BANGALORE SAHODAYA SCHOOLS COMPLEX ASSOCIATION

PRE-BOARD EXAMINATION (2023-2024)

Grade XII -SET B

Date: 20/12/2023 **Max. Marks: 80M**

Subject: ACCOUNTANCY **Time: 3 Hours**

General Instructions:

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, 31and 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.

PART A – Accounting for Partnership Firms & Companies

1 A and B are partners. They admit C for one third share. In future the ratio between A and B would be 2:1. Sacrificing ratio will be-

a. 2:1
b. 1:1
c. 5:1
d. 1:5

2 Assertion (A): In the absence of a Partnership Deed or a verbal agreement, no interest is to be allowed to partners on their capital.

Reason(R): If there is a provision for interest on capital in the Partnership Deed, it will be allowed only when there is a profit in the firm.

In the context of the above two statements, which of the following is correct?

Codes:

a. Both A and R are correct and R is the correct reason of A
b. Both A and R are correct but R is not the correct reason of A
c. Only A is correct
d. Both A and R are wrong

3 Bhuvi Ltd forfeited 5,000 shares of ₹10 each issued at 15% premium, on which application money of ₹4 has been paid along with premium. Out of these, 1,000 shares were reissued as fully paid up and ₹3,000 has been transferred to capital reserve.

Calculate the rate at which these shares were reissued-

a. ₹8
b. ₹9
c. ₹10
d. ₹11

OR

If 50 shares of ₹10 each, ₹9 called (including premium of ₹2) are forfeited due to non-payment of first call of ₹2 per share, then share capital will be debited by-

a. ₹250
b. ₹400
c. ₹350
d. ₹500

4 Assertion (A) – X, Y and Z sharing profits in 5:4:3 decided to change their share to 3:2:1. For this purpose, Goodwill is valued at ₹2,40,000. X's Capital account will be debited and Z's Capital account will be credited by ₹20,000.

Reason (R) - X has gained 1/12th share and Z has sacrificed 1/12th share. As such, gaining partner will compensate the sacrificing partner by 1/12th of ₹240,000.

In the context of the above two statements, which of the following is correct?

a. Both (A) and (R) are correct and (R) is **not** the correct reason of (A)
b. Both (A) and (R) are correct but (R) is the correct reason of (A).
c. Only (A) is correct.
d. Both (A) and (R) are wrong.

OR

Assertion (A)- A, B and C are partner sharing profits in 2:2:1. They decided to change their profit-sharing ratio to 5:3:2. On revaluation, machinery appearing in their books at ₹1,00,000 is to be reduced by 25% and furniture appearing at ₹1,00,000 is to be reduced to 25%. Revised value of machinery will be ₹75,000 and furniture ₹25,000.

Reason (R) – 'Reduced by' 25% means the amount that is to be deducted from the book value of the asset. As such, machinery will be shown at ₹75,000. 'Reduced to' 25% means it is the new value of the asset. As such, furniture will be shown at ₹25,000.

In the context of the above two statements, which of the following is correct?

a. Both (A) and (R) are correct and (R) is the correct reason of (A)
b. Both (A) and (R) are correct but (R) is **not** the correct reason of (A).
c. Only (A) is correct.
d. Both (A) and (R) are wrong.

5 A and B started business on 1st July 2022 and agreed to share profits and losses in the ratio of 3:1. They contributed ₹ 4,00,000 and ₹ 2,00,000 respectively by way of capital on which they both agreed to allow interest @ 6% p.a. irrespective of profits. Profits earned during the year ending 31st March 2023 (before allowing interest on capital) was ₹ 25,000. The effect of above situation will be:

a. Profit ₹ 2,000 will be divided among partners in the ratio of their interest on capital
b. Loss ₹ 7,000 will be divided among partners in the ratio of 3:1

c. Loss ₹ 2,000 will be divided among A and B in the ratio 3:1

d. Loss ₹ 2,000 will be divided among A and B in their capital ratio 2:1

6 Ayush Ltd invited applications for 10,000; 12% Debentures of ₹100 each to be issued at certain premium per debenture and repayable after 5 years at 5% premium. The full amount was payable on application.

