

- Q1. C  
 Q2. Interest on Capital  
 Q3. ~~T.C.~~  
 Q4. ₹ 4,00,000  
 Q5. ₹ 1,12,500  
 Q6. C  
 Q7. Profit Sharing Ratio  
 Q8. C  
 Q9. Partner's Capital  
 Q10. D  
 Q11. ₹ 30  
 Q12. Securities Premium Reserve, Statement of Profit and Loss  
 Q13. C  
 Q14. B  
 Q15.

Journal

| Date  | Particulars  | Dr.   | Cr.       |
|-------|--|---|-----------|
| (i)   | Bank A/c<br><del>To Debenture application A/c</del>  | Dr.<br><del>15,40,000</del>                                       | ₹ 30      |
|       | TO Debenture application A/c<br>(being Def. issued)  | Dr.<br>15,40,000  | 15,40,000 |
| (ii)  | Debenture application A/c<br>Loss on issue of Deb. A/c<br>TO 12% Debentures A/c<br>TO Sec. Premium Reserve A/c<br>TO Premium on ref. of Deb.<br>(being Def. issued.) | Dr.<br>15,40,000<br>2,80,000<br>14,09,000<br>1,40,000<br>2,89,000 |           |
| (iii) | Securities Premium Reserve A/c<br>Statement of P & L<br>TO Loss on issue of ch.  | Dr.<br>1,40,000<br>Dr<br>1,40,000                                 | 2,89,000  |

|   | Dr. | ₹          | ₹ 2        |
|---|-----|------------|------------|
| (ii) Plant A/c                            | Dr. | ₹ 4,06,000 |            |
| To Kavita Ltd.<br>(Being Plant Purchased) |     |            | ₹ 4,06,000 |
| (ii) Kavita Ltd.                          | Dr  | 1,30,000   |            |
| To 12%. Debentures A/c                    |     |            | 1,00,000   |
| To Securities Premium Reserve A/c         |     |            | 30,000     |
| (iii) Kavita Ltd.                         | Dr. | 1,80,000   |            |
| Discount on issue of Def. A/c             | Dr  | 20,000     |            |
| To 1st Debentures A/c                     |     |            | 2,00,000   |
| (iv) Kavita Ltd.                          | Dr. | 96,000     |            |
| To Bank                                   |     |            | 96,000     |
| (v) Securities Premium Reserve A/c        | Dr  | 20,000     |            |
| To Discount on issue of Def. A/c          |     |            | 20,000     |

Q16

| Dr                    | <u>Income &amp; Expenditure A/c</u> | Cr     |   |
|-----------------------|-------------------------------------|--------|---|
| Expenditure           | ₹                                   | Income | ₹ |
| Expenditure on Staff  |                                     |        |   |
| Wages                 |                                     |        |   |
| Salaries              |                                     |        |   |
| Wages for             |                                     |        |   |
| Office Staff          |                                     |        |   |
| Office Expenses       |                                     |        |   |
| Office Expenses       |                                     |        |   |
| Expenditure on Sports |                                     |        |   |
| Expenditure on Sports |                                     |        |   |
| Lent Donation         |                                     |        |   |
| Interest on SFT       |                                     |        |   |
| Interest on SFT       |                                     |        |   |
| (15% on ₹ 40,000)     |                                     |        |   |

# Balance Sheet

(3)

| Liabilities                                  | ₹                   | Assets                                   | ₹      |
|--|---------------------|--|--------|
| <del>Donation for sports fund ₹ 50,000</del> |                     | 15% Sports fund Investment (FV ₹ 40,000) | 50,000 |
| <del>Add: Interest received on SFI</del>     |                     |  |        |
| <del>Received on SFI</del>                   | 3,500               |  |        |
| <del>O/S Interest on SFI</del>               | 2,125               |  |        |
| <del>Total</del>                             | <del>₹ 55,625</del> |  |        |
| <del>Less:</del>                             |                     |  |        |
| <del>Expenditure on sports</del>             | <del>₹ 50,000</del> |  |        |
| <del>Total</del>                             | <del>₹ 5,625</del>  |  |        |

