Directorate of Education, GNCT of Delhi

Practice Paper

Annual EXAMINATION (2025-26)

Class-XII

Accountancy(Code: 055)

Time: 3 Hours Maximum Marks: 80

1.This question paper contains 34 questions. All questions are compulsory.

2.This question paper is divided into two parts, Part A and B.

3. Part - A is compulsory for all candidates.

4. Part - B has two options i.e. (i) Analysis of Financial Statements and (ii) Computerised Accounting. Students must attempt only one of the given options.

5.Question 1 to 16 and 27 to 30 carries 1 mark each.

6.Questions 17 to 20, 31 and 32 carries 3 marks each.

7.Questions from 21, 22 and 33 carries 4 marks each

8.Questions from 23 to 26 and 34 carries 6 marks each

9.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

Q.No	Questions	Marks
1	Victoria Sales Limited purchased an asset from Shivalik Marketing Limited for ₹5,40,000. The company made the payment by issuing 8% debentures of ₹100 each at a discount of 10%. How many debentures were issued by Victoria Sales Limited? (a) 60,000 (b) 54,000 (c) 5,400 (d) 6,000	1
2	Sunrise Electronics Pvt. Ltd. invited applications for 4,000 equity shares of ₹10 each at par. The entire amount was payable on application and was fully received. How will this amount be presented in the Balance Sheet? (a) Cash and cash equivalent = ₹40,000 (b) Shares = ₹40,000 (c) Cash not received = ₹40,000 (d) Amount utilised = ₹40,000 Or Apex Traders Ltd. purchased the business of Orion Suppliers Ltd. and agreed to determine purchase consideration using the Net Asset Value method. Total assets taken	1

	over were ₹22,40,000 and liabilities were ₹4,00,000. The company paid ₹4,00,000 in cash, and for the balance amount, 6% debentures of ₹100 each were issued at a premium of 20%. What is the number of debentures issued by Apex Traders Ltd.? (a) 4,000 debentures (b) 22,400 debentures (c) 12,000 debentures (d) 20,000 debentures	
3.	If a partner withdraws a fixed amount at the end of every quarter during the year, the average period for calculating interest on drawings will be: (a) 6.5 (b) 7.5 (c) 4.5 (d) 5.5 Or On 1st April 2020, Karan's capital was ₹10,000. On 1st October 2020, he introduced additional capital of ₹5,000. Calculate Interest on Capital @ 6% p.a. for the year ending 31st March 2021. (a) ₹900 (b) ₹525 (c) ₹750 (d) ₹450	1
4.	Galaxy Industries Ltd. has an authorised capital of ₹50,00,000 divided into shares of ₹100 each. The company issued 30,000 shares at a premium of 10%, and all shares were subscribed and allotted. The amount of Paid-up Share Capital will be: (a) ₹33,00,000 (b) ₹55,00,000 (c) ₹50,00,000 (d) ₹30,00,000	1
5.	Bright Books Pvt. Ltd. purchased a running business from Sunrise Publications for ₹60,00,000. Assets and liabilities taken over were: • Plant & Machinery: ₹40,00,000 • Furniture: ₹5,00,000 • Debtors: ₹8,00,000 • Land & Building: ₹20,00,000 • Creditors: ₹3,00,000 Find the amount of Goodwill or Capital Reserve. (a) Goodwill ₹3,00,000 (b) Capital Reserve ₹3,00,000 (c) Goodwill ₹10,00,000 (d) Capital Reserve ₹10,00,000	1

6.	At the time of admission of a new partner, an increase in the value of assets is credited to: (a) Assets Account (b) Old Partners' Capital Account (c) Revaluation Account (d) None of these Or At the time of a new partner's admission, undistributed profits appearing in the balance sheet are transferred to: (a) All partners in the new profit-sharing ratio (b) Old partners in their old profit-sharing ratio (c) Old partners in new profit-sharing ratio (d) None of the above	1
7.	Assertion (A): Gaining ratio shows the proportion in which the continuing partners take over the outgoing partner's share of profit. Reason (R): Gaining ratio is calculated by subtracting the old ratio from the new ratio of partners. Alternatives: (a) Assertion (A) is false, but Reason (R) is true (b) Assertion (A) is true, but Reason (R) is false (c) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A) (d) Both Assertion (A) and Reason (R) are true, but Reason (R) is NOT the correct explanation of Assertion (A)	1
8	Issuing shares to a specific chosen group of investors, instead of offering them to the general public, is known as: (a) Private placement (b) Rights issue (c) Employee stock option plan (d) All of the above Or Which type of preference shares are required to be paid back by the company after a fixed period, as per the terms of issue? (a) Redeemable preference shares (b) Cumulative preference shares (c) Irredeemable preference shares (d) Non-cumulative preference shares	1

