



ASSIGNMENT NO. 3

SUBJECT: ACCOUNTANCY

CLASS-XII

OCTOBER'2026

CHAPTER: CASH FLOW STATEMENT, ISSUE OF SHARE CAPITAL

Section A: Very Short Answer Questions (1 MARKS)

1. Is the purchase of machinery an operating, investing or financing activity?
2. How is interest paid by a financial enterprise classified under AS 3?
3. How is a dividend received by a non-financial enterprise classified under AS 3?
4. What is the effect of an increase in trade payables on cash from operating activities?
5. Which account is credited when shares are issued at a premium?
6. Can shares be issued at a discount? State the general rule.
7. What is the maximum discount allowed on the reissue of forfeited shares?
8. What is the minimum subscription?

Section B: Short Answer Questions (4 marks)

9. XYZ Ltd. Registered with a nominal capital of Rs. 10,00,000 divided in 1,00,000 equity shares of Rs. 10 each . Out of these, 20,000 equity shares were issued to the vendor as fully paid as purchase consideration for a building acquired. 65,000 equity shares were offered to the public and of these 60,000 equity shares were applied for and allotted. The directors called Rs. 6 per share and received the entire amount except a call of Rs. 2 per share on 5,000 equity shares.

How would you show the relevant items in the Balance Sheet of XYZ Ltd.

10. A Ltd. purchased assets of B Ltd. as under:

Plant and Machinery: -	Rs. 5, 00,000
Land and Buildings: -	Rs. 40, 00,000
Furniture and Fixture: -	Rs. 5, 00,000

The purchase consideration was Rs 50, 00,000. Rs 6, 00,000 were paid through cheque and the remaining amount by issue of shares of Rs 10 each at a premium of 10%. Pass the necessary journal entries in the books of A Ltd.

11. X Ltd made a profit of Rs 1,00,000 after charging depreciation of Rs 20,000 on assets and a transfer to general reserve of Rs 30,000. The goodwill written off was Rs 7,000 and the gain on sale of machinery was Rs 3,000. The other information available to us are as follows:

1. Debtors showed an increase of Rs 6,000

2. Creditors an increase of Rs 10,000
3. Prepaid Expenses an increase of Rs 200
4. Bills receivable a decrease of Rs 3,000
5. Bills Payable a decrease of Rs 4,000
6. Outstanding Expenses a decrease of Rs 2,000

Ascertain the cash flow from operating Activities.

12. State the category of the following items for a financial as well as non-financial company

1. Dividend received
- 2 Dividend Paid
3. Interest paid
4. Interest received

Section C: Long Answer Questions (6 MARKS)

13. Mahesh Ltd. Forfeited 1,000 shares of Rs. 10 each (Rs. 6 called up) issued at a premium of 10% to Perm on which he has paid Rs.3 per share. Out of these 800 shares were re-issued to R at Rs. 8 called up for Rs. 6 per share.

14. A limited company forfeited 1,000 equity shares of Rs. 10 each, issued at a premium of 10 per cent, for non-payment of first call of Rs. 2 and second call of Rs. 3 per share.

These shares were reissued to Arun upon payment of Rs. 7,000 credited as fully paid. The company maintains calls-in-arrears account. Record journal entries in the books of the company relating to forfeiture of 1,000 shares and their reissue

15. From the following Balance Sheet of A Ltd; Prepare cash flow statement as per **AS-3(revised)** as at 31st march 2013.

PARTICULARS	NOT E	31.3.2012	31.3.2013
I.EQUITY AND LIABILITIES			
1.SHAREHOLDERS FUND		2,00,000	2,00,000
a. share capital		50,000	90,000
b. Reserve & Surplus: Statement of profit and loss			
2. Current liabilities:		10,000	
a. Short term borrowings		15,000	20,000
b. Trade Payables		5,000	5,000
c. other current liabilities		20,000	25,000
d. short term provision: Provision for tax			
TOTAL		3,00,000	3,00,000

II. ASSETS			
1. NON CURRENT ASSETS		2,35,000	2,75,000
Fixed assets			
2. CURRENT ASSETS		25,000	15,000
a. Inventories		10,000	20,000
b. Trade receivables		30,000	30,000
c. cash & cash equivalents			
TOTAL		3,00,000	3,00,000

ADDITIONAL INFORMATION: Net Profit for the year after providing Rs.20,000 for depreciation was Rs. 60,000. During the year the company declared the equity dividend @10% and paid Rs.15,000 as income tax.

16. Mamta Ltd. Invited applications from the public for 50,000 shares of Rs. 10 each. Applications were received from the public for 60,000 shares. Allotment was made proportionately to the applicants. The amount payable on shares was as follows:

On Application	Rs. 3 per share
On Allotment	Rs. 5 per share
On First & Final Call	Rs. 2 per share

The shareholders have paid amount due on shares except Ram to whom 200 shares were allotted failed to pay allotment & call money and for this reason his shares were forfeited by the Company these shares were subsequently re-issued at a discount of 10%. Pass journal entries of above mentioned transactions in the books of the company.