,000</td> <td>5,60,000</td> </tr> <tr> <td> b) Reserves and surplus</td> <td>1</td> <td>3,08,000</td> <td>1,82,000</td> </tr> <tr> <td>2. Current liabilities</td> <td></td> <td></td> <td></td> </tr> <tr> <td> Trade payables</td> <td></td> <td>2,80,000</td> <td>1,82,000</td> </tr> <tr> <td style="text-align: center;">Total</td> <td></td> <td>12,18,000</td> <td>9,24,000</td> </tr> <tr> <td>II. Assets</td> <td></td> <td></td> <td></td> </tr> <tr> <td>1. Non-current assets</td> <td></td> <td></td> <td></td> </tr> <tr> <td> Fixed assets – Tangible assets (Plant and Machinery)</td> <td></td> <td>3,92,000</td> <td>2,80,000</td> </tr> <tr> <td>2. Current assets</td> <td></td> <td></td> <td></td> </tr> <tr> <td> a) Inventories</td> <td></td> <td>98,000</td> <td>1,40,000</td> </tr> <tr> <td> b) Trade receivables</td> <td></td> <td>6,30,000</td> <td>4,20,000</td> </tr> <tr> <td> c) Cash & cash equivalents</td> <td></td> <td>98,000</td> <td>84,000</td> </tr> <tr> <td style="text-align: center;">Total</td> <td></td> <td>12,18,000</td> <td>9,24,000</td> </tr> </tbody> </table>	Particulars	Note no.	31-03-2020 ₹	31-03-2019 ₹	I. Equity & liabilities				1. Shareholders' funds				a) Share capital		6,30,000	5,60,000	b) Reserves and surplus	1	3,08,000	1,82,000	2. Current liabilities				Trade payables		2,80,000	1,82,000	Total		12,18,000	9,24,000	II. Assets				1. Non-current assets				Fixed assets – Tangible assets (Plant and Machinery)		3,92,000	2,80,000	2. Current assets				a) Inventories		98,000	1,40,000	b) Trade receivables		6,30,000	4,20,000	c) Cash & cash equivalents		98,000	84,000	Total		12,18,000	9,24,000	6
Particulars	Note no.	31-03-2020 ₹	31-03-2019 ₹																																																															
I. Equity & liabilities																																																																		
1. Shareholders' funds																																																																		
a) Share capital		6,30,000	5,60,000																																																															
b) Reserves and surplus	1	3,08,000	1,82,000																																																															
2. Current liabilities																																																																		
Trade payables		2,80,000	1,82,000																																																															
Total		12,18,000	9,24,000																																																															
II. Assets																																																																		
1. Non-current assets																																																																		
Fixed assets – Tangible assets (Plant and Machinery)		3,92,000	2,80,000																																																															
2. Current assets																																																																		
a) Inventories		98,000	1,40,000																																																															
b) Trade receivables		6,30,000	4,20,000																																																															
c) Cash & cash equivalents		98,000	84,000																																																															
Total		12,18,000	9,24,000																																																															

Note to accounts:

Particulars	31-03-2020 ₹	31-03-2019 ₹
1. Reserve & surplus Surplus i.e., Balance in statement of profit and loss	3,08,000	1,82,000

Additional information:

- a) An old machinery having book value of ₹42,000 was sold for ₹56,000.
b) Depreciation provided on machinery during the year was ₹28,000.
Prepare cash flow statement.