Roll No. ☐☐☐☐☐☐☐☐

Q.P. Code 67/1/1

ACCOUNTANCY

CBSE Class XII Board Examination 2026 — with answers

Time allowed: 3 hours **Maximum Marks: 80**

General Instructions:

1. The paper has 34 questions, all compulsory, in two parts: Part A and Part B.
2. Part A (Accounting for Partnership Firms and Companies) is compulsory for everyone.
3. Part B has two options – Option I: Analysis of Financial Statements, Option II: Computerised Accounting. Answer only one of them.
4. Q1–16 (Part A) and Q27–30 (Part B) are MCQs of 1 mark each; Q17–20 (Part A) and Q31–32 (Part B) are short answers of 3 marks each.
5. Q21–22 (Part A) and Q33 (Part B) are long answers of 4 marks each; Q23–26 (Part A) and Q34 (Part B) carry 6 marks each.
6. There is no overall choice, but some questions in each part offer an internal choice; answer only one alternative in those.

PART A

Accounting for Partnership Firms and Companies · Q1–16: 1 mark each · Q17–20: 3 marks each · Q21–22: 4 marks each · Q23–26: 6 marks each.

1. Mehul and Barkha's firm had capital employed of ₹6,00,000 on 31st March, 2025. Its normal profit is ₹60,000 and its super profit is ₹20,000. What is the normal rate of return? **1**

(A) 6%
(B) 15%
(C) 30%
(D) 10%

ANSWER
(D) 10%

Normal profit = Capital employed × Normal rate of return ÷ 100
So, Normal rate = Normal profit ÷ Capital employed × 100 = 60,000 ÷ 6,00,000 × 100 = 10%.
The super profit (₹20,000) is extra information here – it is not needed. Common mistake: using average profit (80,000) instead of normal profit, which would give 13.33%.

---

2. Assertion (A): The partnership agreement forms the basis of the relationship among partners. **1**
Reason (R): Partnership arises out of an agreement between two or more persons to carry on business and share its profits and losses.

(A) Both A and R are correct and R is the correct explanation of A.
(B) Both A and R are correct, but R is not the correct explanation of A.
(C) A is correct, but R is incorrect.
(D) A is incorrect, but R is correct.

ANSWER
(A) Both A and R are true and R explains A

Partnership is created by agreement, not by status or birth (Section 4, Indian Partnership Act, 1932). Because the relationship arises only out of an agreement, that agreement (oral or written deed) becomes the basis of the partners' rights and duties. Hence R correctly explains A.

---

3. 600 shares of ₹10 each were issued at a premium of ₹1 per share. ₹8 per share (including premium) has been called and ₹6 per share (including premium) has been received. On forfeiture of these shares, Share Forfeiture Account will be _____ by _____. **1**

(A) credited, ₹3,000
(B) debited, ₹3,000
(C) debited, ₹3,600
(D) credited, ₹3,600

ANSWER
(A) credited, ₹3,000

Share Forfeiture A/c is always credited with the amount received towards share capital (premium excluded).
Amount received per share = ₹6, of which premium ₹1 is already received → capital received = ₹5.
Forfeiture = 600 × ₹5 = ₹3,000 (credit).
Common mistake: crediting ₹6 × 600 = ₹3,600 – premium once received is never transferred to forfeiture.

OR

T.D. Ltd. issued ₹10,00,000, 9% debentures at a 10% discount, redeemable at some premium. On this issue, Premium on Redemption of Debentures Account was credited with ₹1,00,000. What was the 'Loss on Issue of Debentures'?

(A) ₹1,00,000
(B) ₹2,00,000
(C) ₹3,00,000
(D) Nil

ANSWER
(B) ₹2,00,000

Loss on issue = Discount on issue + Premium payable on redemption.
Discount = 10% of 10,00,000 = ₹1,00,000
Premium on redemption = ₹1,00,000 (given)
Loss on issue = 1,00,000 + 1,00,000 = ₹2,00,000.