Applications were received for 14,500 debentures. The company made pro-rata allotment. At the time of writing off loss on issue of debentures, Statement of P&L was debited with ₹20,000. At what rate of premium, these debentures were issued?

a. 5%

b. 2%

c. 3%

d. 1%

OR

Rishi Ltd issued 4,000; 8% Debentures of ₹10 each at 6% discount to be redeemed at certain rate of premium. For writing off loss on issue of debentures, Statement of Profit and Loss was debited with ₹4,400. Premium rate at which debentures to be redeemed is-

a. 10%

b. 5%

c. 15%

d. 20%

<u>Q.7 and Q.8</u> - Based on the information given, you are required to answer

Mr. Tanish worked as in a state government office in the state of Karnataka. He is very much interested in investing his savings in shares of limited companies. He applied for 300 shares from Reliance Industries ltd. He was allotted all shares. Due to some financial constraints he failed to pay the allotment money of ₹5 (including premium of ₹2) and first and final call of ₹3. The company after giving due notices, forfeited all the shares of ₹10 each issued at a premium of ₹2. 1/3rd of the forfeited shares was reissued at ₹11 per share fully paid up to Mr. Ram .

7 What entry will you pass to transfer forfeiture a/c to Capital reserve?

a. Share forfeiture a/c Dr 400 To Capital reserve a/c 400

b. Share forfeiture a/f Dr 450 To Capital reserve a/c450

c. Share forfeiture a/c Dr 600 To Capital reserve a/c 600

d. Share forfeiture a/c Dr 360 To Capital reserve a/c 360

8 How much amount is shown in the Balance sheet under share forfeiture account?

a. ₹800
b. ₹880
c. ₹400
d. ₹650

9 P and Q are partners sharing profits and losses in the ratio of 3:2. R is the manager who receives a salary of ₹8,000 per month and a commission of 5% on net profit after charging such commission. Profit for the year is ₹13,56,000 before charging R's salary. The total renumeration due to R is:

a. ₹ 1,60,000
b. ₹ 1,56,000
c. ₹ 1,52,000
d. Cannot be determined

10 When Goodwill is not purchased goodwill account can-

a. Never be raised in the books
b. Be raised in the books
c. Be partially raised in the books
d. Be raised as per the agreement of the partners.

11 If a fixed amount is withdrawn by a partner on the last day of every month, interest on total amount is charged for ____________ months?

A. 12
B. 6 ½
C. 5 ½
D. 6

12 A, B and C were partners in a firm sharing profits and losses in the ratio of 2:2:1. The capital balance are ₹50,000 for A ; ₹70,000 for B; ₹35,000 for C. B decided to retire from the firm and balance in reserve on that date was ₹25,000. If Goodwill of the firm was valued at ₹30,000 and profit on revaluation was ₹7,500 then what amount will be payable to be B?

a. ₹70,820

b. ₹76,000

c. ₹75,000

d. ₹95,000

OR

A, B and C are sharing profits in the ratio of 3:2:1. B retires and on the date of B's retirement Goodwill is valued at ₹60,000. A and C decided to share future profits in the ratio of 3:2. Journal entry will be-

S. No	Particulars		LF	Dr.	Cr.
a.	A's capital a/c	Dr.		18,000	
	C's capital a/c	Dr.		42,000	
	To B's capital a/c				60,000
b.	A's capital a/c	Dr.		6,000	
	C's capital a/c	Dr.		14,000	
	To B's capital a/c				20,000
c.	A's capital a/c	Dr.		36,000	
	C's capital a/c	Dr.		24,000	
	To B's capital a/c				60,000
d.	A's capital a/c	Dr.		12,000	
	C's capital a/c	Dr.		8,000	
	To B's capital a/c				20,000

13 RT Ltd. Issued 20,000 Equity shares of ₹10 each at a premium of ₹3 payable as follows:

On Application ₹4;

On Allotment ₹5 (including premium)

On 1st call ₹2;

On 2nd Call ₹ 2.