<table>
<tr><td>9.</td><td>
Please see the following:

Balance Sheet (Extract)

<table>
<tr><td>Assets</td><td>Amount</td></tr>
<tr><td>Debtors</td><td>10,00,000</td></tr>
<tr><td>(–) Provision for Doubtful Debts (50,000)</td><td>9,50,000</td></tr>
</table>

The firm decides to maintain a provision for doubtful debts @ 12% at the time of change in the profit-sharing ratio.

What amount should be Debited/Credited to the Revaluation Account?

(a) Credit ₹70,000
(b) Debit ₹70,000
(c) Credit ₹1,20,000
(d) Debit ₹1,20,000
</td><td>1</td></tr>
<tr><td>10.</td><td>
Rehan and Sameer are partners in a firm. They admit Imran for a 1/3rd share.
Imran brings ₹2,00,000 as capital and ₹60,000 as premium for goodwill.
Which of the following journal entries is correct?

(a) Imran's Capital A/c Dr. 2,00,000
To Bank A/c 2,00,000

(b) Bank A/c Dr. 2,00,000
To Imran's Capital A/c 2,00,000

(c) Bank A/c Dr. 2,60,000
To Imran's Capital A/c 2,00,000
To Premium for Goodwill A/c 60,000

(d) Imran's Capital A/c Dr. 2,00,000
Premium for Goodwill A/c Dr. 60,000
To Bank A/c 2,60,000
</td><td>1</td></tr>
<tr><td>11.</td><td>
Arjun and Kabir share profits in the ratio 3 : 2. They admit Raghav as a new partner.
After admission, the new ratio becomes 5 : 5 : 3.
The firm's goodwill is valued at ₹1,30,000.
What amount of goodwill will Raghav bring?

(a) ₹1,00,000
(b) ₹30,000
</td><td>1</td></tr>
</table>

	(c) ₹1,30,000 (d) ₹50,000	
12.	In a partnership firm, 10% of net profit (after all adjustments including reserve) is transferred to General Reserve. Net profit after adjustments but before transfer is ₹22,000. What amount should be transferred to General Reserve? (a) ₹2,000 (b) ₹1,250 (c) ₹1,100 (d) ₹2,200	1
13.	Mira is a partner in a firm with a fixed capital of ₹80,000. She withdrew ₹5,000 during the year. Which journal entry is correct? (a) Mira's Current A/c Dr. 5,000 To Drawings A/c 5,000 (b) Mira's Capital A/c Dr. 5,000 To Drawings A/c 5,000 (c) Drawings A/c Dr. 5,000 To Mira's Current A/c 5,000 (d) Drawings A/c Dr. 5,000 To Mira's Capital A/c 5,000	1
14.	Goodwill can be: (a) Self-generated (b) Purchased (c) Both (a) and (b) (d) None of these Or ________ is also known as the Articles of Partnership. (a) Partnership deed (b) Principles of partnership (c) Partnership prospectus (d) None of these	1

	Read the following hypothetical situation and answer Q. No. 15 and 16 Rohan and Kunal are partners in a firm. On 1st April 2025, their capitals were ₹5,00,000 and ₹7,00,000 respectively. The profit for the year 2025–26 was ₹6,40,000. The partnership deed provides that interest on capital and interest on drawings will be charged @ 12% p.a. Kunal withdrew ₹1,20,000 on 1st January 2026 for personal use. The partners mutually decided that if any partner provides his property for business use, he will be paid ₹10,000 per month as rent. Due to renovation of their office, the firm shifted to Rohan's guest house on 1st September 2025.	
15.	What amount will be transferred to the Profit & Loss Appropriation Account? (a) ₹6,12,000 (b) ₹5,98,000 (c) ₹6,40,000 (d) Can't say	1
16.	What will be the amount of interest on drawings for Kunal? (a) ₹7,200 (b) ₹3,600 (c) ₹4,800 (d) Can't say	1
17.	Meera, Ishaan, and Ritika are partners in *Sunrise Foods*. Their capital balances on 1st April 2025 were ₹1,00,000, ₹80,000, and ₹60,000 respectively. The partnership deed states: 1. Interest on Capital @ 9% p.a. 2. Each partner may withdraw up to ₹8,000 per year. Excess drawings attract 12% p.a. interest. 3 .Ritika is entitled to a commission of 6% of net profit. During 2025–26, the firm earned a profit of ₹60,000. Drawings for the year were: • Meera: ₹15,000	3