~~Q17~~ Q.17

## Journal Entries

| Date  | Particulars   | Dr.       | ₹ Dr             | ₹ Cr     |
|-------|---|-----------|------------------|----------|
| (i)   | Tarun's Capital A/c<br>Pratibha's Capital A/c<br>To Harsh's Capital A/c | Dr.<br>Dr | 77,500<br>46,500 | 1,24,000 |
| (ii)  | Harsh's Capital A/c<br>To Profit and Loss A/c                           | Dr        | 49,000           | 49,000   |
| (iii) | Profit and Loss Suspense A/c Dr<br>To Harsh's Capital A/c               | Dr        | 6,667            | 6,667    |
| (iv)  | Harsh's Capital A/c<br>To Harsh's Executors A/c                         | Dr        | 9,00,667         | 9,00,667 |

Journal

(4)

| Date                | Particulars   | Dr                  | Credit    |
|---------------------|---|---------------------|-----------|
| 2018<br>March<br>31 | Surplus i.e. Balance in Statement of Profit and Loss A/c Dr<br>To Debentures redemption reserve A/c | 1,00,000            | 1,00,000  |
| April<br>30         | Debentures redemption investment A/c Dr<br>To Bank  | 1,50,000            | 1,50,000  |
| 2019<br>March<br>31 | Bank A/c Dr<br>To Debentures redemption Investment A/c  | 1,50,000            | 1,50,000  |
| "                   | 8% Debentures A/c Dr<br>Premium on Redemption A/c Dr<br>To Debentureholder A/c                      | 10,00,000<br>50,000 | 10,50,000 |
| "                   | Debentureholder A/c Dr<br>To Bank   | 10,50,000           | 10,50,000 |
| "                   | Debentures redemption reserve A/c Dr<br>To General Reserve A/c                                      | 2,50,000            | 2,50,000  |

Q19

Journal

(5)

| Date  | Particulars  | Dr                           | Cr     |
|-------|--|------------------------------|--------|
| (i)   | Bank A/c<br>To Realisation A/c.                        | Dr<br>40,000                 | 40,000 |
| (ii)  | Realisation A/c<br>To Bank                             | Dr<br>55,000                 | 55,000 |
| (iii) | Bank A/c<br>To Realisation A/c.                        | Dr<br>19,000                 | 19,000 |
| (iv)  | Bank A/c<br>Manju's Capital A/c<br>To Realisation A/c. | Dr<br>12,000<br>Dr<br>27,000 | 39,000 |

Q20.

| Date | Particulars                                   | Dr           | Cr     |
|------|---|--------------|--------|
|      | Karan's Capital A/c<br>To Tarun's Capital A/c | Dr<br>62,000 | 62,000 |

Statement Showing the Adjustment

| <u>Particulars</u>   | Tarina           | Karan            | Joy              | Firm             |
|--|------------------|------------------|------------------|------------------|
| Profit already wrongly distributed. Now taken back (2:3:2) | 1,50,000<br>(Dr) | 1,50,000<br>(Dr) | 1,00,000<br>(Dr) | 4,00,000<br>(Dr) |
| Salary   | 12,000<br>(Dr)   | 12,000<br>(Dr)   | —                | 24,000<br>(Dr)   |
| Commission   |                  |                  |                  |                  |
| Guaranteed profit  |                  |                  |                  | 20,000           |
| Net Profit distributd<br><del>(6:3:2)</del> (5:2)          | 2,00,000<br>(Cr) | 76,000<br>(Cr)   | 20,000<br>(Dr)   | 76,000<br>(Dr)   |
|  |                  |                  |                  | 2,80,000<br>(Dr) |
|  | 62,000<br>(Cr)   | 62,000<br>Dr     | —                | —                |
|  |                  |                  |                  |                  |

08

| Date  | Particulars                                     | Dr             | Cr       |
|-------|---|----------------|----------|
| (ii)  | P. S. L A/c<br>To P. S. L. app. A/c.            | Dr<br>2,99,500 | 2,99,500 |
| (iii) | Partner's Salary A/c<br>To Ramesh Capital A/c   | Dr<br>1,20,000 | 1,20,000 |
| (iv)  | P. S. L app. A/c<br>To Partner's Salary A/c     | Dr<br>1,20,000 | 1,20,000 |
| (v)   | Partner's Commission A/c<br>To Manu Capital A/c | Dr<br>25,000   | 25,000   |
| (vi)  | P. S. L app. A/c<br>To Partner's Commission A/c | Dr<br>25,000   | 25,000   |

