

Roll No. ....

Total No. of Questions – 6

Total No. of Printed Pages – 16

Time Allowed – 3 Hours

*(Signature)*  
(Signature)



Maximum Marks – 100

## JAP

Answers to questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate who has not opted for Hindi Medium, his/her answers in Hindi will not be evaluated.

Question No. 1 is compulsory.

Answer any **four** questions from the remaining **five** questions.

Working notes should form part of the answers.

Candidate found copying or receiving or giving any help or defying instructions of the invigilators or having/using mobile phone or smart watch will be expelled from the examination and will also be liable for further punitive action.

**Marks**

1. (a) State with reasons, whether the following statements are True or False : **6×2 =12**
- (i) Trade discount is recorded in the discount column in triple column cash book.
- (ii) Money measurement concept means transactions are to be recorded at a uniform-monetary units.

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(iii) If a society (Non-profit organization) has a separate trading activity, the profit/loss from the trading account shall be transferred to Income and Expenditure Account at the time of consolidation.

(iv) Partners in a partnership firm will share the profits of business according to their capital contribution in the absence of any agreement.

(v) LLP should have two designated partners who are resident in India.

(vi) A Non-Profit Organization registered under Section 8 of Companies Act, 2013 can distribute its surplus among its members.

(b) Explain the following :

2×2  
=4

(i) What are the objectives of accounting standards ?

(ii) What is the difference between liability and contingent liability ?

(c) A trader prepared his final accounts on 31<sup>st</sup> March, each year. Due to some unavoidable reasons, no inventory taking could be possible till 15<sup>th</sup> April, 2025 on which date total cost of goods in his store came to ₹ 1,50,000.

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The following facts were established between 31<sup>st</sup> March and 15<sup>th</sup> April, 2025 :

Sales (Credit) ₹ 70,000

Sales (Cash) ₹ 25,000

Purchases (Cash) ₹ 15,000

Purchases (Credit) ₹ 25,000

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On 25<sup>th</sup> March, goods of the sale value of ₹ 30,000 were sent on sale or return basis to a customer, the period of approval being four weeks. He returned 25% of the goods on 12<sup>th</sup> April, approving the rest; the customer was billed on 25<sup>th</sup> April.

The trader had also received goods costing ₹ 10,000 in March, for sale on consignment basis. 50% of the goods had been sold by 31<sup>st</sup> March and another 25% by 15<sup>th</sup> April. These sales are not included in above sales.

Goods are sold by the trader at a profit of 20% on sales.

You are required to ascertain the value of inventory as on 31<sup>st</sup> March, 2025.

2. (a) Following errors were found in the books of XYZ. Give necessary entries to correct them : 10
- (i) A purchase of goods from R amounting to ₹ 10,000 has been wrongly entered through the sales book.
  - (ii) Furniture purchased for office use amounting to ₹ 25,000 has been entered in the purchase day book.
  - (iii) Minor repairs to the Furniture Account amounting to ₹ 1,500 were debited to Furniture Account.
  - (iv) Wages amounting to ₹ 3,000 paid to workmen for making Office Furniture has been charged as wages account.
  - (v) Tuition Fees of proprietor's son ₹ 25,000 has been debited to Audit fees A/c.

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- (vi) An amount of ₹ 10,000 due from Mohan which had been written off as bad debt in the previous year was unexpectedly recovered and has been posted to the personal account of Mohan.
- (vii) Goods (Cost being ₹ 7,000 and sales price being ₹ 10,000) distributed as free samples among prospective customers were not recorded anywhere.
- (viii) Goods amount to ₹ 1,000 returned by a customer, G & Co. were entered in the Sales Day Book and posted there from to the credit of his account.
- (ix) A bill of Exchange (received from SS & Co.) for ₹ 10,000 had been returned by the bank as dishonoured and had been credited to the bank and debited to bills receivable account.
- (x) A Bills Receivable for ₹ 2,500 was passed through Bills Payable Book. The Bill was given by Jack.
- (b) Prepare the Bank Reconciliation Statement of M/s. XYZ Brothers on 31<sup>st</sup> March, 2025 from the particulars given below :
- (i) The Bank Pass Book had a debit balance of ₹ 62,500 on 31<sup>st</sup> March, 2025.
- (ii) A cheque worth ₹ 1,000 directly deposited into Bank by customer but no entry was made in the Cash Book.

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(iii) Out of cheques issued worth ₹ 85,000, cheques amounting to ₹ 50,000 only were presented for payment till 31<sup>st</sup> March, 2025.