4. Tarun and Tej share profits 3 : 2. On 1st April 2024 Tej lent ₹50,000 to the firm (no rate is agreed). Net profit before interest on this loan was ₹3,75,000; books are closed on 31st March every year. How much profit will be transferred from the Profit and Loss Account to the Profit and Loss Appropriation Account? **1**

(A) ₹3,75,000 **(B) ₹3,72,000**

(C) ₹4,25,000 **(D)** ₹3,78,000

ANSWER
(B) ₹3,72,000

With no agreed rate, a partner's loan earns interest @ 6% p.a. (Partnership Act).
Interest = 50,000 × 6% × 12/12 = ₹3,000.
Interest on partner's loan is a charge against profit, so it is deducted in the P&L Account itself.
Profit transferred = 3,75,000 − 3,000 = ₹3,72,000.

OR

Ashok and Vasu share profits 4 : 3. On 31st March, 2025 their capitals stood at ₹3,00,000 and ₹3,75,000. During 2024-25, Vasu withdrew ₹40,000 and brought in ₹1,50,000 as additional capital. The firm's profit for the year was ₹1,40,000. What was Vasu's capital at the beginning of the year?

(A) ₹2,75,000 **(B)** ₹4,25,000

(C) ₹2,05,000 **(D)** ₹3,45,000

ANSWER
(C) ₹2,05,000

Work backwards from the closing capital.
Vasu's share of profit = 1,40,000 × 3/7 = ₹60,000.
Opening capital = Closing capital + Drawings − Additional capital − Share of profit
= 3,75,000 + 40,000 − 1,50,000 − 60,000 = ₹2,05,000.

5. Soni and Kush (ratio 4 : 5) admit Hitesh for 1/5th share. After all adjustments for reserve, goodwill and revaluation, the capitals of Soni and Kush are ₹7,00,000 and ₹13,00,000. Hitesh brings capital in proportion to his share. How much capital does Hitesh bring? **1**

(A) ₹25,00,000 **(B)** ₹20,00,000

(C) ₹5,00,000 **(D)** ₹10,00,000

ANSWER
(C) ₹5,00,000

Combined capital of old partners = 7,00,000 + 13,00,000 = ₹20,00,000, which is for their remaining share of 1 − 1/5 = 4/5.
Total capital of the new firm = 20,00,000 × 5/4 = ₹25,00,000.
Hitesh's capital = 25,00,000 × 1/5 = ₹5,00,000.

6. Which one of these statements about collateral security is NOT correct? **1**

(A) It is a primary security.

(B) It is an additional security.

(C) It is a subsidiary security.

(D) It is a secondary security.

ANSWER

(A) It is a primary security

Collateral security is security given in addition to the principal (primary) security – so it is additional/subsidiary/secondary. It is never the primary security; hence (A) is the incorrect statement.

OR

The statement 'a company comes into existence under the provisions of Company Law' points to which feature of a company?

(A) Common Seal

(B) Perpetual Succession

(C) Body Corporate

(D) Limited Liability

ANSWER

(C) Body Corporate

A company is a body corporate – an artificial person created by law (registered under the Companies Act). Perpetual succession means its life is unaffected by members changing; limited liability concerns members' risk; common seal is its signature. Formation under law = body corporate.

7. Chandan, Ravi and Mahesh shared profits 5 : 4 : 1. From 1st April, 2025 they will share 3 : 2 : 1. On that date the books show a general reserve of ₹7,00,000, which they decide to distribute. In what ratio will it be distributed? **1**

(A) New profit sharing ratio
(B) Old profit sharing ratio
(C) Sacrificing / Gaining ratio
(D) Equally

ANSWER
(B) Old profit sharing ratio

Reserves are profits earned in the past, when the old ratio applied. So on a change in profit sharing ratio, accumulated reserves are credited to partners in their OLD ratio (here 5 : 4 : 1).

OR

Suman and Tanya (2 : 1) decide to share profits equally from 1st April, 2025. Furniture appears in the books at ₹4,50,000 and is found to be undervalued by 10%. At what value will furniture be shown in the new balance sheet?

(A) ₹4,05,000
(B) ₹4,50,000
(C) ₹4,95,000
(D) ₹5,00,000

ANSWER
(D) ₹5,00,000

'Undervalued by 10%' means book value is 10% less than the true value.
Book value = 90% of true value → True value = 4,50,000 × 100/90 = ₹5,00,000.
Common mistake: adding 10% of book value (4,95,000).