|        |                             |     |          |   |
|--------|-----------------------------|-----|----------|---|
| (VII)  | Interest on capital A/c     | Dr  | 28,000   | 7 |
|        | To Ramesh's Capital A/c     |     | 16,000   |   |
|        | To Manju's Capital A/c      |     | 12,000   |   |
| (VIII) | P. & L. a/c                 | Dr. | 28,000   |   |
|        | To Interest on Capital      |     | 28,000   |   |
| (IX)   | Ramesh's Capital A/c        | Dr  | 800      |   |
|        | Manju's Capital A/c         | Dr  | 1950     |   |
|        | To Interest on drawings     |     | 2750     |   |
| (X)    | Interest on drawings A/c Dr |     | 2750     |   |
|        | To P & L a/c                |     | 2750     |   |
| (XI)   | P. & L. a/c                 | Dr  | 1,29,250 |   |
|        | To Ramesh's Capital A/c     |     | 77,550   |   |
|        | To Manju's Capital A/c      |     | 51,700   |   |

| Q21                           | Dr      | Income and Expenditure A/c |   |          |
|-------------------------------|---------|----------------------------|---|----------|
|                               |         | £                          | Income  | £        |
| Expenditure                   |         |                            |   | or       |
| Salaries                      | 50,000  |                            | Subscription<br>(300 x 500)                                       | 1,50,000 |
| + O/S P/L                     | 5,000   |                            | Entertainment<br>Receipts   | 25,000   |
| - Advance                     | 10,000  | 35,000                     | Sale of newspaper   | 1,000    |
| Enter. Exp.                   |         | 10,000                     | O/S Int. on investment  |          |
| Electricity Exp.              |         | 10,000                     |   |          |
| General exp.                  |         | 5,000                      |   |          |
| Misc. exp.                    |         | 5,000                      | $\left[ 50,000 \times \frac{10}{100} \times \frac{6}{12} \right]$ | 2,500    |
| Stationery consumed           |         |                            |   |          |
| Op. stock                     | 5,000   |                            |   |          |
| Add. Payment                  | 15,000  | 12,500                     |   |          |
| Less O/S stock                | (7,500) |                            |   |          |
| Newspaper                     |         | 5,000                      |   |          |
| Loss on sale of off furniture |         | 1,000                      |   |          |
| Supplies                      |         | 95,000                     |   |          |
|                               |         | 178,500                    |   |          |

Balance Sheet (31.3.19)

(8)

Dr

C2

| <u>Liabilities</u> | £        | <u>Assets</u>     | £        |
|--------------------|----------|-------------------|----------|
| Capital fund       |          | Cash in hand      | 87,500   |
| 8,53,500           |          | Investment (lot.) | 50,000   |
| Add: Surplus       | 95,000   | O/S Int. on Inv.  | 2,500    |
|                    |          | furniture         | 1,20,000 |
| Sur. in Advance    | 5,000    | Car               | 1,50,000 |
|                    |          | Stationery        | 7,500    |
|                    |          | Prepaid salary    | 10,000   |
|                    |          | O/S subscription  | 26,000   |
|                    |          | Land & Building   | 5,00,000 |
|                    | 9,53,500 |                   | 9,53,500 |

Balance Sheet (1.4.18)

| <u>Liabilities</u>         | £        | <u>Assets</u>    | £        |
|----------------------------|----------|------------------|----------|
| O/S Salary                 | 5,000    | Cash             | 1,00,000 |
| Capital fund<br>(Bal. fig) | 8,53,500 | O/S Subscription | 3,500    |
|                            |          | Stationery       | 5,000    |
|                            |          | Land & Building  | 5,00,000 |
|                            |          | furniture        | 1,00,000 |
|                            |          | Car              | 1,50,000 |
|                            | 8,58,500 |                  | 8,58,500 |

Q. 22:

Journal

9

| Date   | Particulars   | Dr | Cr | ₹ Dr  | ₹ Cr                    |
|--------|---|----|----|---|-------------------------|
| (i)    | Bank A/c<br>To Equity share application A/c   | Dr |    | 48,00,000                                       | 48,00,000               |
| (ii)   | Equity share application A/c<br>To Eq. share Capital<br>To Eq. Share allotment<br>To Bank | Dr |    | 48,00,000<br>30,00,000<br>15,00,000<br>3,00,000 |                         |
| (iii)  | Eq. Share allotment A/c<br>To Eq. Share Capital   | Dr |    | 45,00,000                                       | 45,00,000               |
| (iv)   | Bank A/c<br>To Eq. share allotment<br>To Calls in Advance                                 | Dr |    | 30,67,500                                       | 30,00,000<br>67,500     |
| (v)    | Eq. Share first call A/c<br>To Eq. Share Capital A/c                                      | Dr |    | 30,00,000                                       | 30,00,000               |
| (vi)   | Bank A/c<br>Calls in Advance A/c<br>To Eq. Share first call                               | Dr |    | 29,91,000<br>9,000                              | 30,00,000               |
| (vii)  | Eq. Share final call A/c<br>To Eq. Share Capital<br>To Sec Premium Reserve                | Dr |    | 1,95,00,000                                     | 45,00,000<br>1,50,00,00 |
| (viii) | Bank A/c<br>Calls in Advance A/c<br>Calls in arrear A/c<br>To Eq. Share final call        | Dr |    | 1,91,68,500<br>58,500<br>2,73,000               | 1,95,00,00              |