(iv) A cheque for ₹ 10,000 received and entered in the Cash Book but it was not sent to the Bank.

(v) Cheques worth ₹ 50,000 had been sent to Bank for collection but the collection was reported by the Bank as under.

(1) Cheques collected before 31<sup>st</sup> March, 2025, ₹ 35,000.

(2) Cheques collected on 10<sup>th</sup> April, 2025, ₹ 10,000.

(3) Cheques collected on 12<sup>th</sup> April, 2025, ₹ 5,000.

(vi) The Bank made a direct payment of ₹ 1,500 which was not recorded in the Cash Book.

(vii) Interest on Overdraft charged by the bank ₹ 4,000 was not recorded in the Cash Book.

(viii) Bank charges worth ₹ 200 have been entered twice in the cash book whereas Insurance charges for ₹ 175 directly paid by Bank was not at all entered in the Cash Book.

(ix) The credit side of bank column of Cash Book was under cast by ₹ 5,000.

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3. (a) The Receipts and Payments Account of ABC Club for the year ended 12  
March 31, 2025 was as follows :

(Figures are in '000)

| Receipts                                 | Amount        | Payments                                            | Amount        |
|------------------------------------------|---------------|-----------------------------------------------------|---------------|
| Cash in hand                             | 150           | Ground man's Fee                                    | 1,125         |
| Balance at Bank as per<br>Pass Book :    |               | Moving Machine                                      | 2,250         |
| – Deposit Account                        | 3,345         | Ground Rent                                         | 375           |
| – Current Account                        | 900           | Cost of Teas                                        | 375           |
| Bank Interest                            | 45            | Fares                                               | 600           |
| Donations and<br>Subscriptions           | 3,900         | Printing & Office<br>Expenses                       | 420           |
| Receipts from teas                       | 450           | Repairs to Equipment                                | 750           |
| Contribution to fares                    | 150           | Honorarium to<br>Secretary and<br>Treasurer of 2024 | 600           |
| Sale of Equipment                        | 120           | Balance at Bank as<br>per Pass Book:                |               |
| Net proceeds of Variety<br>Entertainment | 1,170         | – Deposit Account                                   | 4,635         |
| Donation for<br>forthcoming Tournament   | 1,500         | – Current Account                                   | 225           |
|                                          |               | Cash in hand                                        | 375           |
| <b>Total</b>                             | <b>11,730</b> | <b>Total</b>                                        | <b>11,730</b> |

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You are given the following additional information :

(Figures are in '000)

| Particulars                                   | April 1,<br>2024 | March<br>31, 2025 |
|-----------------------------------------------|------------------|-------------------|
| Subscription due                              | 225              | 150               |
| Amount due for printing, etc.                 | 150              | 120               |
| Cheques unpresented being payment for repairs | 450              | 390               |
| Estimated value of machinery and equipment    | 1,200            | 2,625             |
| Interest not yet entered in the Pass book     |                  | 30                |
| Bonus to Ground man outstanding               |                  | 450               |

For the year ended March 31, 2025, the honorarium to the Secretary and Treasurer are to be increased by a total of ₹ 3,00,000.

Prepare the Income and Expenditure Account and Balance Sheet for the period ending March 31, 2025.

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(b) A, B and C are partners sharing profits and losses in the ratio of 2:2:1. 8

Their Balance Sheet as on 31<sup>st</sup> March, 2024 is as follows :

| Liabilities             | Amount<br>₹   | Assets                   | Amount<br>₹   |
|-------------------------|---------------|--------------------------|---------------|
| Trade Creditors         | 19,275        | Land and Building        | 37,500        |
| Outstanding Liabilities | 2,250         | Furniture                | 9,750         |
| General Reserve         | 9,750         | Closing Stock            | 17,625        |
| Capital :               |               | Sundry Debtors           | 8,250         |
| A   18,000              |               | Cash and Bank<br>balance | 1,650         |
| B   18,000              |               |                          |               |
| C <u>7,500</u>          | 43,500        |                          |               |
| <b>Total</b>            | <b>74,775</b> | <b>Total</b>             | <b>74,775</b> |

The partners have agreed to take D as a partner w.e.f. 1<sup>st</sup> April, 2024 on the following terms :

- D shall bring ₹ 7,500 towards his capital and required sum of goodwill.
- The value of stock should be increased by ₹ 3,750.
- Provision for bad and doubtful should be provided at 10% of the debtors.
- Furniture should be depreciated by 10%.
- The value of Land and Buildings should be enhanced by 20%.

