# BRAIN INTERNATIONAL SCHOOL

(2026-2027)
PRACTICE PAPER 1
CLASS-XII
Subject – ACCOUNTANCY (055)

**TIME ALLOWED: 3 HOUR** **MAXIMUM MARKS: 80**

**General Instructions**

1. **This question paper contains 34 questions in part A & B. All the questions are compulsory except where internal choice is given**
2. **Questions from 1-16 and 27-30 carries one mark each.**
3. **Questions from 17-20, 31 and 32 carries three marks each.**
4. **Questions from 21, 22 and 33 carries four marks each.**
5. **Questions Number 23-26 and 34 carries six marks each.**

**PART A**

**Q1.** If a fixed amount is withdrawn by a partner in the beginning of every quarter, interest on total amount is charged for …….. months.
**a)** 9 **b)** 7.5 **c)** 6 **d)** 4.5

**Q2.** The gaining partner compensates the sacrificing partner through:
**a)** Cash only **b)** Goods only
**c)** Premium for goodwill **d)** Interest on capital

**Q3.** A & B are partners sharing profits in the ratio 3:2. C was admitted with ¼ share in profits which he acquires equally from X & Y. The new ratio will be:
**a)** 9:6:5 **b)** 19:11:10 **c)** 3:3:2 **d)** 3:2:4

**Q4.** When a new partner bring his share of goodwill in cash, the amount is credited to ……. Account.
**a)** sacrificing partner's capital account **b)** gaining partner's capital account
**c)** cash account **d)** premium for goodwill account.

**Q5.** On the retirement of partner the amount due to him will be credited to his …….. account.

**Q6.** In the event of admission of a partnership firm, the provision for doubtful debts is transferred to:
**a)** Revaluation a/c **b)** Partners capital a/c **c)** Sundry debtors a/c **d)** None of these

**Q7.** X, Y and Z were partners in a firm. They admitted A as a partner in the firm. A brought sufficient amount of capital and his share of goodwill premium. A had given a loan of ₹5,000@ 10% p.a. interest, to the partnership firm before he became the partner. Now the accountant of the firm is emphasizing that the interest on loan should be paid @ 6% p.a. Is he right in doing so ? what would be the amount of interest on A's loan.
**a)** ₹500 **b)** ₹300 **c)** ₹400 **d)** None of these

**Q8.** Write one distinction between reconstitution of firm and dissolution of a firm.

**Q9.** Read the following Assertion (A) and Reasoning (R) and choose the appropriate answer.
Assertion(A): In the absence of partnership deed, interest on partners loan is allowed @6% p.a.
Reasoning (R): It is provided in partnership act,1932.
**a)** (A) is correct, but (R) is wrong
**b)** Both (A) and (R) are correct, but (R) is not the correct explanation of (A).
**c)** Both (A) and (R) are incorrect
**d)** Both (A) and (R) are correct, but (R) is the correct explanation of (A).

**Q10.** As per the SEBI guidelines the minimum subscription should not be less than ……of the issued shares.

**a)** 90% **b)** 80% **c)** 75% **d)** 70%

**Q11.** A ltd issued 1000, 10% debentures of ₹100 each at a premium of 5%. What will be total amount received at the time of application:

**a)** ₹1,05,000 **b)** ₹1,00,000 **c)** ₹52,500 **d)** 50,000

**Q12.** At what rate of interest, Interest on partner's loan is charged?

**a)** 10% **b)** 5% **c)** 6% **d)** 20%

**Q13.** If creditors are ₹25,000, capital is ₹1,50,000 and cash balance is ₹10,000, What will be the amount of sundry assets?