8. In the firm of Tula, Ram and Madhvi, interest on drawings is charged @ 12% p.a. and books close on 31st March. Beginning 31st December, 2025, Madhvi withdrew ₹40,000 at the end of every month. What is the interest on her drawings? **1**

(A) ₹19,200
(B) ₹4,800
(C) ₹2,400
(D) ₹1,600

ANSWER
(C) ₹2,400

Withdrawals: 31 Dec, 31 Jan, 28/29 Feb, 31 Mar = 4 × 40,000 = ₹1,60,000.
Months outstanding till 31 March: 3, 2, 1, 0 → average = (3 + 0)/2 = 1.5 months.
Interest = 1,60,000 × 12/100 × 1.5/12 = ₹2,400.

9. Dharam, Karam and Raman share profits 7 : 8 : 5. Raman retires on 31st March, 2025, and Dharam and Karam will share future profits 11 : 9. Find their gaining ratio. **1**

(A) 1 : 1 **(B)** 1 : 2

(C) 4 : 1 **(D)** 2 : 1

ANSWER
(C) 4 : 1

Gain = New share − Old share.
Dharam = 11/20 − 7/20 = 4/20; Karam = 9/20 − 8/20 = 1/20.
Gaining ratio = 4 : 1.

OR

Deen, Raju and Hari share profits 7 : 6 : 7. Raju dies on 31st March, 2025 and Deen and Hari take over his share equally. What is the new ratio of Deen and Hari?

(A) 1 : 1 **(B)** 7 : 6

(C) 6 : 7 **(D)** 3 : 2

ANSWER
(A) 1 : 1

Raju's share 6/20 is taken equally → 3/20 each.
Deen = 7/20 + 3/20 = 10/20; Hari = 7/20 + 3/20 = 10/20.
New ratio = 1 : 1.

10. Nidhi and Kunal (4 : 1) have capitals of ₹3,00,000 and ₹2,00,000 and are allowed interest on capital @ 6% p.a. The firm's profit for the year is only ₹15,000. How much interest on capital will each get? **1**

(A) Nidhi ₹18,000 ; Kunal ₹12,000 **(B)** Nidhi ₹7,500 ; Kunal ₹7,500

(C) Nidhi ₹9,000 ; Kunal ₹6,000 **(D)** Nidhi ₹12,000 ; Kunal ₹3,000

ANSWER
(C) Nidhi ₹9,000 ; Kunal ₹6,000

Full interest: Nidhi 18,000; Kunal 12,000; total ₹30,000.
Interest on capital is an appropriation, so it cannot exceed the available profit of ₹15,000.
The profit is shared in the ratio of interest due, 18,000 : 12,000 = 3 : 2.
Nidhi = 15,000 × 3/5 = ₹9,000; Kunal = 15,000 × 2/5 = ₹6,000.
Common mistake: dividing in the profit sharing ratio 4 : 1.

11. Dina Ltd. issued 8,000, 9% debentures of ₹100 each at a 6% discount on 1st April, 2024. What is the total debenture interest due for the year ended 31st March, 2025? **1**

(A) ₹48,000 **(B) ₹72,000**

(C) ₹1,20,000 **(D)** ₹80,000

ANSWER
(B) ₹72,000

Interest is always calculated on the face (nominal) value, not on the issue price.
Face value = 8,000 × 100 = ₹8,00,000.
Interest = 8,00,000 × 9% = ₹72,000.

12. Sakshi Ltd. forfeited 500 equity shares of ₹10 each issued at a premium of ₹2, for non-payment of the second and final call of ₹4 per share (including premium). What is the maximum discount per share at which these shares can be reissued? **1**

(A) ₹1 per share **(B)** ₹6 per share

(C) ₹8 per share **(D)** ₹5 per share

ANSWER
(C) ₹8 per share

Final call ₹4 = ₹2 capital + ₹2 premium (premium is included in this call).
So, capital called before the final call = 10 − 2 = ₹8, and this has been received.
Forfeited amount per share = ₹8.
Maximum discount on reissue = amount forfeited = ₹8 per share.