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- (vi) The value of the goodwill is fixed at ₹ 22,500.
- (vii) General Reserve will be transferred to the Partners' Capital Accounts.
- (viii) The new profit-sharing ratio of A, B, C and D shall be 5 : 5 : 3 : 2.
- (ix) The outstanding liabilities include ₹1,500 due to R has been paid by A. Necessary entry was not made in the books.

You are required to prepare :

- (1) Revaluation A/c
- (2) Capital Accounts of the Partners.
- (3) Balance sheet as at that 1<sup>st</sup> of April, 2024.

- (a) Amal, Bimal & Kamal were in partnership sharing profits in the proportions of 3 : 2 : 1. The balance sheet of the firm as on 31<sup>st</sup> March, 2024 was as under :

| Liabilities        | ₹         | Assets            | ₹         |
|--------------------|-----------|-------------------|-----------|
| Capital accounts : |           | Building          | 3,00,000  |
| Amal               | 4,00,000  | Fixtures          | 1,25,000  |
| Bimal              | 3,30,000  | Office Equipment  | 1,00,000  |
| Kamal              | 1,80,000  | Inventories       | 2,25,000  |
| Trade Payables     | 1,20,000  | Trade Receivables | 1,90,000  |
|                    |           | Cash & Bank       | 90,000    |
|                    | 10,30,000 |                   | 10,30,000 |

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Amal had been suffering from ill-health and gave notice that he wished to retire. An agreement was, therefore, entered into as on 31<sup>st</sup> March, 2024, the terms of which were as follows :

- (i) The profit and loss account for the year ended 31<sup>st</sup> March, 2024 which showed a net profit of ₹ 1,50,000 was to be re-opened. Bimal was to be credited with ₹ 30,000 as bonus, in consideration of the extra work which had devolved upon him during the year. The profit-sharing ratio was to be revised to enable partners to share profits/losses equally w.e.f. 1<sup>st</sup> April, 2023.
- (ii) Goodwill was to be valued at three years' purchase of the average profits of the preceding four years. The following were the amounts of profit for the past four years :

| Year    | Profit   |
|---------|----------|
| 2020-21 | 1,15,000 |
| 2021-22 | 1,25,000 |
| 2022-23 | 1,40,000 |
| 2023-24 | 1,50,000 |

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- (iii) Fixtures were revalued at ₹ 1,00,000. Building was to be appreciated by 10%. Inventories were to be written down by ₹ 25,000. A provision of 2.5% was to be made for doubtful debts and the remaining assets were to be taken at their book values.

Bimal and Kamal agreed, as between themselves, to continue the business, sharing profits in the ratio of 3 : 2. The amount due to Amal is to be transferred to his loan account to be settled later.

You are required to prepare :

- (1) Revaluation Account
- (2) Partners' Capital Accounts.

- (b) The balance sheet of ABC as on 1<sup>st</sup> April, 2024 was as follows :

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| Particulars      | Amount<br>(₹) | Particulars            | Amount<br>(₹) |
|------------------|---------------|------------------------|---------------|
| Sundry Creditors | 8,12,500      | Furniture and Fixtures | 8,12,500      |
| Expenses Payable | 93,750        | Vehicle                | 3,43,750      |
| Capital          | 27,50,000     | Trade Receivable       | 13,75,000     |
|                  |               | Cash at Bank           | 5,93,750      |
|                  |               | Inventories            | 5,31,250      |
|                  | 36,56,250     |                        | 36,56,250     |

During 2024-25, his Profit and Loss Account revealed a net profit of ₹ 8,37,500. This was after allowing for the following :

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- (i) Commission paid to selling agent ₹ 81,250
- (ii) Discount received from creditors ₹ 93,750
- (iii) Purchased a vehicle of ₹ 62,500 on 31<sup>st</sup> March, 2025
- (iv) Depreciation on Furniture and Fixtures @ 10% and on Vehicle @ 20%.
- (v) A provision for doubtful debts @ 3% of the trade receivables as at 31<sup>st</sup> March, 2025, but while preparing the Profit and Loss Account he had forgotten to provide for
  - (1) Prepaid expenses ₹ 18,750 and
  - (2) Outstanding commission ₹ 43,750.

His current assets and liabilities on 31<sup>st</sup> March, 2025 were : Inventories ₹ 8,12,500, Trade Receivables ₹ 16,25,000 (before provision for doubtful debts), Cash at Bank ₹ 6,87,500 and Trade Payables ₹ 1,82,500. During the year he introduced further capital of ₹ 3,75,000 into the business.

You are required to prepare the balance sheet as at March 31, 2025.