|       |   |          |                      |                            |
|-------|---|----------|----------------------|----------------------------|
| (X)   | Ec share Capital A/c<br>Sec Premium Reserve A/c<br>To Share forfeited<br>To Calls in arrear | Dr<br>Dr | 2,10,000<br>2,10,000 | 10<br>1,47,000<br>2,73,000 |
| (XI)  | Bank A/c<br>To Ec- Share Capital  | Dr<br>Dr | 2,10,000             | 2,10,000                   |
| (XII) | Share forfeited A/c<br>To Capital Reserve   | Dr<br>Dr | 1,47,000             | 1,47,000                   |

08

|                    |             | <u>Share forfeited Account</u> |             |   |    |
|--------------------|-------------|--------------------------------|-------------|---|----|
| (a) Dr             | Particulars | £                              | Particulars | £ | Cr |
| To Share Capital   | 8,000       | By Share Capital               | 60,000      |   |    |
| To Capital Reserve | 32,000      |                                |             |   |    |
| Total Cld          | 20,000      |                                |             |   |    |
|                    | 60,000      |                                |             |   |    |

(61)

Journal

(11)

| <u>Date</u> | <u>Particulars</u>   | <u>Dr.</u>            | <u>Cr.</u>                           |
|-------------|--|-----------------------|--------------------------------------|
| (i)         | Share Capital A/c<br>Sec Premium A/c<br>To Share forfeited<br>To Calls in arrear | Dr.<br>Dr<br>Dr<br>Dr | 7,200<br>1,080<br><br>6,480<br>1,800 |
| (ii)        | Bank A/c<br>Shares forfeited A/c<br>To Share Capital                             | Dr<br>Dr<br>Dr        | 3,000<br>1,000<br><br>4,000          |
| (iii)       | Share forfeited A/c<br>To Capital Reserve  | Dr<br>Dr              | 2,600<br><br>2,600                   |

| <u>Date</u> | <u>Particulars</u>                                  | <u>Dr.</u>      | <u>Cr.</u>                    |
|-------------|---|-----------------|-------------------------------|
| (i)         | Bank A/c<br>Share forfeited A/c<br>To Share Capital | Dr.<br>Dr<br>Dr | 32,400<br>3,600<br><br>36,000 |
| (ii)        | Share forfeited A/c<br>To Capital Reserve           | Dr<br>Dr        | 21,600<br><br>21,600          |

| <u>Date</u> | <u>Particulars</u>                                       | <u>Revaluation A/c</u> |            |
|-------------|--|------------------------|------------|
|             |  | <u>Dr.</u>             | <u>Cr.</u> |
|             | To Plant & Machinery                                     | 20,000                 |            |
|             | To Profit & Loss A/c                                     |                        | 750        |
|             | Partners Capital A/c<br>A 35,375<br>B 21,225<br>C 14,150 |                        | 90,750     |
|             |  | 70,750                 |            |
|             |  | 90,750                 | 90,750     |

## Partners' Current Accounts

8

| Date        | Particulars              | A      | B      | C      | D       |
|-------------|--------------------------|--------|--------|--------|---------|
| 2019<br>9/1 | C's Current A/c<br>money | 30,250 | 22,950 |        |         |
|             | P & L A/c                | 1,2950 | 72,900 | 48,200 |         |
|             | C's Capital A/c          |        |        | 42,150 |         |
|             |                          |        |        |        | 158,750 |
|             |                          |        |        |        | 95,250  |
|             |                          |        |        |        | 90,750  |

| Particulars         | A      | B      | C      |
|---------------------|--------|--------|--------|
| Revaluation A/c     | 35,775 | 21,225 | 14,150 |
| A's Current A/c     |        |        | 38,250 |
| B's Current A/c     |        |        | 22,950 |
| General Reserve A/c | 1,500  | 22,500 | 15,000 |
|                     |        |        | 51,525 |
|                     |        |        | 95,750 |
|                     |        |        | 95,750 |

|         | A        | B        | C       |           |
|---------|----------|----------|---------|-----------|
| 158,150 | 152,500  | 151,500  | 151,500 |           |
| 500,000 | 3,00,000 | 2,00,000 | 42,150  |           |
|         |          |          |         | (-12,150) |
| 500,000 | 3,00,000 | 2,00,000 | 42,150  |           |