<table>
<tr><td></td><td>

- Ishaan: ₹10,000
- Ritika: ₹6,000

Prepare the Profit & Loss Appropriation Account for the year ending 31 March 2026.</td><td></td></tr>
<tr><td>18.</td><td>

Aryan and Kabir were partners sharing profits and losses in the ratio of 4 : 2.
Rohan was admitted as a new partner on 1st April 2025 for a 1/4th share in future profits.

Rohan brought ₹60,000 as goodwill for his 1/4th share, which was fully credited to Aryan’s Capital Account.

On the same date, Kabir also paid ₹20,000 privately to Aryan as compensation for a portion of profit sacrificed by Aryan in Kabir’s favour.

The following journal entries were passed in the books of the firm:

<table>
<tr><th>Date</th><th>Particulars</th><th>L.F.</th><th>Dr (₹)</th><th>Cr (₹)</th></tr>
<tr><td>1 Apr 2025</td><td>Cash/Bank A/c Dr.</td><td></td><td>60,000</td><td></td></tr>
<tr><td></td><td>To Premium for Goodwill A/c</td><td></td><td></td><td>60,000</td></tr>
<tr><td></td><td>(Being goodwill brought in by Rohan)</td><td></td><td></td><td></td></tr>
<tr><td>1 Apr 2025</td><td>Premium for Goodwill A/c Dr.</td><td></td><td>60,000</td><td></td></tr>
<tr><td></td><td>Kabir’s Capital A/c Dr.</td><td></td><td>20,000</td><td></td></tr>
<tr><td></td><td>To Aryan’s Capital A/c</td><td></td><td></td><td>80,000</td></tr>
<tr><td></td><td>(Being goodwill transferred to partners’ capital accounts)</td><td></td><td></td><td></td></tr>
</table>

Find the new profit-sharing ratio of Aryan, Kabir and Rohan</td><td>3</td></tr>
<tr><td>19.</td><td>

Calculate the value of goodwill at two years’ purchase of the average adjusted profit of the past four years.
The profits of the firm run by Vishal and Tanmay for the last four years are as follows:</td><td>3</td></tr>
</table>

Year	Profit (₹)	Adjustment
2021–22	66,000	Outstanding expenses of ₹4,000 and accrued income of ₹3,000 not recorded
2022–23	82,000	–
2023–24	95,000	Includes abnormal gain of ₹4,500
2024–25	1,20,000	Life insurance premium of partner ₹20,000 wrongly debited to firm

After valuation, Aryan is admitted on 1st April 2025 for 1/4th share, but he does NOT bring premium for goodwill.
Vishal and Tanmay share profits in 4 : 3.

Pass the journal entry for treatment of goodwill on Aryan's admission.

Or

Kartik and Mohan are partners sharing profits in the ratio 3 : 2.
They admit Dev for 1/5th share, with a minimum guaranteed profit of ₹25,000 to Dev.
Any deficiency is to be borne equally by Kartik and Mohan.

The profit for the year ending 31 March 2026 was ₹90,000.

Pass necessary journal entries for the distribution of profit.

20.

On 1st July 2025, Apex Engineering Ltd. purchased Machinery from Metro Machines Pvt. Ltd. for an agreed price of ₹2,40,000.
Payment was made by issuing 10% Debentures of ₹100 each, issued at a premium of 20%.
Any fractional amount is to be settled in cash.

3

	Pass the necessary journal entries in the books of Apex Engineering Ltd.	
21.	Aarav and Naina are partners in a firm sharing profits in the ratio of 3 : 2. The Balance Sheet of the firm as on 31st March 2025 is given below:	4

Balance Sheet

as at 31st March 2025

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	7,50,000	Bills Receivable	4,20,000
Bills Payable	2,10,000	Stock	14,50,000
Capital Accounts		Machinery	17,00,000
– Aarav	20,00,000	Land & Building	13,00,000
– Naina	18,00,000		
Total	47,60,000	Total	47,60,000

The partners decided that with effect from 1st April 2025, they will share profits equally (1 : 1).
The following adjustments were agreed upon:

Adjustments:

1. Land & Building is to be revalued at ₹18,00,000,
& Machinery is to be revalued at ₹15,80,000;
these revised values must appear in the balance sheet.