13. Surya Ltd. issued 50,000 equity shares of ₹10 each payable ₹3 on application, ₹2 on allotment and the balance on first and final call. Usha (700 shares) paid her entire amount with allotment. Raj (300 shares) did not pay the first and final call. What amount is debited to Bank Account when the first and final call is received? **1**

(A) ₹2,50,000 **(B)** ₹2,48,500

(C) ₹2,45,000 **(D)** ₹2,52,000

ANSWER
(C) ₹2,45,000

Call = 10 − 3 − 2 = ₹5 per share; total due = 50,000 × 5 = ₹2,50,000.
Less: Usha's call already received in advance = 700 × 5 = ₹3,500
Less: Raj's unpaid call = 300 × 5 = ₹1,500
Bank receives = 2,50,000 − 3,500 − 1,500 = ₹2,45,000.

14. Sidhi, Gyan and Gayatri (3 : 2 : 2) dissolve their firm on 31st March, 2025. A debtor of ₹25,000 who had earlier been written off as bad pays 40% of it. How is this treated? **1**

(A) ₹10,000 will be credited to bad debts recovered account.

(B) ₹10,000 will be credited to the debtor's personal account.

(C) ₹10,000 will be credited to realisation account.

(D) ₹10,000 will be credited to bad debts account.

ANSWER

(C) ₹10,000 credited to Realisation A/c

On dissolution every receipt from an unrecorded asset (including bad debts recovered) is a realisation gain.

Amount = 40% × 25,000 = ₹10,000.

Entry: Cash/Bank A/c Dr. 10,000; To Realisation A/c 10,000.

---

15. Chaman and Vatika (4 : 5) admit Mohan for 1/5th share, which he takes equally from both. What will be the new ratio of Chaman, Vatika and Mohan? **1**

(A) 2 : 2 : 1

(B) 31 : 41 : 18

(C) 41 : 31 : 18

(D) 7 : 8 : 5

ANSWER

(B) 31 : 41 : 18

Each gives 1/10 to Mohan.

Chaman = 4/9 − 1/10 = (40 − 9)/90 = 31/90

Vatika = 5/9 − 1/10 = (50 − 9)/90 = 41/90

Mohan = 1/5 = 18/90

New ratio = 31 : 41 : 18.

---

16. Lalita, Shivani and Madhuri share profits 3 : 2 : 1. Madhuri retires on 31st March, 2025 with a capital balance of ₹1,80,000, and the continuing partners pay her ₹2,25,000 in full settlement. What is the goodwill of the firm? **1**

(A) ₹1,80,000

(B) ₹2,25,000

(C) ₹45,000

(D) ₹2,70,000

ANSWER

(D) ₹2,70,000

Excess paid over capital = 2,25,000 − 1,80,000 = ₹45,000 = Madhuri's share of goodwill.

Her share = 1/6, so firm's goodwill = 45,000 × 6 = ₹2,70,000.

---

17. A firm's average profit for the last few years is ₹8,00,000. The normal rate of return in similar businesses is 10% of capital employed. The firm's assets are ₹60,00,000 and outside liabilities ₹20,00,000. Find goodwill by: **3**

(i) capitalisation of super profits method;

(ii) super profit method, taking four years' purchase.

ANSWER

(i) Goodwill = ₹40,00,000 (ii) Goodwill = ₹16,00,000

Capital employed = Assets − External liabilities = 60,00,000 − 20,00,000 = ₹40,00,000

Normal profit = 10% × 40,00,000 = ₹4,00,000

Super profit = Average profit − Normal profit = 8,00,000 − 4,00,000 = ₹4,00,000

(i) Capitalisation of super profit: Goodwill = Super profit × 100 / NRR = 4,00,000 × 100/10 = ₹40,00,000

(ii) Super profit method: Goodwill = Super profit × Years' purchase = 4,00,000 × 4 = ₹16,00,000

Tip: super profit need be worked out only once and used for both parts.

