

CBSE Class 12 Accountancy

SOLUTION KEY – SET 10

● SECTION A – MCQs (1×20 = 20 Marks)

1. (a) Revenue profits
 2. (c) Amount forfeited
 3. (c) Inventory
 4. (d) Non-cash transaction
 5. (b) Securities Premium
 6. (d) All of these
 7. (c) Deduction from share capital
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8. Goodwill

$$5,00,000 \times 2 = ₹10,00,000 \checkmark (c)$$

9. (b) Decrease in cash
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10. ROCE

$$\begin{aligned} & 12,00,000 / 60,00,000 \times 100 \\ & = 20\% \checkmark (c) \end{aligned}$$

11. (a) Added
-

12. Goodwill

$$\begin{aligned} & 60,00,000 - 55,00,000 \\ & = ₹5,00,000 \checkmark (b) \end{aligned}$$

13. (b) Income

14. Share Capital

$$2,000 \times 10 = ₹20,000 \checkmark (c)$$

15. (a) Revenue profit

16. Share Issue

$$2,000 \times 12 = ₹24,000 \checkmark (c)$$

17. (a) Asset**18. (b) Decrease in cash****19. (b) EBIT / CE × 100**

20. ROCE

$$6,00,000 / 30,00,000 \times 100 \\ = 20\% \checkmark (c)$$

● SECTION B – SHORT ANSWER (3×6 = 18 Marks)

Q21. New Ratio & Sacrificing Ratio

$$\text{Old} = 4:3$$

$$\text{C admitted } 1/5$$

$$\text{Remaining} = 4/5$$

$$A = 4/7 \times 4/5 = 16/35$$

$$B = 3/7 \times 4/5 = 12/35$$

$$C = 7/35$$

$$\text{New Ratio} = \mathbf{16:12:7}$$

Sacrifice:

$$A = 4/7 - 16/35 = 4/35$$

$$B = 3/7 - 12/35 = 3/35$$

Sacrificing Ratio = **4:3**

Q22. Goodwill – Super Profit Method

$$\begin{aligned} \text{Normal Profit} &= 40,00,000 \times 10\% \\ &= 4,00,000 \end{aligned}$$

$$\begin{aligned} \text{Super Profit} &= 8,00,000 - 4,00,000 \\ &= 4,00,000 \end{aligned}$$

$$\begin{aligned} \text{Goodwill} &= 4,00,000 \times 3 \\ &= \text{₹}12,00,000 \end{aligned}$$

Q23. Pro-rata Allotment

Issued = 20,000

Applied = 25,000

Excess = 5,000 shares

Journal Entries:

Bank Dr

To Share Application

Share Application Dr

To Share Capital

To Share Allotment

Allotment Dr

To Share Capital

To Securities Premium

Q24. Cash from Operating

10,00,000

+3,00,000

+1,00,000

-2,00,000

-1,00,000

= **11,00,000**

Q25. Realisation

Loss on asset = 2,00,000

Gain on creditors = 25,000

Net Loss = 1,75,000

Distributed 3:2

A = 1,05,000

B = 70,000

Q26. Ratios

Current Ratio = 15,00,000 / 7,50,000

= **2:1**

Quick Ratio = (15,00,000 – 5,00,000) / 7,50,000

= 10,00,000 / 7,50,000

= **1.33:1**

● SECTION C – CASE BASED

Q27. Admission

Old = 5:3

R admitted 1/4

Remaining = 3/4

P = $5/8 \times 3/4 = 15/32$

Q = $3/8 \times 3/4 = 9/32$

R = 8/32

New Ratio = **15:9:8**

Reserve distributed 5:3

Q28. Retirement

Old = 4:3:3

New = 2:1

Gaining ratio calculated

Goodwill share C = $\frac{3}{10} \times 6,00,000 = 1,80,000$

Adjustment entry passed.

Q29. Debentures

Issue:

Bank Dr 7,60,000

Discount Dr 40,000

To Debentures 8,00,000

Redemption:

Debentures Dr 8,00,000

Premium Dr 80,000

To Bank 8,80,000

Premium treated as capital loss.

Q30. Cash from Operating

6,00,000

+1,50,000

-1,00,000

+80,000

= 7,30,000

● SECTION D – LONG ANSWER

Q31. Retirement Full Adjustment

Goodwill share C = $\frac{2}{10} \times 8,00,000$

= 1,60,000

Reserve 3,00,000 distributed

Revaluation loss 1,50,000 distributed

New ratio A:B = 3:2

Revaluation & Capital Accounts prepared accordingly.

Q32. Debentures

Issue at premium:

Bank Dr 11,00,000

To Debentures 10,00,000

To Securities Premium 1,00,000

DRR creation = $25\% \times 10,00,000$

= 2,50,000

Redemption at 5% premium:

Debentures Dr 10,00,000

Premium Dr 50,000

To Bank 10,50,000

Q33. Cash Flow Statement

Net increase in cash =

4,50,000 – 2,00,000

= 2,50,000

Operating adjusted with depreciation 4,00,000 & loss

Financing includes dividend 5,00,000

Statement balances.

Q34. Ratio Analysis

Current Ratio = $20,00,000 / 10,00,000$

= **2:1**

Quick Ratio = $(20,00,000 - 6,00,000) / 10,00,000$

= $14,00,000 / 10,00,000$

= **1.4:1**

ROCE = $8,00,000 / 40,00,000 \times 100$

= **20%**

Interpretation:

- ✓ Strong liquidity
- ✓ Healthy solvency
- ✓ Efficient profitability