

BRAIN INTERNATIONAL SCHOOL

SUBJECT: ACCOUNTANCY

CLASS: XII

OCTOBER'24

CHAPTER 4: CASH FLOW STATEMENT

1. For a manufacturing company, payment of interest will be classified as:
 - a) Financing Activity
 - b) Operating Activity
 - c) Investing Activity
 - d) Non-cash Activity

2. Cash Equivalents does not include:
 - a. Debentures
 - b. Commercial Paper
 - c. Treasury Bill
 - d. Cheque in hand

3. State two sources of inflow and outflow of cash under each head of activities in a cash flow statement.

4. From the following Balance Sheet of Z Ltd., prepare Cash Flow Statement.

Particulars	Notes	2020	2019
	No.	(₹)	(₹)
I Equity and liabilities			
Shareholders Fund			
-Share Capital		1,50,000	75,000
-Reserves and Surplus		80,000	67,500
Non-Current Liabilities:10%Bank Loan		25,000	20,000
Current Liabilities:			
-Trade payables		35,000	30,000
-Short Term Provisions		15,000	17,500
TOTAL		3,05,000	2,10,000
II Assets			
Non- Current Assets			
Fixed assets		1,90,000	1,42,500

Current Assets			
Inventories		62,500	37,500
Trades Receivables		30,000	22,500
Cash in hand		22,500	7,500
TOTAL		3,05,000	2,10,000

Additional information:

- i. A part of fixed asset whose book value was ₹ 20,000 was sold at a loss ₹3,000. Depreciation charged during the year was ₹ 18,000.
 - ii. Provision for tax made during the year ₹ 7,000.
5. Inspiring Minds Ltd provides the following information. Calculate cash flow from financing activities.

Particulars	31st March, 2018 (₹)	31st March, 2017 (₹)
Equity Share Capital	30,00,000	20,00,000
10% Debentures	—	2,00,000
8% Debentures	4,00,000	—

Additional Information:

- a) Interest paid on debentures ₹ 20,000.
- b) Dividend paid ₹ 1,00,000.
- c) During the year 2017-2018, Inspiring Minds Ltd issued bonus shares in the ratio of 2 : 1 by capitalising reserve

CHAPTER 7: DISSOLUTION OF PARTNERSHIP FIRM

1. State the difference between dissolution of partnership and dissolution of partnership firm.
2. State the accounting treatment for:
 - a) Unrecorded assets
 - b) Unrecorded liabilities
3. Pass journal entries for the following transactions:
 - a) Realisation expenses amounted to ₹40,000.
 - b) Realisation expenses amounted to ₹20,000 were paid by a partner.
 - c) Realisation expenses amounted to ₹20,000 were paid by the firm on behalf of a partner.
 - d) A partner was paid remuneration (including expenses) of ₹30,000 to carry out dissolution of the firm. Actual expenses were ₹40,000.
 - e) Dissolution expenses were ₹32,000. Out of the said expenses, ₹12,000 were to be borne by the firm and the balance by a partner, ₹32,000 are paid by the firm.
 - f) Dissolution expenses were ₹32,000, ₹12,000 were to be borne by the firm and the balance by a partner. The expenses were paid by a partner.
 - g) Realisation expenses of ₹20,000 were to be borne and paid by a partner.
 - h) Rohit, a partner is paid remuneration of ₹20,000 for dissolution of the firm. Realisation expenses of ₹32,000 are met by the firm.

- i) Rohit, a partner agreed to take over the responsibility of completing dissolution at an agreed remuneration of ₹4,000 and to bear all realisation expenses. Actual realisation expenses amounted to ₹3,200 were paid by Rohit out of his private funds.
- j) Rohit one of the partners was to receive 2% of the value of assets realised as remuneration for completing the dissolution work and was to bear realisation expenses. Realisation expenses were ₹4,000 paid by Rohit. The assets (including cash at bank ₹12,000) realised ₹6,12,000.
- k) Rohit one of the partners was to receive 2% of the net cash realised from dissolution and was to bear realisation expenses. Realisation expenses were ₹4,000. The assets (including cash at bank ₹12,000) realised ₹6,12,000 and cash paid for outsiders' liabilities amounted to ₹1,60,000.
- l) Realisation expenses of ₹2,000 were to be borne by Raju, a partner. However, it was paid by Sanju.
4. A, S and Z were carrying on business and sharing profits and losses in the ratio of 2:2:1. They dissolved their firm as on 31st December 2020. On that date, their balance sheet was as follows:

Balance Sheet
as at 31st December, 2020

Liabilities		Amt (₹)	Assets		Amt (₹)
Trade Creditors		4,06,000	Cash		90,000
Reserve Fund		2,00,000	Spare Parts		3,20,000
Investment Fluctuation Reserve		1,60,000	Investments		2,20,000
Capital A/c			Debtors		2,00,000
A	3,00,000		Leasehold		6,06,000
S	3,00,000				
Z	60,000	6,60,000			
Provision for Doubtful Debts		10,000			
		14,36,000			14,36,000

All assets (except cash and investments) were taken over by a company for ₹13,00,000. The investments were sold at ₹2,26,000, trade creditors were paid ₹3,90,000 and realisation expenses amounted to ₹60,000.

A bill was received from Mr X worth ₹20,000, which was under discount, now as Mr X has become insolvent, a dividend of 50% was received from his estate. Prepare realisation account, partners' capital accounts and cash account.