5. (a) On 1<sup>st</sup> July, 2022, Maritime Limited purchased second hand machine for ₹ 1,20,000 and reconditioned the same by spending ₹ 18,000. In 1<sup>st</sup> January, 2023 a new machine was purchased for ₹ 72,000. 5

On 30<sup>th</sup> June, 2024 the machine purchased on 1<sup>st</sup> January, 2023 was sold for ₹ 48,000 and another machine was installed at a cost of ₹ 90,000.

Rate of depreciation is 15% on original cost every year.

Show the Machinery Account from 1<sup>st</sup> July, 2022 to 31<sup>st</sup> March, 2025.

(b) Attempt any ONE of the two Sub-parts i.e. either (i) or (ii)

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- (i) For mutual accommodation of himself and Gagan, Aman drew upon Gagan a bill of ₹ 7,500 at 3 months on 01.04.2024. Gagan accepted the bill and returned to Aman who discounted it immediately @ 8% p.a. According to agreement, Aman and Gagan shared the proceeds as 2 : 1.

On the date of Maturity Aman remitted his share to Gagan who honoured the bill by payment.

Show journal entries in the books of Aman and Gagan.

- (ii) The following are some of the transactions of Digital Stores for the year 2024-25 as per their Rough Book :

Sold to M/s Alpha Industries

10 Laptops @ ₹ 77,000 per laptop

5 LaserJet Printers @ 21,000 per printer

Less: Trade Discount @ 15%

Sold old furniture to Singh Consultants on credit ₹ 19,000

Sold 20 Desktops to Brown & Co. @ ₹ 34,000 per desktop on credit

Sold 10 Tablets to GOKU Institute @ ₹ 7,000 per tablet for cash

Sold on credit to JAT Enterprises

15 Mobile phone @ ₹ 25,000 per mobile phone

10 External Hard Disk @ ₹ 4,500 per external hard disk

Less: Trade Discount @ 10%

Make out the Sales Book of Digital Store.

- (c) Following notes pertain to the Balance Sheet of PQR Company Limited as at 31<sup>st</sup> March, 2024 : 10

|                                                       | ₹ in lakhs |
|-------------------------------------------------------|------------|
| <b>Authorized capital :</b>                           |            |
| 5,00,000 shares of ₹ 100 each                         | 500        |
|                                                       | <b>500</b> |
| <b>Issued and Subscribed capital :</b>                |            |
| 1,50,000 Equity Shares of ₹ 100 each, ₹ 70 paid up    | 105        |
| 10,000 11% Preference Shares of ₹ 100 each fully paid | 10         |
|                                                       | <b>115</b> |
| <b>Reserves and Surplus :</b>                         |            |
| Revaluation Reserve                                   | 5.20       |
| General Reserve                                       | 25         |
| Capital Redemption Reserve                            | 25         |
| Securities premium (collected in cash)                | 30         |
| Profit and Loss Account (Cr. Balance)                 | 20         |

On 30<sup>th</sup> April, 2024, the Company has made final call @ ₹ 30 each on 1,50,000 equity shares. The call money was received by 31st May, 2024.

Thereafter, on 1<sup>st</sup> July, 2024 the company decided to issue bonus shares at the rate of 3 equity shares for every 5 equity shares held by way of capitalising its reserves, it decided that there should be minimum usage of balance in Profit & Loss A/c.

On 1<sup>st</sup> October, 2024, the Company issued Rights shares at the rate of one equity share for every five shares held on that date at a premium of 10%. All the rights shares were accepted by the existing shareholders and the money was duly received by 31<sup>st</sup> October, 2024.

Show necessary journal entries in the books of the company for bonus issue and rights issue. Also prepare notes on Share Capital & Reserve & Surplus relevant to the Balance Sheet of the company after the issue of bonus shares & rights share.

6. (a) R Ltd. invited applications for issuing 1,00,000 equity shares of ₹ 10 each at a premium of ₹ 2 per share. The amounts were payable as follows :

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On application & allotment - ₹ 6 per share (including premium)

Balance on the First & Final Call

Applications were received for 2,50,000 shares. Applications for 1,00,000 equity shares were rejected and pro-rata allotment was made to the remaining applicants. The first & final call was made. The amount was duly received except on 3,000 shares applied by Ms. Jane. Her shares were forfeited.

The forfeited shares were reissued as fully paid-up @ ₹ 8 per share.

Pass necessary Journal entries to record the above transactions in the books of R Ltd.

- (b) Define Measurement and Valuation Principles in brief.

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