**a)** ₹1,75,000 **b)** ₹1,85,000 **c)** ₹1,65,000 **d)** ₹1,40,000

**Q14.** Sundry debtors amounted to ₹6,000. These were realised at a discount of 5%. Realisation account will be credited by ……

**a)** ₹300 **b)** ₹5,700 **c)** ₹6,000 **d)** None

**Q15.** On firm's dissolution, patents realised at ₹40,000. State which account will be credited.

**a)** Cash a/c **b)** Realisation a/c **c)** Profit and loss a/c **d)** Patents a/c

**Q16.** A and B are partners sharing profits in the ratio of 2:3. They admit C as a partner for ¼ share, the sacrificing ratio of A and B will be:

**a)** 2:3 **b)** 1:1 **c)** 3:2 **d)** 2:1

**Q17.** Ram, Shyam and Mohan were partners sharing profit and losses in the ratio 2:2:1. C died on 30th June, 2021. Profit and sales for the year ended 31st March, 2021 were ₹50,000 and ₹5,00,000 respectively. Sales during April to June 2021 were ₹75,000. Goodwill of the firm was valued at ₹30,000.Pass entries for the same.

**Q18.** A and B are Partners in a firm sharing profit and loss in the ratio 3:2. The following was the Balance Sheet of the firm as on 31-03-2016:

| Liabilities | ₹ | Assets | ₹ |
|---|---|---|---|
| Capital : | | Sundry Assets | 80,000 |
| A | 60,000 | | |
| B | 20,000 | | |
| | 80,000 | | 80,000 |

The profit ₹30,000 for the year ended on 31-03-2016 were divided between the partners without allowing the interest on the capital @ 12 % p.a. and salary to A, ₹1,000 per month. During the year, A withdrew ₹10,000 and B ₹20,000. Pass necessary adjusting journal entry and show your work clearly.

**OR**

X, Y and Z are partners sharing profits and losses in the ratio of 3:3:1. Their position on 31st March 2019 was as follows:

| | | ₹ | | | ₹ |
|---|---|---|---|---|---|
| Sundry Creditors | | 44,000 | Cash in Hand | | 8,000 |
| Outstanding Expenses | | 10,000 | Cash at Bank | | 22,000 |
| Capitals: | | | Debtors | 56,000 | |
| X | 2,80,000 | | Less: Provision | 6,000 | 50,000 |
| Y | 2,80,000 | | Stock | | 2,80,000 |
| Z | 1,00,000 | 6,60,000 | Machinery | | 1,54,000 |
| | | | Building | | 2,00,000 |
| | | 7,14,000 | | | 7,14,000 |

It was decided that with effect from 1st April 2019, profit and loss sharing ratio will be equal. They agreed on the following terms.

**a)** Goodwill of the firm be valued at two year's purchase of the average super profits of last three years. Average profits of the last three years are ₹1,08,000, and the normal profits may be taken at ₹ 66,000.

**b)** Provision on debtors be reduced by ₹2,000.

**c)** Value of stock be increased by 10% and machinery be valued at ₹1,00,000.

**d)** An item of ₹3,000 included in sundry creditors is not likely to be claimed.

Partners do not want to record the altered values of assets and liabilities in the books and also do not want to record the goodwill. above Pass an entry to give effect to the above.

**Q19.** A Ltd issued 5,000 13% debentures of ₹100 each at par and raised a loan of ₹80,000 from Bank collaterally secured by ₹100,000 13% debentures. How will you show the debenture in the Balance Sheet of the Company assuming that the company has recorded the issue of Debentures as collateral security in the books.

**Q20**. Mona ltd. Purchased machinery for ₹1,10,000 and make the payment by issuing equity shares of ₹10 each at a premium of 10%. Pass entries in the books of Mona Ltd.

**Q21.** On April 2016 Vikrant Ltd. Was formed with an authorized capital of ₹10,00,000 divided into 1,00,000 equity shares of ₹10 each. The company issued the prospectus inviting application for 90,000 equity shares. The company received applications for 85,000 shares. During the first year, ₹8 per share were called. Ram holding 1000 share and shyam holding 2,000 shares did not pay the first call of ₹2 per share. Shyam's shares were forfeited after the first call and later on 1,500 of the forfeited shares were reissued at ₹6 per share, ₹8 called up.

Show the share capital in the balance sheet as per schedule III Part I of the companies of the balance sheet. Also prepare notes to account for the same.

**Q22**. What journal entries would be passed in the books of X and Y who are partners in a firm, sharing profits of 2:1, for the following transactions on the dissolution of the firm after various assets (other than cash) and third party liabilities have been transferred to Realisation Account?