Applications were received for 30,000 shares and pro-rata allotment was made to all. Pass necessary Journal entry for the amount due on the allotment:

a) Share Allotment A/c ... Dr. ... 1,00,000
   To Equity Share Capital A/c ... 40,000
   To Securities premium A/c ... 60,000

b) Share Allotment A/c ... Dr. ... 1,00,000
   To Equity Share Capital A/c ... 30,000
   To Securities premium A/c ... 70,000

c) Share Allotment A/c ... Dr. ... 1,00,000
   To Equity Share Capital A/c ... 50,000
   To Securities premium A/c ... 50,000

d) Share Allotment A/c ... Dr. ... 1,00,000
   To Equity Share Capital A/c ... 60,000
   To Securities premium A/c ... 40,000

14 Assertion (A) - Admission of a partner is one of the modes of reconstitution of the partnership whereby old partnership ceases to exist and a new partnership comes into existence.

Reason (R) - In case of admission of a partner number of partners increase and as a result profit sharing ratio also changes. But the firm continues. As such, it is reconstitution of partnership.

In the context of the above two statements, which of the following is correct?

a. Both (A) and (R) are correct and (R) is the correct reason of (A)
b. Both (A) and (R) are correct but (R) is **not** the correct reason of (A).
c. Only (R) is correct.
d. Both (A) and (R) are wrong.

15 X, Y and Z share profits in the ratio 4:3:2. Z is given a guarantee that his share of profits will not be less than ₹75,000. Deficiency if any, would be borne by X and Y equally. Firm’s profit was ₹2,70,000. Y’s share of profit will be:

a. ₹90,000
b. ₹82,500

c. ₹97,500

d. ₹75,000

OR

A, B and C are partners in 3:2:1. C is guaranteed that his share of profit will not be less than ₹70,000. Any deficiency will be borne by A and B in the ratio of 2:1. Firm's profit was Rs. 2,40,000. Share of A will be:

A. ₹1,00,000

B. ₹1,10,000

C. ₹1,20,000

D. ₹1,02,000

16 On the basis of following data, final payment to a partner on firm's dissolution will be made- Debit balance of capital account- ₹14,000; Share of his profit on realisation- ₹43,000; firm's asset taken over by him- ₹17,000.

a. ₹ 31,000

b. ₹ 29,000

c. ₹ 12,000

d. ₹ 60,000.

17 A, B, C and D are partners in a firm sharing profits in the ratio of 3:3:2:2 respectively. D retires and A, B and C decide to share the future profits in the ratio of 3:2:1. Goodwill of the firm is valued at ₹6,00,000. Goodwill already appears in the books at ₹4,50,000. The profits for the first year after D's retirement amount to ₹12,00,000.
Give the necessary journal entries to record Goodwill and to distribute the profits. Show your calculations clearly.

18 A and B are partners in a firm sharing profits in the ratio of 2:3. Their capital accounts as on 1st April 2022 showed balances of ₹70,000 and ₹60,000 respectively. The drawings of A and B during the year 2022-23 were ₹16,000 and ₹12,000 respectively. Both the amounts were withdrawn on 1st January 2023, it was subsequently found that the following items had been omitted while preparing the final accounts for the year ended 31 march 2023-

a. Interest on capitals @ 6% per annum

b. Interest on drawings @ 6% per annum

c. A was entitled to a commission of ₹4,000 for the whole year.

Showing your workings clearly pass a rectifying entry in the books of the firm.