18. Sultan, Singh and Tulsi share profits 9 : 7 : 4 and have fixed capitals of ₹6,00,000, ₹5,00,000 and ₹4,00,000. The deed allows interest on capital @ 10% p.a., but after the final accounts were prepared it was found that interest had been given @ 12% p.a. Pass the adjusting journal entry. **3**

ANSWER

Tulsi's Current A/c Dr. ₹2,000; To Sultan's Current A/c ₹1,500; To Singh's Current A/c ₹500

Excess interest allowed = 2% of capital: Sultan 12,000; Singh 10,000; Tulsi 8,000; total ₹30,000. This ₹30,000 must be taken back and redistributed as profit in 9 : 7 : 4 → Sultan 13,500; Singh 10,500; Tulsi 6,000.

Partner	Excess interest (Dr)	Profit (Cr)	Net
Sultan	12,000	13,500	1,500 Cr
Singh	10,000	10,500	500 Cr
Tulsi	8,000	6,000	2,000 Dr

Adjustment entry (capitals are fixed, so use current accounts):

Tulsi's Current A/c ... Dr. ₹2,000

To Sultan's Current A/c ₹1,500

To Singh's Current A/c ₹500

(Being excess interest on capital rectified)

OR

Sameer and Manveer (5 : 3) admitted Sandeep on 1st April, 2024 for 1/5th share with a guaranteed minimum of ₹80,000. Sameer and Manveer continue to share between themselves as before, but will bear any shortfall on Sandeep's guarantee in the ratio 3 : 5. Net profit for 2024-25 was ₹3,20,000. Prepare the Profit and Loss Appropriation Account.

ANSWER

Sameer ₹1,54,000; Manveer ₹86,000; Sandeep ₹80,000

Sandeep's share = 3,20,000 × 1/5 = ₹64,000 → deficiency = 80,000 − 64,000 = ₹16,000.

Remaining 4/5 = ₹2,56,000 shared 5 : 3 → Sameer 1,60,000; Manveer 96,000.

Deficiency borne 3 : 5 → Sameer 6,000; Manveer 10,000.

Dr Particulars	₹	Cr Particulars	₹
To Sameer's Capital (1,60,000 − 6,000)	1,54,000	By P&L A/c (net profit)	3,20,000
To Manveer's Capital (96,000 − 10,000)	86,000		
To Sandeep's Capital (64,000 + 16,000)	80,000		
	3,20,000		3,20,000

Common mistake: bearing the deficiency in the old ratio 5 : 3 – the agreed ratio 3 : 5 must be used.

19. Raunak Cotton Ltd. bought machinery for ₹6,80,000 from Heavy Machines Ltd. It paid by issuing 10,500 equity shares of ₹50 each at a 20% premium and the rest by cheque. Journalise in the books of Raunak Cotton Ltd. **3**

ANSWER

Shares ₹5,25,000 + premium ₹1,05,000 = ₹6,30,000; cheque ₹50,000

Issue price = 50 + 20% of 50 = ₹60; value of shares = 10,500 × 60 = ₹6,30,000 (capital 5,25,000; premium 1,05,000). Balance by cheque = 6,80,000 − 6,30,000 = ₹50,000.

(1) Machinery A/c ... Dr. 6,80,000

To Heavy Machines Ltd. 6,80,000

(Being machinery purchased)

(2) Heavy Machines Ltd. ... Dr. 6,80,000

To Equity Share Capital A/c 5,25,000

To Securities Premium A/c 1,05,000

To Bank A/c 50,000

(Being payment by issue of shares at premium and the balance by cheque)

(The payment may also be shown as two separate entries – shares and cheque.)

OR

Neo Ltd. took over assets of ₹25,00,000 and liabilities of ₹12,00,000 of Madura Ltd. for a purchase consideration of ₹18,00,000, paid entirely by issuing 11% debentures of ₹100 each at a 10% discount. Journalise in Neo Ltd.'s books.

ANSWER

Goodwill ₹5,00,000; 20,000 debentures (₹20,00,000) with discount ₹2,00,000

Net assets = 25,00,000 − 12,00,000 = ₹13,00,000; consideration 18,00,000 → Goodwill = ₹5,00,000.

No. of debentures = 18,00,000 ÷ 90 = 20,000 → face value ₹20,00,000; discount ₹2,00,000.