**a)** X loan of ₹2,000 is fully settled at ₹1,500.

**b)** Investment worth ₹6000 is taken over by Y at a discount of 10% and stock is realised at a profit of 10%. ( Book value is ₹12,000)

**c)** Profit and Loss a/c (debit) ₹4,000.

**d)** Realisation expenses amounted to ₹2,000, B has to bear these expenses. Firm paid ₹1,000 out of ₹2,000.

**Q23.** Sakshi Ltd. Issued a prospectus, inviting application for1,00,000 shares of ₹10 each at a premium of ₹5. Application were received for 1,25,000 shares and allotment was made pro-rated to the applicants of 1,20,000 shares, remaining application being refused. Money received in excess on the application was adjusted towards the amount due to allotment. D, to whom 2000 shares were allotted, failed to pay allotment money and on his failure to pay the first call, his shares were forfeited. M, who applied for 3000 shares, failed to pay the calls, and so his shares are also forfeited. Amount per share are payable as follows. On application ₹4.50; on allotment ₹7.50 (including premium); on first call ₹2 and on final call ₹1.00.

4000 shares were reissued to R as fully paid up for ₹8 per share which includes all the shares of D. Pass journal entries.

**OR**

A limited company invites applications for 50,000 equity shares of ₹10 each, payable as follows:
On application ₹3; on allotment ₹3; on first call ₹2; on final call the balance. Applications were received for 55,000 shares. Allotments were made on the following basis:
To applicants for 35,000 shares- in full
Applicants for 20,000 shares- 15,000 shares.
Excess money paid on application was utilized towards allotment money and calls.

A shareholder who was allotted 1,500 shares out of the group applying for 20,000 shares failed to pay allotment money and money due on calls. These shares were forfeited. 1,000 forfeited shares were reissued as fully paid on receipt of ₹8 per share.

Show the journal in the books of the company.

**Q24.** A and B carrying on business in partnership and sharing profits and losses in the ratio of 3:2, respectively admitted C as a new partner on 31st March, 2010 when their Balance Sheet stood as follows:

| Liabilities | | ₹ | Assets | ₹ |
|---|---|---|---|---|
| Sundry Creditors | | 15,000 | Cash | 1,000 |
| General Reserve | | 6,000 | Debtors | 15,200 |
| Capital A/c's | | 32,000 | Inventories | 18,100 |
| A | 18,000 | | Furniture | 8,700 |
| B | 14,000 | | Buildings | 10,000 |
| | | 53,000 | | 53,000 |

The terms of C's admission were as follows.

**a)** C would get l/4th share in future profits.

**b)** C would bring in ₹15,000 as his share of capital and ₹5,000 as his share of goodwill.

**c)** Buildings would be appreciated by 25 per cent and provision for bad debts would be created for ₹ 200.

**d)** Capital accounts of all the partners would be in their profit-sharing ratio, the necessary adjustment being made in cash.

Show the Revaluation and the partners' Capital Accounts.

**Q25.**The balance Sheet of A, B, C on 31st March, 2019 was as follows:

| Liabilities | ₹ | Assets | ₹ |
|---|---|---|---|
| Bills Payable | 50,000 | Bank | 2,000 |
| Capital Accounts | | Profit & Loss Account | 30,000 |
| A | 80,000 | Debtors | 48,000 |
| B | 80,000 | Machinery | 56,000 |
| C | 60,000 | Building | 80,000 |
| | | Motor Car | 54,000 |
| | 2,70,000 | | 2,70,000 |

The following terms have been agreed upon A's Retirement:

**a)** Goodwill is valued at ₹15,000

**b)** Building is undervalued to ₹70,000.

**c)** Bad debts is ₹2,000.Create Provision for doubtful debts at 5% on debtors.

**d)** Workmen compensation reserve is ₹3,000

B and C also decided that the capital of the firm after A's retirement be ₹1,80,000 in their profit sharing ratio, i.e., actual cash to be brought in or paid to a partner as the case may be. Pass necessary journal entries.

**Q26. a)** Mohan Ltd. issued ₹5,00,000, 15% debentures at a premium of 4% redeemable at a premium of 5% after four years. Securities premium reserve is ₹50,000. Pass the journal entries in the books of company regarding issue of debentures and writing off loss of debentures.