2. Goodwill of the firm is valued at ₹1,20,000,

	but it should NOT be recorded in the books. Prepare the following: 1. Revaluation Account 2. Partners' Capital Accounts 3. New Balance Sheet of the firm after adjustments	
22.	Apex Innovations Ltd. invited applications for 25,000, 9% Debentures of ₹100 each, issued at a premium of ₹40 per debenture. The company received applications for 32,000 debentures. The company decided to: ● Reject 12,000 applications, and ● Allot the remaining debentures proportionately. The entire amount (face value + premium) was payable on application. Pass the necessary journal entries for the issue of debentures in the books of Apex Innovations Ltd. Also show the relevant extract of the Balance Sheet after the allotment.	4
23.	Astra Textiles Ltd. invited applications for 80,000 equity shares of ₹10 each, payable as: ● ₹4 on Application ● ₹3 on Allotment ● ₹2 on First Call ● ₹1 on Final Call Applications were received for 1,20,000 shares. The company made pro-rata allotment to 1,00,000 shares, and the remaining applications were rejected. Raghav, holder of 900 shares, did not pay the allotment money and later also failed to pay the first call. His shares were forfeited after the first call became overdue. After forfeiture, the final call was made. Mehul, holder of 1,000 shares, failed to pay the final call, and his shares were also forfeited.	6

	Out of the total forfeited shares, 1,100 shares were reissued at ₹9,500 as fully paid-up, including 400 shares of Raghav and the balance from Mehul's shares. Prepare the Cash Book and pass necessary journal entries for the above transactions in the books of Astra Textiles Ltd. or Vertex Stationers Ltd. invited applications for 60,000 equity shares of ₹10 each, payable as: ● ₹3 on Application ● ₹5 on Allotment ● ₹2 on First & Final Call Applications were received for 90,000 shares. Pro-rata allotment was made as follows: ● Applicants for 50,000 shares were allotted 35,000 shares ● Applicants for 40,000 shares were allotted 25,000 shares Excess application money was adjusted towards allotment dues. Ritesh, who was allotted 1,400 shares from the group applying for 50,000 shares, failed to pay the allotment. His shares were forfeited immediately after allotment. Kartik, who had applied for 900 shares from the group applying for 40,000 shares, failed to pay the first & final call. His shares were also forfeited. Out of the forfeited shares, 1,300 shares were reissued @ ₹7.50 per share as fully paid-up, and the reissue included all forfeited shares of Kartik. Prepare the Cash Book and pass the necessary journal entries for the above transactions in the books of Vertex Stationers Ltd.	
24.	Aarush and Kabir, who were sharing profits and losses in the ratio of 2 : 1, decided to dissolve their partnership firm on 31st March 2025. The Balance Sheet of the firm is given below: Balance Sheet as at 31st March 2025	6

Liabilities	Amount (₹)	Assets	Amount (₹)
Trade Creditors	20,000	Cash at Bank	2,500
Loan from Mrs. Aarush	10,000	Kabir's Capital	15,000
Aarush's Capital	60,000	Profit & Loss A/c	6,500
		Other Sundry Assets	66,000
Total	90,000	Total	90,000

Additional Information:

1. The sundry assets realised ₹62,000.
2. All creditors and the loan from Mrs. Aarush were paid off after receiving a 5% discount.
3. Realisation expenses amounted to ₹800.
4. Both partners are solvent.

Prepare the following accounts in the books of the firm:

1. Realisation Account
2. Bank Account
3. Partners' Capital Accounts

Or

The following is the Balance Sheet of Manav, Rhea and Sagar as on 31st March 2025. They shared profits in the ratio 5 : 4 : 1.