(1) Sundry Assets A/c ... Dr. 25,00,000

Goodwill A/c ... Dr. 5,00,000

To Sundry Liabilities A/c 12,00,000

To Madura Ltd. 18,00,000

(2) Madura Ltd. ... Dr. 18,00,000

Discount on Issue of Debentures A/c ... Dr. 2,00,000

To 11% Debentures A/c 20,00,000

(Being 20,000 debentures issued at 10% discount)

20. Shree and Hari (2 : 3) have fixed capitals of ₹4,00,000 and ₹3,00,000. The deed gives Hari a commission of 5% of net profit. Net profit for the year ended 31st March, 2025 was ₹1,00,000. Pass entries (i) to credit Hari's commission to his current account and (ii) to transfer the commission to the Profit and Loss Appropriation Account. **3**

ANSWER

Commission = ₹5,000 (both entries for ₹5,000)

Commission = 5% × 1,00,000 = ₹5,000 (on net profit before commission, since the deed says 'of net profit').

(i) Partner's (Hari's) Commission A/c ... Dr. 5,000

To Hari's Current A/c 5,000

(Being commission credited – capitals are fixed, so current account)

(ii) Profit and Loss Appropriation A/c ... Dr. 5,000

To Partner's (Hari's) Commission A/c 5,000

(Being commission closed to P&L Appropriation)

21. On 1st April, 2024 Bhumika Ltd. issued 500, 9% debentures of ₹500 each at a 10% discount, redeemable after five years at a 6% premium. On 31st March, 2025 its Securities Premium balance was ₹30,000. Journalise the issue and the writing off of the loss on issue, and prepare the Loss on Issue of Debentures Account. **4**

ANSWER

Loss on issue ₹40,000: written off ₹30,000 from Securities Premium + ₹10,000 from Statement of P&L

Face value = 500 × 500 = ₹2,50,000; issue price 450 → cash ₹2,25,000; discount ₹25,000; premium on redemption 6% = ₹15,000; loss = ₹40,000.

2024 Apr 1: Bank A/c Dr. 2,25,000; To Debenture Application & Allotment A/c 2,25,000

Apr 1: Debenture Application & Allotment A/c Dr. 2,25,000; Loss on Issue of Debentures A/c Dr. 40,000; To 9% Debentures A/c 2,50,000; To Premium on Redemption of Debentures A/c 15,000

2025 Mar 31: Securities Premium A/c Dr. 30,000; Statement of Profit and Loss Dr. 10,000; To Loss on Issue of Debentures A/c 40,000

Dr	₹	Cr	₹
To 9% Debentures A/c	25,000	By Securities Premium A/c	30,000
To Premium on Redemption A/c	15,000	By Statement of P&L	10,000
	40,000		40,000

Rule: loss on issue is written off first from Securities Premium, the balance from the Statement of Profit and Loss.

22. Kiran, Raveena and Hina share profits 5 : 3 : 2; books close on 31st March. On death of a partner, goodwill is to be valued at four times the average profit of the last three years. Hina died on 1st July 2025. Profits: 2022-23 ₹4,75,000; 2023-24 ₹4,05,000; 2024-25 ₹3,20,000. Her profit share till death is based on the previous year's profit. **4**

(i) Find the firm's goodwill and Hina's share.

(ii) Find Hina's share of profit up to her death.

(iii) Journalise the goodwill (without opening goodwill account) and her profit share.

ANSWER

Goodwill ₹16,00,000; Hina's share ₹3,20,000; profit share ₹16,000

(i) Average profit = (4,75,000 + 4,05,000 + 3,20,000)/3 = 12,00,000/3 = ₹4,00,000

Goodwill = 4,00,000 × 4 = ₹16,00,000; Hina's share = 16,00,000 × 2/10 = ₹3,20,000

(ii) 1 April to 1 July = 3 months. Share = 3,20,000 × 2/10 × 3/12 = ₹16,000

(iii) Gaining ratio = old ratio of remaining partners 5 : 3.