**b)** A Ltd. Issued 40,000, 9% debentures of ₹100 each on April 1, 2018 at a discount of 10 %, redeemable at a premium of 10%. Assuming that interest was paid half yearly on September 30 and March 31. Give journal entries.

**PART-B**

**Q27.** Dividend paid by a company is classified under which kind of activity while preparing cash flow statement.

**a)** Operating **b)** Investing **c)** Financing **d)** None

**Q28.** Interest received by an investing company is classified under cash flow from …….. activity.

**Q29.** Vertical analysis is another name for:

**a)** Trend analysis **b)** Comparative analysis

**c)** Common-size analysis **d)** Ratio analysis

**OR**

Common-size balance sheet expresses all items as a percentage of:

**a)** Revenue from operation **b)** Total assets **c)** Total expenses **d)** Total equity

**Q30.** Liquid assets do not include:

**a)** Bills receivable **b)** Debtors **c)** Inventory **d)** Cash at bank

**OR**

Quick Ratio excludes:

**a)** Cash **b)** Debtors **c)** Inventory **d)** Bank balance

**Q31.** Under which major headings and sub-headings the following items will be shown in the Balance Sheet of a company as per schedule iii of the Companies Act, 2013.

**a)** Loose Tools **b)** Prepaid expense **c)** Provision for bad debts

**Q32.** Prepare Common Size Income Statement

| PARTICULARS | 31.03.2007 | 31.03.2006 |
|---|---|---|
| Revenue from operation | 2,00,000 | 3,00,000 |
| Cost of material consumed | 50% of Revenue from operation | 70% of Revenue from operation |
| Finance cost | 8,000 | 10,000 |
| Income tax rate | 50% | 50% |

**Q33.** Calculate Proprietary Ratio, if Total Assets to Debt Ratio is 2:1. Debt is ₹5,00,000. Equity Shares Capital is 0.5 times of debt. Preference Shares Capital is 25% of equity share capital. Net Profit before tax is ₹10,00,000 and rate of tax is 40%.

**OR**

A firm had current Liabilities of ₹5,40,000. It purchased stock of ₹ 60,000 on credit. After the purchase of stock, Current Ratio was 2:1. Calculate Current Assets and Working Capital after and before the stock was purchased.

**Q34.** Prepare cash flow statement from the following balance sheet of A ltd as of 31st March 2026.

| Particulars | Note No. | 31st March, 2020 (₹) | 31st March 2019 (₹) |
|---|---|---|---|
| **I. Equity and Liabilities** | | | |
| **Share holder's funds:** | | | |
| Equity Share Capital | | 6,00,000 | 5,00,000 |
| Reserves & Surplus | | 1,20,000 | 80,000 |
| **Non Current Liabilities:** | | | |
| Long-term Borrowings | | 1,50,000 | 2,00,000 |
| **Current Liabilities:** | | | |
| Trade payable | | 90,000 | 70,000 |
| short term borrowing | | 20,000 | 15,000 |
| TOTAL | | 9,80,000 | 8,65,000 |

| | | | |
|---|---|---|---|
| **II. Assets** | | | |
| **Non Current Assets:** | | | |
| Fixed assets | | 6,00,000 | 5,50,000 |
| Non Current Investments | | 80,000 | 1,00,000 |
| **Current Assets** | | | |
| inventories | | 100,000 | 80,000 |
| Trade receivable | | 120,000 | 100,000 |
| Cash and cash equivalent | | 80,000 | 35,000 |
| TOTAL | | 9,80,000 | 8,65,000 |

Additional Information:

1. Depreciation charged on Property, Plant and Equipment during the year was ₹50,000.
2. A machine having book value of ₹40,000 was sold for ₹35,000.
3. Investments costing ₹20,000 were sold at a profit of ₹2,000.
4. Income tax paid during the year amounted to ₹30,000.
5. Dividend paid during the year was ₹10,000.

You are required to prepare a Cash Flow Statement as per AS-3 (Revised).