A graph illustrating the relationship between Capital AC (Left Y-axis) and CIS Current AC (Right Y-axis) over time (X-axis).

The X-axis is labeled "PAST FUTURE" and shows values 600 and 610.

The Capital AC curve (solid blue line) starts at 600 and rises to 610.

The CIS Current AC curve (solid blue line) starts at 600 and remains flat until 610, then rises slightly.

| Partners | Date              | B        |                   |
|----------|-------------------|----------|-------------------|
| 35,500   | 2019<br>May<br>31 | 2,06,650 | 3,00,000          |
|          |                   |          | 3,09,000 2,42,150 |

| Date                | Particulars  | A       |
|---------------------|--------------|---------|
| 2019<br>March<br>7, | Bank         |         |
|                     | C/c Loan A/c | 600.00  |
|                     |              | 500.000 |

# Balance Sheet

(13)

as at March, 31, 2019

| <u>Liabilities</u> | ₹         | <u>Assets</u>              | ₹         |
|--------------------|-----------|----------------------------|-----------|
| Capital:           |           |                            |           |
| Ajay 5,00,000      |           | Bank                       | 21,000    |
| Baby 3,00,000      | 8,00,000  | Stock                      | 9,000     |
|                    |           | Debtors 15,000             |           |
|                    |           | Less: prov. for D.Debt 750 |           |
|                    |           |                            | 14,250    |
| Chetha's Loan      | 2,06,650  | Plant & Machinery          | 1,80,000  |
| Creditors          | 23,000    | Land & Building            | 6,90,000  |
| Outstanding Salary | 7,000     | Ajay's current A/c         | 85,875    |
| Baby's Loan        | 15,000    | Baby's current A/c         | 51,525    |
|                    | 10,51,650 |                            |           |
|                    |           |                            | 10,51,650 |

or

| Dr<br><u>Particulars</u> | ₹      | <u>Revaluation A/c</u> | Cr<br><u>Particulars</u> | ₹      |
|--------------------------|--------|------------------------|--------------------------|--------|
| Creditors                | 7,000  | Machinery              | 20,000                   |        |
| To Partner's Capital A/c |        | o/s Expenses           | 1,000                    |        |
| Dinesh                   | 7,700  |                        |                          |        |
| Yashika                  | 4,900  |                        |                          |        |
| Farhan                   | 1,400  |                        |                          |        |
|                          | 14,000 |                        |                          |        |
|                          | 21,000 |                        |                          |        |
|                          |        |                        |                          | 21,000 |



# Balance Sheet

(15)

| Liabilities     | ₹         | Assets            | ₹         |
|-----------------|-----------|-------------------|-----------|
| S. Creditors    | 77,000    | factory building  | 7,35,000  |
| Public Deposits | 1,19,000  | Plant & Machinery | 2,00,000  |
| O/S expenses    | 9,000     | furniture         | 20,000    |
| Capital:        |           | Stock             | 1,45,000  |
| Dinesh          | 5,97,120  | Debtors           | 1,50,000  |
| Yashika         | 3,76,400  | Less prov.        | 30,000    |
| Farshah         | 4,50,400  |                   | 1,20,000  |
| Aditi           | 4,15,000  | Bank              | 8,59,000  |
|                 | 18,74,000 |                   | 20,79,000 |
|                 | 20,79,000 |                   |           |

Q24. C

Q25 operating

Q26 B

Q27. C

Q28. D

Q29 C

Q30. Interest coverage Ratio =  $\frac{\text{Net Profit before Interest and Tax}}{\text{Interest on Long term Debts}}$

Net profit after tax = 12,00,000, Tax rate = 40%

Net profit before Tax =  $100(100 - \text{Tax}) \times \frac{\text{Net profit after}}{100}$

$$= 100 | 60 \times 12,00,000 = 20,00,000$$

~~Net Profit before Interest & Tax = Net Profit before Tax  
minus Interest and Tax~~

$$\begin{aligned} \text{Net Profit before Tax + Interest on long term debt} \\ = 20,00,000 + 9,60,000 \\ = ₹ 29,60,000 \end{aligned}$$

Interest coverage ratio =  $\frac{\text{Net Profit before Int. and Tax}}{\text{Int. on long term debt}}$

$$\frac{29,60,000}{9,60,000} = 3.08 \text{ times}$$

Significance: It reveals the No. of times interest on long term debts is covered by the profits available. A higher ratio ensures ~~safety~~ safety of Interest on long term debts.