OR

The capital accounts of X and Y stood at ₹2,00,000 and ₹3,00,000 respectively after the necessary adjustments in respect of drawings and net profit for the year ended 31st march 2023. It was subsequently ascertained that interest on capital @ 12% per annum was not taken into account while arriving at the divisible profits for the year. During the year 2022-23, X had withdrawn ₹20,000 and Y's drawings were ₹10,000.

The net profit for the year amounted to ₹1,50,000.

The partners shared profits and losses in the ratio of 3:2.

You are required to pass the necessary journal entries to rectify the error in accounting.

19 Akash Ltd. purchased a running business from M/s. Mayank Brothers for a sum of ₹ 15,00,000 payable ₹ 12,00,000 in fully paid shares of ₹ 10 each and balance through cheque. The assets and liabilities consisted of the following: Plant and Machinery ₹ 4,00,000; Stock ₹ 4,00,000; Building ₹ 4,00,000; Cash ₹ 3,00,000; Sundry Debtors ₹ 3,00,000; Sundry Creditors ₹ 2,00,000. You are required to pass necessary Journal entries in the books of Akash Ltd.

OR

Pass journal entries for forfeiture and re-issue in the books of Midhu Ltd. -

200 shares of ₹. 100 each issued at a premium of ₹.10 were forfeited for the non-payment of allotment money of ₹. 60 per share. The first and final call of ₹. 20 per share on these shares were not made. The forfeited shares were reissued at ₹. 70 per share as fully paid-up.

20 Calculate the value of goodwill on the basis of three year's purchase of the weighted average profit of the last five years. Profits to be weighted 1, 2, 3, 4 and 5, the greatest weightage to be given to last year. Profits of the last five years were-

Year ended

31st March 2015 Profit ₹80,000

31st March 2016 Profit ₹1,05,000 (after considering abnormal loss of ₹41,500)

31st March 2017 Loss ₹20,000 (after considering abnormal gain of ₹40,000)

31st march 2018 Profit ₹1,80,000

31st March 2019 Profit ₹2,00,000

Books of accounts of the firm revealed that-

a. Closing stock as on 31st March 2015 was overvalued by ₹40,000
b. Repairs to Machinery ₹60,000 were wrongly debited to Machinery account on 1st July 2017. Depreciation was charged on Machinery @20% p.a on Diminishing balance method.

21 Hero Ltd has an authorised capital of ₹50,00,000, which is divided into equity shares of ₹100 each. The company invited applications for 38,000 shares. Applications were received for 33,000 shares. Final call of ₹20 on 1,000 shares were not received.

The directors of the company forfeited 40% of these shares. Later on 50% of the forfeited shares were re-issued at ₹ 90 each fully paid up.

Show the following-

a. Share capital in the Balance sheet of the company as per Schedule III, Part 1 of the Company's act, 2013.
b. Also prepare Note to accounts.

22 Show how will you deal with the following items while preparing Realisation account (Make an extract of Realisation account for each transaction)-

i. Stocks book value was ₹40,000; 60% of it was taken over by X at a valuation of 80% and remaining was sold at 90% less 5% selling commission.
ii. Investments book value was ₹30,000. 70% Investments were sold through a stock broker at 110% less brokerage @2% and 50% of the remaining Investments were taken over by B at 90% and rest proved worthless.
iii. Debtors and Provision for Bad Debts were ₹50,000 and ₹3,000 respectively. 60% Debtors were realised at 95% and remaining were sold to a debt collecting agency for 60%.
iv. Plant and Machinery book value of which was ₹1,50,000 were mortgaged with the bank for ₹80,000. Bank sold it for ₹1,35,000 and after deducting its loan and accrued interest of ₹4,500 paid the balance to the firm.

23 Varshini & Co. invited applications for 2,00,000 equity shares of ₹10 each at a premium of ₹10 per share. The amount was payable as follows,

On application ₹4 per share (including ₹2 premium)

On allotment ₹5 per share (including ₹2 premium)

On first call ₹5 per share (including ₹3 premium)

On second and final call balance amount.