Balance Sheet
as at 31st March 2025

Liabilities	Amount (₹)	Assets	Amount (₹)

Capital Accounts:		Machinery	2,50,000
— Manav	2,80,000	Investment	84,000
— Rhea	1,70,000	Stock	58,000
— Sagar	90,000	Debtors	75,000
Bills Payable	22,000	Bills Receivable	38,000
Sundry Creditors	25,000	Bank	48,000
Workmen's Compensation Fund	26,000	Goodwill	60,000
Total	6,13,000	Total	6,13,000

On 31st August 2025 Rhea died. Under the terms of the partnership deed the executor of the deceased partner is entitled to:

1. Amount standing to the credit of the deceased partner's Capital Account (as on date of death).
2. Interest on capital at 12% p.a. (to the date of death).
3. Rhea had withdrawn ₹23,000 during the current financial year (2025–26) prior to death.
4. The deceased partner is entitled to his share of profit up to the date of death based on the sales during that period which amounted to ₹3,00,000. The rate of profit during the last three years has been 10% on Sales.
5. There was a claim on Workmen's Compensation of ₹9,000.
6. Share of Goodwill is to be calculated by taking twice the amount of profit credited to Rhea's account in the last year less 20%. (Profits of the firm for the year 2024–25 were ₹90,000.)

	7. The Executor agreed to take over Investment at its book value. 30% of the balance amount due to the executor is to be paid immediately in cash and the remaining balance is to be transferred to a Loan Account to be paid in two equal annual instalments with interest @ 10% p.a. Prepare Rhea's Capital Account to be rendered to her Executor and the Executor's Account as on 31st August 2025.	
25.	Extract of the financial statements of NovaTech Industries Ltd. is presented below:	6

Balance Sheet (Extract)

Equity and Liabilities

Particulars	Note No.	31-03-2025 (₹)	31-03-2024 (₹)
Shareholders' Funds			
Equity Share Capital	1	3,00,00,000	2,40,00,000
Reserves & Surplus	2	32,00,000	20,00,000

Note No. 1 – Share Capital

Particulars	31-03-2025 (₹)	31-03-2024 (₹)
Authorised Share Capital	Equity Shares of ₹10 each	—
Issued Share Capital	3,00,00,000	2,40,00,000

Subscribed & Fully Paid Capital	3,00,00,000	2,40,00,000

Note No. 2 – Reserves and Surplus

Particulars	31-03-2025 (₹)	31-03-2024 (₹)
Securities Premium	32,00,000	20,00,000

During the financial year 2024–25, NovaTech Industries Ltd. purchased the business of Aristo Technologies Pvt. Ltd. consisting of:

- Assets worth ₹70,00,000, and
- Liabilities worth ₹28,00,000

Additional information:

1. During the year, 50,000 equity shares were issued for cash at a premium of ₹6 per share.
2. No shares were issued as bonus shares, sweat equity, ESOP, or for any other purpose.
3. The balance purchase consideration for Aristo Technologies Pvt. Ltd. was discharged by issuing fully paid equity shares.

Pass the journal entries for:
a) Issue of shares for cash
b) Issue of shares for consideration other than cash

Also, prepare the following ledger accounts in the books of NovaTech Industries Ltd.:

1. Equity Share Capital Account
2. Securities Premium Account

26. Pass necessary Journal Entries for the dissolution of a partnership firm in the following independent situations: 6

(i) Dissolution expenses of ₹1,200 were paid by the firm.

(ii) Dissolution expenses of ₹1,500 were paid personally by Arjun, a partner.

	(iii) Mehul, a partner, was appointed to carry out the dissolution work and was allowed a remuneration of ₹12,000. Mehul also agreed to bear all dissolution expenses. Actual dissolution expenses amounted to ₹11,200 and were paid by Mehul. (iv) Simran, a partner, agreed to look after the dissolution process for a commission of ₹6,500. Simran agreed to bear the dissolution expenses. Actual dissolution expenses of ₹6,000 were paid by Rohit, another partner, on behalf of Simran. (v) Anita, a partner, agreed to take responsibility for completing the dissolution work for a commission of ₹8,000. She also agreed to bear all dissolution expenses. Anita took over office equipment worth ₹8,000 as her remuneration. (The equipment had already been transferred to the Realisation Account.) (vi) A debtor, Vikram, who owed ₹22,000 to the firm, agreed to settle his account by paying dissolution expenses amounting to ₹21,000 in full discharge of his debt.	
	PART -B	
27.	*Astra Manufacturing Ltd.* redeemed ₹1,50,000, 10% debentures at a premium of 5%. What will be the cash outflow under Financing Activities? (a) ₹1,50,000 (b) ₹7,500 (c) ₹1,57,500 (d) None of these Or Which of the following statements about Cash Flow Statement is/are correct? (i) A Cash Flow Statement shows inflows and outflows of cash and cash equivalents. (ii) A Cash Flow Statement is not a substitute for the Profit and Loss Account. (iii) A Cash Flow Statement ignores all non-cash items such as depreciation. (iv) A Cash Flow Statement is prepared to assess the liquidity position of a business. Choose the correct option: (a) Both (i) and (ii) are correct (b) Both (i) and (iii) are correct	1