The Interest coverage ratio will improve if the company decides to redeem ₹ 10,00,000 Deb. assuming the Net profit after Int and Tax will be same.

Or

Current Assets = Liquid Assets + Inventories  
(excluding loose tools) + Prepaid expenses

$$\begin{aligned} = ₹ 7,50,000 + 1,50,000 + 1,06,000 \\ = ₹ 10,06,000 \end{aligned}$$

Working Capital = CA - CL

Current Liabilities = Current Assets - Working Capital

$$10,00,000 - 6,00,000 \\ = 4,00,000$$

Current Ratio =

=

Current Assets

Current Liabilities

10,00,000

4,00,000

= 2.5:1

Liquid Ratio =

Liquid Assets

Current Liabilities

7,50,000

4,00,000

= 1.875:1

Q3I

### Comparative Statement of P & L

| Particulars               | Note No. | Absolute Amounts<br>17-18 | Absolute Amounts<br>18-19 | Absolute Change | % change |
|---------------------------|----------|---------------------------|---------------------------|-----------------|----------|
| Revenue from operations   |          | 50,00,000                 | 80,00,000                 | 30,00,000       | 60       |
| Less: Expenses:           |          |                           |                           |                 |          |
| Employee benefit expenses |          | 14,00,000                 | 20,00,000                 | 6,00,000        | 42.8     |
| Other Expenses            |          | 6,00,000                  | 4,00,000                  | (2,00,000)      | (33.3)   |
| Total Expenses            |          | 20,00,000                 | 24,00,000                 | 4,00,000        | 20       |
| Profit before Tax         |          | 30,00,000                 | 56,00,000                 | 26,00,000       | 86.6     |
| Less: Tax @ 40%           |          | 12,00,000                 | 22,40,000                 | 10,40,000       | 86.6     |
| Profit after tax          |          | 18,00,000                 | 33,60,000                 | 15,60,000       | 86.6     |

# Cash flow Statement

(18)

## Particulars

£

### A. Cash flow from operating activities:

Net Profit before tax & Extra  
ordinary items

1,20,000

Add: Non cash and Extra ordinary  
items.

Depreciation 65,000

Int. on ~~in~~ Debentures 28,800  
Loss on Sale 3,000

896800

Operating profit before working capital  
changes

2,16,800

Add: Dec. in CA and Inc. in CL

Inc. in O/S Rent 20,000

Dec. in inventories 40,000

Less: Inc. in CA and Dec. in CL

Dec. in Trade Payable (60,000)

-

2,16,800

### B. Cash flow from operating activities

### Cash flow from ~~operating~~ investing activities

#### Investing Activities

Sale of Plant and Machinery

32,000

Purchase of Plant and Machinery

(2,40,000)

Purchase of non-current Investment

(80,000)

Cash used in Investing activities

2,88,000

### C. Cash flow from financing activities

Int. Paid on Qtr. Debentures

(28,800)

Issue of Qtr. Debentures

80,000

Cash flow from financing activities

51,200

D. Net Decrease in Cash and Cash Equivalents (A+B+C)

19.

(20,000)

Add: Cash and Cash Equivalents (opening)

80,000

E. Cash and Cash Equivalents at the end.

60,000

Working Notes

Dr Plant and Machinery Account Cr.

Particulars

$\leftarrow$

Particulars

$\leftarrow$

bal bld

13,00,000

ACC. Dep.

15,000

Bank

2,40,000

Bank

32,000

Loss on Sale

3,000

bal cl

14,96,000

15,40,000

15,40,000

ACC. Dep. A/c

Dr Particulars

$\leftarrow$

Particulars

$\leftarrow$

Plant & Mac. A/c

15,000

bal bld

1,00,000

bal cl

150,000

P & L A/c

65,000

(Dep. Charge)

1,65,000

1,65,000