The issue was fully subscribed. Rishit a shareholder holding 1,000 shares failed to pay allotment money and Rajat another shareholder holding 1,500 shares, paid his entire share money along with allotment.

Afterwards, the first call was made, Kiara, a shareholder holding 500 shares, failed to pay the first call money and Pooja, a shareholder holding 600 shares, paid her second call money along with the first call. Kiara's shares were forfeited immediately after the first call. Later on the second call was made which was duty received.

Pass necessary journal entries for the above transactions in the books of Varshini & Co.

OR

Reethika & Co. issued 1,00,000 equity shares of ₹10 each at a premium, payable as 3 on applications; ₹ 6 on allotment (including premium) and ₹3 on first and final call. Applications were received for 1,60,000 shares, out of which letters of regret were sent to the applicants for 30,000 shares, full allotment was made to the applicants for 20,000 shares. Pro-rata allotment was made to the remaining applicants.

A shareholder holding 100 shares to whom full allotment was made failed to pay allotment money. Another shareholder holding 200 shares to whom pro-rata allotment was made also failed to pay allotment money. On call, there was a further default on 300 shares. All the shares were forfeited. The first lot of shares were re-issued at ₹8 per share as fully paid up.

Pass journal entries in the books of Reethika & Co.

24 X, Y and Z were partners in a firm sharing profits in the ratio of 3:2:5. On **31st December 2022** the balance sheet of X, Y, Z was as follows

Balance Sheet				
as on 31st December, 2022				
Liabilities	Rs.		Assets	Rs.
Capitals-			Goodwill	3,00,000
X- 3,00,000			Land & Building	5,00,000
Y- 2,00,000			Machinery	1,70,000
Z- 5,00,000	10,00,000		Stock	30,000
General Reserve	1,00,000		Debtors	1,20,000
Loan from Y	50,000		Cash	45,000
Creditors	75,000		P&L a/c	60,000
	12,25,000			12,25,000

On 14th march 2023, Y died. Partnership deed provided that on the death of a partner the executor of the deceased partner is entitled to-

i. Balance in capital account

ii. Share in profits up to the date of death on the basis of last year's profit.

iii. His share in profit/ loss on revaluation of assets and reassessment of liabilities which were as follows-

   a. Land & Building was to be appreciated by ₹1,20,000.

   b. Machinery was to be depreciated to ₹1,35,000 and stock to ₹25,000.

   c. A provision of 2.5% for bad and doubtful debts was to be created on Debtors.

iv. The net amount payable to Y's executors was transferred to his loan account which was to be paid later.

v. X and Z decided to continue the business in their new profit-sharing ratio.

Prepare Y's capital account and his executor's account.

25 X and Y were partners in a firm sharing profits in the ratio of 2:1. On 31st March 2023, their balance sheet was as follows-

Balance Sheet				
as on 31st March, 2023				
Liabilities	Rs.		Assets	Rs.
Creditors	43,000		Bank	42,800
Bills Payable	26,000		Stock	56,000
Investment Fluctuation Fund	12,000		Debtors 35,000 less- Provision for Bad debts (3,500)	31,500
Capitals- X- 85,500 Y- 90,000	1,75,500		Accrued Income	2,600
			Building	75,000
			Investment	45,000
			P&L a/c	3,600
	2,56,500			2,56,500

On the above date X and Y decided to admit Z as a new partner for one fifth share of profit on the following terms-

i. Z is to bring ₹45,000 for his capital and ₹12,000 for his share of goodwill.

ii. Investments appreciated by 10%.

iii. Creditors to be paid ₹6,000 more.

iv. The firm lost a court case in which it was agreed that the firm has to pay ₹6,000 as compensation to the workers.

v. Debtors amounted to ₹2,000 is to be written off and a provision for doubtful debts is required on existing rate.

vi. Capital accounts of X and Y are to be adjusted on the basis of Z's capital by opening current accounts.