# BRAIN INTERNATIONAL SCHOOL

(2026-2027)
PRACTICE PAPER 2
CLASS-XII
Subject – ACCOUNTANCY (055)

**TIME ALLOWED: 3 HOUR** **MAXIMUM MARKS: 80**

**General Instructions**

**a. This question paper contains 34 questions in part A & B. All the questions are compulsory except where internal choice is given**
**b. Questions from 1-16 and 27-30 carries one mark each.**
**c. Questions from 17-20, 31 and 32 carries three marks each.**
**d. Questions from 21, 22 and 33 carries four marks each.**
**e. Questions Number 23-26 and 34 carries six marks each.**

## PART A

Q1. Interest on drawings is charged to a partner when:
a) The firm earns profit b) The deed provides for it
c) The partner retires d) The firm is dissolved

Q2. A partner's current account is generally prepared when:
a) Capitals are fluctuating b) Capitals are fixed
c) Firm is dissolved d) Goodwill is written off

Q3. A and B share profits in the ratio 5:3. C is admitted for 1/4 share, taken equally from A and B. The new ratio is:
a) 25:15:16 b) 5:3:4 c) 15:9:8 d) 17:11:8

Q4. Premium for goodwill brought by an incoming partner is shared by old partners in their:
a) Old ratio b) New ratio c) Sacrificing ratio d) Gaining ratio

Q5. Read the following Assertion (A) and Reasoning (R) and choose the appropriate answer.
Assertion(A): In the absence of partnership deed, interest on partners loan is allowed @6% p.a.
Reasoning (R): It is provided in partnership act,1932.
**a)** (A) is correct, but (R) is wrong
**b)** Both (A) and (R) are correct, but (R) is not the correct explanation of (A).
**c)** Both (A) and (R) are incorrect
**d)** Both (A) and (R) are correct, but (R) is the correct explanation of (A).

Q6. At the time of admission, an increase in the value of an asset is credited to:
a) Revaluation A/c b) Cash A/c c) Partner's Capital A/c d) Realisation A/c

Q7. P and Q are partners. R is admitted and brings ₹40,000 as capital and ₹12,000 as goodwill. The goodwill premium will be credited to:
a) R's Capital A/c b) P and Q's Capital A/c in sacrificing ratio
c) Revaluation A/c d) Cash A/c

Q8. Give one difference between capital reserve and reserve capital.

Q9. Read the following Assertion (A) and Reason (R) and choose the correct option.
Assertion (A): In the absence of an agreement, partners share profits equally.
Reason (R): The Indian Partnership Act, 1932 provides for equal sharing of profits in the absence of an agreement.
a) Both A and R are true and R explains A
b) Both A and R are true but R does not explain A
c) A is true but R is false
d) A is false but R is true

Q10. A company cannot allot shares unless it has received the minimum subscription of:
a) 90% of issued capital b) 75% of issued capital
c) 50% of issued capital d) 25% of issued capital

Q11. 2,000 debentures of ₹100 each are issued at a discount of 4%. The amount received is:
a) ₹2,00,000 b) ₹1,92,000 c) ₹2,08,000 d) ₹1,96,000

Q12. In the absence of a partnership deed, interest on a partner's loan is allowed at:
a) 6% p.a. b) 8% p.a. c) 10% p.a. d) No interest

Q13. If total assets are ₹4,80,000 and outside liabilities are ₹1,30,000, capital employed is:
a) ₹3,50,000 b) ₹6,10,000 c) ₹4,80,000 d) ₹1,30,000

Q14. On dissolution, an unrecorded asset realised for ₹8,000 is credited to:
a) Cash A/c b) Realisation A/c c) Partner's Capital A/c d) Bank A/c

Q15. When debentures are issued as collateral security, the company:
a) receives no cash for them b) receives cash against the loan
c) pays interest on them immediately d) forfeits them

Q16. A and B share profits in 3:2. C is admitted for 1/5 share, entirely from A. The new ratio is:
a) 2:2:1 b) 3:1:1 c) 2:3:1 d) 1:2:2

Q17. A, B and C share profits in the ratio 3:2:1. C died on 30th September, 2025. The firm's profit for the year ended 31st March, 2025 was ₹1,20,000. Calculate C's share of profit up to the date of death on the basis of time and pass the necessary journal entry.

