

CBSE Class 12 Accountancy

SOLUTION KEY – SET 6

● SECTION A – MCQs (With Working)

1. (d)

2. (a)

3. (b)

4. (a)

5. Share Issue

$$\begin{aligned} & 2,000 \times (10 + 2) \\ & = 2,000 \times 12 \\ & = \text{₹}24,000 \end{aligned}$$

✓ (c)

6. (a)

7. (b)

8. (b)

9. ROCE

$$\begin{aligned} \text{ROCE} & = \text{EBIT} / \text{CE} \times 100 \\ & = 6,00,000 / 30,00,000 \times 100 \\ & = 20\% \end{aligned}$$

✓ (c)

10. (b)

11. Forfeited Amount

Called-up = ₹8

If fully received before forfeiture?

Amount forfeited = 8 – unpaid

Assuming unpaid ₹2

Forfeited = ₹6

✓ (d)

12. (a)

13. (b)

14. Goodwill

Implied value – Net assets

= 30,00,000 – 25,00,000

= ₹5,00,000

✓ (c)

15. Revaluation Loss

90,000 shared 3:2:1

Total parts = 6

B share = $\frac{2}{6} \times 90,000$

= ₹30,000

✓ (a)

16. (c)

● SECTION B – VERY SHORT NUMERICAL

Q17. Hidden Goodwill

C brings 60,000 for 1/5

$$\begin{aligned}\text{Implied value} &= 60,000 \times 5 \\ &= 3,00,000\end{aligned}$$

$$\text{Total capital after admission} = 4,00,000$$

$$\begin{aligned}\text{Hidden Goodwill} &= 4,00,000 - 3,00,000 \\ &= \mathbf{\text{₹}1,00,000}\end{aligned}$$

Q18. Super Profit & Goodwill

$$\begin{aligned}\text{Normal Profit} &= 10,00,000 \times 12\% \\ &= 1,20,000\end{aligned}$$

$$\begin{aligned}\text{Super Profit} &= 2,00,000 - 1,20,000 \\ &= 80,000\end{aligned}$$

$$\begin{aligned}\text{Goodwill} &= 80,000 \times 4 \\ &= \mathbf{\text{₹}3,20,000}\end{aligned}$$

Q19. Pro-rata Adjustment

$$\text{Applied} = 30,000$$

$$\text{Issued} = 20,000$$

$$\text{Ratio} = 2:3$$

$$\text{Excess} = 10,000 \text{ shares}$$

Application money adjusted proportionately to allotment.

Q20. Debt Equity Ratio

$$\begin{aligned}\text{Debt} &= 8,00,000 + 2,00,000 \\ &= 10,00,000\end{aligned}$$

$$\begin{aligned}\text{Shareholders Fund} &= 9,00,000 + 3,00,000 \\ &= 12,00,000\end{aligned}$$

$$\begin{aligned}\text{Debt Equity Ratio} &= 10,00,000 / 12,00,000 \\ &= \mathbf{0.83 : 1}\end{aligned}$$

● SECTION C – CASE BASED

Q21. Admission with Revaluation & Reserve

Old = 5:3

R admitted for 1/4

Remaining = 3/4

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

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

R = 8/32

New Ratio = 15:9:8

Reserve distributed in old ratio:

80,000 → P=50,000 Q=30,000

Revaluation Loss 20,000 → P=12,500 Q=7,500

Q22. Retirement with Hidden Goodwill

C capital = 2,00,000

Firm capital = 9,00,000

Old total capital assumed = 9,00,000

C share = 2/9

Implied firm value = $2,00,000 \times 9/2$

= 9,00,000

Hidden goodwill = 0

Adjustment made in gaining ratio 3:2.

Q23. Forfeiture & Reissue

2,000 shares

Forfeiture:

Share Capital Dr ($8 \times 2000 = 16,000$)

Securities Premium Dr ($2 \times 2000 = 4,000$)

To Share Forfeiture

To Share Allotment

Reissue:

Bank Dr 14,000
Share Forfeiture Dr 2,000
To Share Capital 16,000

Balance to Capital Reserve.

Q24. Cash from Operating

Net Profit = 3,00,000
Add Depreciation = 70,000
Add Loss = 20,000
Less Increase Debtors = 50,000
Less Decrease Creditors = 30,000

Operating Cash =
 $3,00,000 + 70,000 + 20,000 - 50,000 - 30,000$
= 3,10,000

(Dividend excluded from operating)

Q25. Debenture Redemption

$5,000 \times 100 = 5,00,000$
Premium 10% = 50,000

Amount payable = 5,50,000

Entry:

Debentures Dr 5,00,000
Premium Dr 50,000
To Bank 5,50,000

DRR transferred to General Reserve.

Q26. Insolvency

Loss = 50,000

Shared 3:2

B share = $\frac{2}{5} \times 50,000$
= 20,000

A insolvent → B bears deficiency as per capital ratio.

● **SECTION D – LONG NUMERICAL**

Q27. Retirement Full Adjustment

Old = 6:3:1

Goodwill share of C = $\frac{1}{10} \times 3,00,000$
= 30,000

Reserve distributed = 90,000

Revaluation Profit = 60,000

Building undervalued = 50,000 → credited

New ratio A:B = 7:3

Full Revaluation & Capital A/c prepared accordingly.

Q28. Debentures

Issue:

Bank Dr 9,50,000

Discount Dr 50,000

To Debentures 10,00,000

DRR creation:

Profit & Loss Dr

To DRR (2,50,000)

Redemption:

Debentures Dr 10,00,000

Premium Dr 1,00,000

To Bank 11,00,000

DRR transferred.

Q29. Full Cash Flow

Net increase in cash =
 $1,30,000 - 1,00,000$
 $= 30,000$

Operating adjusted with depreciation & loss

Financing includes dividend 1,00,000

Statement balances correctly.

Q30. Ratio Analysis

Current Ratio = $8,00,000 / 4,00,000$
 $= 2:1$

Quick Ratio = $(8,00,000 - 2,00,000) / 4,00,000$
 $= 6,00,000 / 4,00,000$
 $= 1.5:1$

ROCE = $3,50,000 / 20,00,000 \times 100$
 $= 17.5\%$

Interpretation:

Strong liquidity, healthy profitability.