Prepare Revaluation account and Partner's capital accounts.

OR

A, B and C were partners sharing profits and losses in the ratio of 3:3:2. Their Balance sheet as on 31ST march 2023 was as below-

Balance Sheet				
as on 31st March, 2023				
Liabilities	Rs.		Assets	Rs.
Capitals-			Building	1,00,000
A- 1,10,000			Machinery	1,07,000
B- 1,50,000			Furniture	1,00,000
C- 80,000	3,40,000		Debtors	50,000
Bills Payable	30,000		Stock	66,000
Creditors	90,000		Cash	77,000
Reserve Fund	40,000			
	5,00,000			5,00,000

On 1st April 2023, C retired from the firm on the following terms-

i. Goodwill of the firm is to be valued at ₹40,000.

ii. Assets are to be valued as stock ₹63,000; Machinery ₹1,00,000; and Furniture ₹1,02,000.

iii. Provision for doubtful debts is to be maintained at 10% on Debtors.

iv. ₹1,000 is to be written off from creditors.

v. The amount payable to C is to be transferred to his loan account.

vi. The continuing partners decided to maintain their capital balances in their new profit sharing ratio. The surplus or deficit capital is to be adjusted through cash.

Prepare Revaluation account and Partner's capital account.

26 Read the following transactions:

(i) A Ltd. purchased Machinery from Machine Tools Ltd. for ₹ 6,90,000. Mukta Machine Ltd. was paid by accepting a draft of ₹ 90,000 payable after three months and the balance by issue of 6% Debentures of ₹. 100 each at a discount of 20%.

Pass necessary journal entries for the above transactions in the books of A Ltd.

(ii) Sita Ltd. issued 25,000, 8% Debentures of ₹. 100 each at a discount of 10% on 1st April, 2019 redeemable at par after five years. The Company has a balance of ₹. 1,50,000 in Securities Premium Reserve and ₹. 2,50,000 in Capital Reserve.

Pass the Journal Entries for Issue of Debentures and writing off the Discount on Issue of Debentures.

PART B – Analysis of Financial Statement

27 Main objective of analysis of financial statements is

a. To know the financial strength
b. To make a comparative study with other firms
c. To know the efficiency of Management
d. All of the above

OR

Which of the following is not a limitation of financial analysis?

a. It does not consider a price level changes
b. It is just a study of interim reports
c. It may be misleading without the knowledge of the changes in accounting procedures followed by a firm.
d. It identifies the reasons for change in the financial position of the firm.

28 Assertion (A)- While calculating Trade Receivables Turnover ratio, provision for doubtful debts is not deducted from Trade Receivables.

Reason(R)- Provision for doubtful debts is not deducted from Trade Receivables because if it is deducted then Trade Receivables will be reduced which will give a higher Trade Receivables Turnover Ratio and it will give a false impression that Trade Receivables are being collected quickly.

In the context of the above two statements which of the following is correct?

a. Both (A) and(R) are correct and (R) is **not** the correct reason of (A).

b. Both (A) and (R) are correct but (R) is the correct reason of (A).
c. Only (R) is correct.
d. Both (A) and (R) are wrong.

29 Paid ₹8,00,000 to acquire shares in R Ltd and received a dividend of ₹80,000 after acquisition. These transactions will result in-

a. Cash used in investing activities ₹8,00,000
b. Cash generated from financing activities ₹8,80,000
c. Cash used in investing activities ₹7,20,000
d. Cash generated from financing activities ₹7,20,000

OR

If the amount of goodwill is ₹60,000 at the beginning of a year and ₹8,000 at the end of that year then while preparing cash flow statement its effect on cash flow will be-

a. Cash used in investing activities ₹8,000
b. Cash received from operating activities ₹8,000
c. Cash used from operating activities ₹8,000
d. Cash used from financing activities ₹8000

30 Hero Limited has the following balances

Non-current Investment on 31st March 2022 – ₹34,000

Non-current Investment on 31st March 2023 – ₹28,000

During the year the company has sold 40% of its original investment at a profit of ₹8,400.