Q18. A and B are partners sharing profits in the ratio 2:1. Their capitals on 1st April, 2025 were ₹2,00,000 and ₹1,50,000 respectively. Interest on capital is allowed at 10% p.a. A is entitled to a

salary of ₹3,000 per month. The profit of ₹90,000 for the year was distributed without these adjustments. Pass the adjustment entry using the net effect method.

**OR**

X, Y and Z share profits in the ratio 4:3:2. They decide to change the ratio to 2:2:1. Goodwill of the firm is valued at ₹90,000. Calculate the gaining/sacrificing ratio and pass the adjustment entry for goodwill without opening goodwill account.

Q19. A company issued 4,000, 12% debentures of ₹100 each at par, redeemable at a premium of 5%. Pass the journal entry for issue of debentures.

Q20. A Ltd. purchased furniture worth ₹1,65,000 from M/s Furniture House and issued equity shares of ₹10 each at a premium of 10% in full settlement. Pass journal entries.

Q21. Sunrise Ltd. invited applications for 50,000 equity shares of ₹10 each at a premium of ₹2 per share, payable ₹3 on application, ₹5 (including premium) on allotment and balance on first and final call. Applications were received for 60,000 shares. Pro-rata allotment was made to applicants of 55,000 shares and remaining applications were rejected. Excess application money was adjusted towards allotment. A shareholder holding 1,000 shares failed to pay allotment and call money. His shares were forfeited after the call. Pass journal entries.

Q22. Pass journal entries for the following transactions on dissolution of a partnership firm:
(a) An unrecorded investment realised ₹7,500.
(b) A creditor of ₹18,000 accepted machinery valued at ₹16,000 in full settlement.
(c) Realisation expenses of ₹3,000 were paid by the firm.
(d) A partner's loan of ₹10,000 was repaid.

Q23. Nova Ltd. issued 40,000 equity shares of ₹10 each at a premium of ₹3 per share, payable ₹3 on application, ₹5 on allotment (including premium), ₹2 on first call and balance on final call. Applications were received for 50,000 shares. Applications for 5,000 shares were rejected and pro-rata allotment was made to the remaining applicants. Excess application money was adjusted towards allotment. A shareholder holding 2,000 shares failed to pay allotment and first call; the shares were forfeited after the first call. Out of these, 1,500 shares were reissued at ₹8 per share as fully paid. Pass necessary journal entries.

**OR**

A company invited applications for 30,000 equity shares of ₹10 each, payable ₹2 on application, ₹4 on allotment, ₹2 on first call and ₹2 on final call. Applications were received for 36,000 shares. Applicants for 6,000 shares were rejected and allotment was made to the remaining applicants in full. A shareholder holding 1,000 shares failed to pay allotment and both calls. These shares were forfeited and 800 shares were reissued at ₹7 per share as fully paid. Pass journal entries.

Q24. M and N are partners sharing profits in the ratio 3:2. Their Balance Sheet as at 31st March, 2026 is given below. O is admitted for 1/5 share and brings sufficient capital and ₹20,000 as goodwill. Prepare Revaluation Account and Partners' Capital Accounts.

| **Liabilities** | **₹** | **Assets** | **₹** |
|---|---|---|---|
| Creditors | 30,000 | Cash | 20,000 |
| General Reserve | 10,000 | Debtors | 40,000 |
| M's Capital | 1,00,000 | Stock | 50,000 |
| N's Capital | 80,000 | Furniture | 30,000 |
| | | Building | 80,000 |

| | | | |
|---|---|---|---|
| Total | 2,20,000 | Total | 2,20,000 |

Adjustments: (i) Stock is appreciated by 10%. (ii) Furniture is depreciated by 10%. (iii) Provision for doubtful debts is to be created at 5% on debtors. (iv) Building is appreciated by ₹10,000.
Calculate o's capital on the basis of capital of M and N in the new firm

Q25. A, B and C are partners sharing profits in the ratio 5:3:2. B retires on 31st March, 2026. Their Balance Sheet showed General Reserve ₹30,000, Workmen Compensation Reserve ₹12,000, Debtors ₹80,000 and Building ₹2,00,000. On retirement: goodwill is valued at ₹60,000; building is appreciated by 15%; provision for doubtful debts is to be maintained at 5%; a claim of ₹4,000 against workmen compensation is estimated. A and C will share future profits in the ratio 3:2. Pass necessary journal entries and calculate the amount due to B.