Kiran's Capital A/c Dr. 2,00,000; Raveena's Capital A/c Dr. 1,20,000; To Hina's Capital A/c 3,20,000 (Hina's share of goodwill adjusted in gaining ratio)

Profit and Loss Suspense A/c Dr. 16,000; To Hina's Capital A/c 16,000 (Hina's profit share till death)

23. Ravneet and Manmeet (7 : 3) dissolve their firm on 31st March, 2025. Balance sheet on that date: **6**

Liabilities	₹	Assets	₹
Creditors	4,50,000	Cash at Bank	2,50,000
Ravneet's Capital	5,00,000	Stock	2,50,000
Manmeet's Capital	3,00,000	Debtors	2,00,000
		Plant & Machinery	5,50,000
	12,50,000		12,50,000

Plant and machinery realised ₹4,87,000; stock was sold at 20% below book value; debtors realised ₹1,40,000. Ravneet agreed to bear all realisation expenses for a commission of ₹9,000; the actual expenses were ₹7,500. Prepare the Realisation Account and Partners' Capital Accounts.

ANSWER

Realisation loss ₹1,82,000 (Ravneet ₹1,27,400; Manmeet ₹54,600); final payment Ravneet ₹3,81,600, Manmeet ₹2,45,400

Stock realised = 2,50,000 × 80% = ₹2,00,000. Expenses ₹7,500 are Ravneet's own – the firm records only his commission ₹9,000.

Realisation Account:

Dr	₹	Cr	₹
To Stock	2,50,000	By Creditors	4,50,000
To Debtors	2,00,000	By Bank: P&M	4,87,000
To Plant & Machinery	5,50,000	By Bank: Stock	2,00,000
To Bank (creditors paid)	4,50,000	By Bank: Debtors	1,40,000
To Ravneet's Capital (commission)	9,000	By Loss: Ravneet 1,27,400	
		Manmeet 54,600	1,82,000
	14,59,000		14,59,000

Loss = 14,59,000 − 12,77,000 = ₹1,82,000 shared 7 : 3.

Capital Accounts:

Ravneet: 5,00,000 + 9,000 (commission) − 1,27,400 (loss) = ₹3,81,600 paid by bank

Manmeet: 3,00,000 − 54,600 = ₹2,45,400 paid by bank

Check: Bank = 2,50,000 + 8,27,000 − 4,50,000 = ₹6,27,000 = 3,81,600 + 2,45,400.

24. Generic Pharma Ltd. invited applications for 3,00,000 equity shares of ₹10 each at a premium of ₹6. Payable: ₹4 (incl. ₹2 premium) on application-cum-allotment and the balance on first and final call. Applications came for 4,00,000 shares; those for 40,000 shares were rejected and refunded; the rest got shares pro-rata. Excess application money was adjusted towards the call. Jain, who had applied for 3,600 shares, did not pay the call and his shares were forfeited. Journalise, using Calls in Arrears and Calls in Advance accounts where needed. **6**

ANSWER

Calls in advance ₹2,40,000; bank on call ₹33,26,400; Jain's 3,000 shares forfeited with Share Forfeiture ₹8,400

Allotted to 3,60,000 applicants → 3,00,000 shares (ratio 6 : 5). Call = ₹12 (capital 8 + premium 4).
(1) Bank A/c Dr. 16,00,000; To Equity Share Application & Allotment A/c 16,00,000 (4,00,000 × 4)
(2) Equity Share Application & Allotment A/c Dr. 16,00,000; To Equity Share Capital A/c 6,00,000; To Securities Premium A/c 6,00,000; To Calls in Advance A/c 2,40,000; To Bank A/c 1,60,000
(Excess = 60,000 shares × 4 = 2,40,000; refund = 40,000 × 4 = 1,60,000)
(3) Equity Share First & Final Call A/c Dr. 36,00,000; To Equity Share Capital A/c 24,00,000; To Securities Premium A/c 12,00,000
(4) Jain: applied 3,600 → allotted 3,000; paid 14,400, needed 12,000 → excess 2,400; call due 36,000 → arrears 33,600.
Bank A/c Dr. 33,26,400; Calls in Arrears A/c Dr. 33,600; Calls in Advance A/c Dr. 2,40,000; To Equity Share First & Final Call A/c 36,00,000
(5) Equity Share Capital A/c Dr. 30,000; Securities Premium A/c Dr. 12,000; To Share Forfeiture A/c 8,400; To Calls in Arrears A/c 33,600
(Forfeiture = capital received 3,000 × 2 = 6,000 + excess 2,400 already applied to the call.)
Common mistake: forgetting to debit the unpaid premium (3,000 × 4) on forfeiture.