	(c) Only (iii) is correct (d) All of the above	
28.	Identify the incorrect statements: (i) When all items in a financial statement are expressed as a percentage of a base item in the same year, it is called *horizontal analysis*. (ii) When financial data for several years is studied, it is called *vertical analysis*. (iii) Vertical analysis is another name for *common-size statements*. Codes: (a) (i) and (ii) (b) (i) and (iii) (c) (ii) and (iii) (d) All three (i), (ii), (iii)	1
29.	If the gross profit ratio is 25% and gross profit is ₹1,20,000, what is the Cost of Goods Sold (COGS)? (a) ₹3,60,000 (b) ₹4,80,000 (c) ₹3,00,000 (d) ₹4,00,000 Or Assertion (A): The Net Profit Ratio of a business is always lower than its Gross Profit Ratio. Reason (R): Net Profit is computed by deducting all indirect expenses from Gross Profit and adding indirect incomes, if any. Choose the correct option: A. Both A and R are true, and R correctly explains A B. Both A and R are true, but R does not correctly explain A C. A is true but R is false D. A is false but R is true	1
30.	Below is the extract of the Balance Sheet of Nova Textiles Ltd. Balance Sheet (Extract)	1

Particulars	Note No.	31 March 2025 (₹)	31 March 2024 (₹)
Share Capital	—	6,00,000	4,80,000
Reserves & Surplus	1	1,80,000	90,000

Notes to Accounts

Particulars	Note No.	31 March 2025 (₹)	31 March 2024 (₹)
1. Reserves & Surplus (Surplus)	1	1,80,000	90,000

Additional Information

- Proposed Dividend for 2024–25: ₹ 1,50,000
- Proposed Dividend for 2023–24: ₹ 90,000

Based on the above details, calculate the Net Profit Before Tax and Extraordinary Items to be shown in the Cash Flow Statement.

(a) ₹ 2,40,000
(b) ₹ 1,80,000
(c) ₹ 1,50,000
(d) ₹ 90,000

31. Complete the following Comparative Statement of Profit & Loss of Aakash Ltd. for the years ended March 31, 2024 and March 31, 2025. 3

Comparative Statement of Profit & Loss (Extract)

Aakash Ltd.

PARTICULARS	2023–24 (₹)	2024–25 (₹)	Absolute Change (₹)	Percentage Change (%)
Revenue from Operations	12,00,000	?	4,00,000	?
Other Income	80,000	?	?	60%
Total Revenue	?	?	?	?
Expenses:				
– Employee Benefit Expenses	3,20,000	?	80,000	?
– Depreciation	1,00,000	1,40,000	?	?
– Other Expenses	?	2,50,000	–50,000	–16.67%
Total Expenses	?	?	?	?
Profit Before Tax	2,60,000	?	?	?
Tax Expense	60,000	75,000	?	?
Profit After Tax	?	?	?	?

Additional Information:

1. Revenue from Operations increased by ₹4,00,000 in 2024–25.
2. Other Income increased by 60% over last year.
3. Employee Benefit Expenses increased by ₹80,000.
4. Other Expenses decreased by ₹50,000.
5. Profit Before Tax = Total Revenue – Total Expenses.
6. Profit After Tax = Profit Before Tax – Tax Expense.

Fill all missing amounts in the Comparative Statement and compute Absolute and Percentage Changes.

Or

Fill all missing amounts in the Comparative Statement and compute Absolute and Percentage Changes.

Common Size Balance Sheet (Extract)

Zentra Tech Ltd.