Q26. (a) A Ltd. issued 6,000, 10% debentures of ₹100 each at a discount of 5%, redeemable at a premium of 4% after five years. Pass journal entries for issue of debentures.
(b) R Ltd. issued 2,000, 9% debentures of ₹100 each at par, redeemable at par after four years. Interest is payable half-yearly. Pass the journal entry for payment of half-yearly interest, ignoring tax.

**PART B**

Q27. Cash received from sale of machinery is classified as which activity in a Cash Flow Statement?
a) Operating b) Investing c) Financing d) Cash equivalent

Q28. State one example of a cash equivalent.

Q29. Which of the following is a limitation of financial statement analysis?
a) Facilitates comparison b) Ignores qualitative factors
c) Helps planning d) Simplifies data

**OR**

State whether a comparative statement is a tool of horizontal analysis or vertical analysis.

Q30. Which item is excluded while calculating current ratio?
a) Inventory b) Trade receivables c) Prepaid expenses d) Long-term borrowings

**OR**

Quick assets include cash, bank balance and _____.

Q31. Under which major heading and sub-heading will the following be shown in the Balance Sheet of a company as per Schedule III of the Companies Act, 2013?
(a) Computer software (b) Bills payable (c) Short-term loans and advances

Q32. From the following information, prepare a Comparative Statement of Profit and Loss:

| **Particulars** | **2025-26 (₹)** | **2024-25 (₹)** |
|---|---|---|
| Revenue from Operations | 8,00,000 | 6,40,000 |
| Other Income | 40,000 | 30,000 |
| Cost of Materials Consumed | 4,00,000 | 3,20,000 |
| Employee Benefit Expenses | 1,20,000 | 1,00,000 |
| Finance Cost | 20,000 | 16,000 |
| Tax Rate | 30% | 30% |

Q33. Calculate Current Ratio and Quick Ratio from the following: Inventory ₹1,20,000; Trade Receivables ₹80,000; Cash ₹40,000; Bank ₹60,000; Prepaid Expenses ₹10,000; Trade Payables ₹1,00,000; Outstanding Expenses ₹10,000; Short-term Borrowings ₹20,000.

**OR**

Calculate Debt-Equity Ratio from the following: Long-term Borrowings ₹4,00,000; Long-term Provisions ₹50,000; Equity Share Capital ₹3,00,000; Reserves and Surplus ₹1,50,000.

Q34. Prepare a Cash Flow Statement as per AS-3 (Revised) from the following Balance Sheets of K Ltd. as at 31st March, 2026 and 31st March, 2025:

| **Particulars** | **31.03.2026 (₹)** | **31.03.2025 (₹)** |
|---|---|---|
| Equity Share Capital | 5,00,000 | 4,00,000 |
| Securities Premium | 40,000 | 20,000 |
| General Reserve | 80,000 | 60,000 |
| 12% Debentures | 1,00,000 | 1,50,000 |
| Trade Payables | 70,000 | 60,000 |
| Outstanding Expenses | 10,000 | 8,000 |
| Total | 8,00,000 | 6,98,000 |
| Property, Plant and Equipment | 4,50,000 | 4,00,000 |
| Long-term Investments | 60,000 | 80,000 |
| Inventory | 1,10,000 | 90,000 |
| Trade Receivables | 1,00,000 | 90,000 |
| Cash and Cash Equivalents | 80,000 | 38,000 |
| Total | 8,00,000 | 6,98,000 |

**Additional Information:**

1. Depreciation charged during the year was ₹40,000.
2. A machine with a book value of ₹30,000 was sold for ₹25,000.
3. Investments costing ₹20,000 were sold at a profit of ₹3,000.
4. Tax paid during the year was ₹25,000.
5. Equity shares were issued for cash during the year.

You are required to prepare the Cash Flow Statement as per AS-3 (Revised).