Calculate how much Non-current investment was bought during the year-

a. ₹6,000
b. ₹14,400
c. ₹28,000
d. ₹7,600

31 Under what major headings and sub headings will the following items be presented in the Balance sheet of a company, as per Schedule III, Part 1 of the Company's Act, 2013?

i. Building under construction

ii. Premium on redemption of Debentures

iii. Bank overdraft

iv. Shares in SBI

v. Provision for retirement benefits

vi. Design

32 From the following information, calculate-

i. Current Ratio

ii. Debt-Equity Ratio

iii. Trade Receivables Turnover Ratio

	₹
Share capital	25,00,000
Securities Premium Reserve	10,00,000
Debenture Redemption Reserve	5,00,000
10% Debentures	10,00,000
Trade payables	6,00,000
Bank overdraft	2,00,000
Inventory	4,40,000
Trade receivables	12,00,000
Cash	3,60,000
Credit Revenue from Operations	72,00,000

33 Prepare a Common-size Statement of Profit and Loss for the year ending 31st March 2023-

Particulars	2022-23	2021-22
Revenue from operations	₹ 16,00,000	₹ 8,00,000
Cost of materials consumed (% of Revenue from Operations)	60%	50%
Operating Expenses	₹ 80,000	₹ 40,000
Income Tax rate	40%	30%

OR

From the following information obtained from the books of Vicky & Co., prepare a Comparative Statement of Profit and Loss for the year ending 31st March 2023-

Particulars	2022-23	2021-22
Revenue from operations	300% of cost of materials consumed	200% of cost of materials consumed
Cost of materials consumed	₹ 4,00,000	₹ 2,00,000
Other expenses	20% of cost of materials consumed	20% of cost of materials consumed
Tax rate	50%	50%

34 From the following information, prepare Cash Flow Statement-

Particulars	Note No.	31.3.2022	31.3.2021
I. EQUITY AND LIABILITIES:		₹	₹
(1) Shareholder's Funds:			
(a) share capital		1,00,000	80,000
(b) Reserves and Surplus	1	6,400	6,000
(2) Non-Current Liabilities:			
Long Term Borrowings	2	14,000	12,000
(3) Current Liabilities:			
(a) Short Term Borrowings	3	13,600	25000
(b) Trade Payables		31,600	34,000
(c) short Term Provisions (Provision for Tax)		8,400	6,000
(d) Other Current Liabilities	4	2,000	0
TOTAL		1,76,000	1,63,000
II. ASSETS:			
(1) Non-Current Assets:			
(a) Fixed Assets	5	50,000	60,000
(2) Current Assets:			
(a) Inventories		70,000	60,000
(b) Trade Receivables		48,000	40,000

(c) Cash and Cash Equivalents		7,000	2,400
(d) Prepaid Expenses		1,000	600
TOTAL		1,76,000	1,63,000

Notes to accounts-		
	31.3.2022 ₹	31.3.2021 ₹
(1) Reserves & Surplus:		
General Reserve	4,000	4,000
Profit and Loss Balance	2,400	2,000
	6,400	6,000
(2) Long Term Borrowings		
15% Debentures	14,000	12,000
(3) Short Term Borrowings		
Cash Credit	13,600	25,000
(4) Other Current Liabilities		
Dividend Payable	2,000	0
(5) Fixed Assets	80,000	82,000
Less: Accumulated Depreciation	30,000	22,000
	50,000	60,000

Additional Information:

(a) Contingent Liability	31.3.2022	31.3.2021
Proposed Dividend (₹)	11,600	10,000

(b) Provision for Tax made ₹ 9,400

(c) Fixed assets sold for ₹ 10,000, their cost ₹ 20,000 and accumulated depreciation till date of sale is ₹6000

(d) An interim dividend of ₹ 9,000 has been paid.