PARTICULARS	31-03-2024 (₹)	% of Total	31-03-2025 (₹)	% of Total
Equity Share Capital	6,00,000	?	?	40%
Reserves & Surplus	?	10%	3,60,000	?
Non-Current Liabilities	4,00,000	?	5,00,000	25%
Current Liabilities	?	20%	3,00,000	?
Total	?	100%	?	100%

Non-Current Assets	7,50,000	?	?	55%
Current Assets	?	25%	4,50,000	?
Total	?	100%	?	100%

Additional Information:

1. Total Balance Sheet size increased by 20% in 2025 compared to 2024.
2. Equity Share Capital in 2025 represents 40% of the total assets.
3. Reserves & Surplus in 2025 increased by ₹1,20,000 compared to 2024.
4. Current Liabilities in 2024 were ₹2,40,000.
5. Non-Current Assets form 75% of total assets in 2024.

Fill in all the missing figures in the Common Size Balance Sheet.

32 | 3

(i) Give two examples of Current Investments other than:

- Short-term Government Securities
- Marketable Equity Shares

(ii) Under which head and sub-head will the following item be disclosed in the Balance Sheet of a Company?

Unpaid Calls from shareholders

(iii) In the Statement of Profit and Loss, under which item or heading will the following be shown?

Employee Benefit Expenses

33. | 4

Read the case given below and answer the questions that follow:

Aarav Garments Ltd. manufactures school uniforms for government schools. The company wants to check whether its inventory management and short-term financial health have improved during the financial year 2024–25.

The Finance Manager extracted the following information for the year ended 31st March 2025:

Particulars	Amount (₹)
Revenue from Operations	18,00,000
Opening Inventory	2,40,000
Closing Inventory	1,80,000
Purchases	10,20,000
Carriage Inwards	30,000
Wages	1,50,000
Cash & Cash Equivalents	1,20,000
Trade Receivables	2,80,000
Trade Payables	1,50,000
Outstanding Expenses	30,000

The Managing Director is worried because delivery of uniforms to schools is getting delayed, and suppliers are also complaining about late payments.

Required:

(a) Calculate Inventory Turnover Ratio for the year 2024–25.

(b) Calculate Current Ratio as at 31st March 2025.

(c) Based on your calculations in (a) and (b), briefly comment on:

- Whether the company is managing its inventory efficiently.
- Whether the company is in a good position to pay short-term obligations.

Or

Net Profit Ratio of Stellar Foods Ltd. for the year 2024–25 is 12%.

State with reasons whether the following independent transactions will increase, decrease, or have no impact on the Net Profit Ratio.

(a) The company shifted from straight-line depreciation to written-down value method, resulting in higher depreciation expense for the year.

(b) Goods costing ₹80,000 were sold for ₹80,000 (no profit, no loss) on credit.

(c) The company invested surplus funds in debentures and earned interest income of ₹20,000.

(d) Company settled a lawsuit by making a one-time payment of ₹1,50,000, recorded as an abnormal expense.

34. Given below are the Balance Sheets of Zenith Appliances Ltd. as at 31st March 2024 and 31st March 2025: 6

Balance Sheet

Particulars	Note No.	31-03-2025 (₹)	31-03-2024 (₹)
I. Equity & Liabilities			
Equity Share Capital	1	12,00,000	10,00,000
Securities Premium	1	3,60,000	1,00,000

General Reserve		2,40,000	1,80,000
Profit & Loss A/c		1,56,000	1,10,000
12% Debentures		4,00,000	6,00,000
Trade Payables		2,50,000	1,90,000
Total		25,06,000	21,80,000
II. Assets			
Fixed Assets (Tangible)	2	14,00,000	12,00,000
Accumulated Depreciation	2	(3,00,000)	(2,20,000)
Investments		2,50,000	1,20,000
Inventory		3,80,000	4,10,000
Trade Receivables		3,16,000	3,20,000
Cash & Cash Equivalents		1,60,000	1,50,000
Total		25,06,000	21,80,000

	Additional Information: 1. A machine costing ₹4,00,000 (accumulated depreciation ₹1,20,000) was sold for ₹2,50,000. 2. Depreciation charged during the year ₹1,00,000. 3. Investments costing ₹50,000 were sold during the year at a profit of 20%. 4. Company issued 20,000 equity shares of ₹10 each at a premium of ₹10 per share, fully paid. 5. ₹2,00,000 debentures were redeemed at 10% premium, paid in cash. 6. Interim dividend of ₹25,000 was paid during the year. 7. Provision for tax for the year is ₹45,000. Income tax paid during the year is ₹40,000. Prepare the Cash Flow Statement of Zenith Appliances Ltd. for the year ended 31st March 2025 as per AS-3 (Revised).	