OR

Journalise forfeiture and reissue:
(i) Diksha Ltd. forfeited 3,000 shares of ₹10 each for non-payment of the final call of ₹2. Of these, 600 shares were reissued as fully paid such that ₹4,200 was transferred to capital reserve.
(ii) Ashoka Ltd. forfeited 2,000 equity shares of ₹100 each issued at a 10% premium, for non-payment of allotment of ₹60 (incl. premium); the first and final call of ₹20 had not been made. The shares were reissued at ₹70 each fully paid.

ANSWER

(i) Forfeiture ₹24,000; reissue at ₹9 (Bank ₹5,400), capital reserve ₹4,200 (ii) Forfeiture ₹60,000; reissue Bank ₹1,40,000, nil capital reserve

(i) Forfeited per share = ₹8 → 3,000 × 8 = 24,000.
Share Capital A/c Dr. 30,000; To Share Forfeiture A/c 24,000; To Share Final Call A/c 6,000
Forfeiture on 600 shares = 4,800; capital reserve 4,200 → discount allowed = 600 → reissue price ₹9.
Bank A/c Dr. 5,400; Share Forfeiture A/c Dr. 600; To Share Capital A/c 6,000
Share Forfeiture A/c Dr. 4,200; To Capital Reserve A/c 4,200
(ii) Total payable 110 = application ? + allotment 60 + call 20 → application ₹30 (all capital). Called up = ₹80 capital.

> Equity Share Capital A/c Dr. 1,60,000; Securities Premium A/c Dr. 20,000; To Share Forfeiture A/c 60,000; To Equity Share Allotment A/c 1,20,000
> Bank A/c Dr. 1,40,000; Share Forfeiture A/c Dr. 60,000; To Equity Share Capital A/c 2,00,000
> The whole forfeiture (₹30 × 2,000) is used as discount (₹30 per share), so nothing goes to capital reserve.

25. Sanjay and Vijay (4 : 3) admit Babul on 1st April, 2025 for 2/5th share. Terms: (i) new ratio 3 : 3 : 4; (ii) goodwill = 4 years' purchase of average profit of the last three years (2022-23 ₹16,500; 2023-24 ₹17,500; 2024-25 ₹18,500); (iii) Babul brings his goodwill premium in cash, and half of it is withdrawn by Sanjay and Vijay; (iv) revaluation shows a loss of ₹70,000; (v) general reserve is ₹28,000; (vi) after these adjustments the capitals of Sanjay and Vijay are ₹3,50,000 and ₹2,50,000, and Babul brings proportionate capital for his 2/5th share. Showing workings, journalise. **6**

ANSWER

Goodwill ₹70,000; premium ₹28,000 (Sanjay 19,000, Vijay 9,000); Babul's capital ₹4,00,000

Sacrifice: Sanjay 4/7 − 3/10 = 19/70; Vijay 3/7 − 3/10 = 9/70 → 19 : 9.

Average profit = (16,500 + 17,500 + 18,500)/3 = ₹17,500; goodwill = 70,000; Babul's share = 2/5 × 70,000 = ₹28,000.

Babul's capital = (3,50,000 + 2,50,000) × 5/3 × 2/5 = ₹4,00,000.

Entries:

1. Bank A/c Dr. 28,000; To Premium for Goodwill A/c 28,000
2. Premium for Goodwill A/c Dr. 28,000; To Sanjay's Capital 19,000; To Vijay's Capital 9,000
3. Sanjay's Capital Dr. 9,500; Vijay's Capital Dr. 4,500; To Bank 14,000 (half withdrawn)
4. Sanjay's Capital Dr. 40,000; Vijay's Capital Dr. 30,000; To Revaluation A/c 70,000 (loss in 4 : 3)
5. General Reserve A/c Dr. 28,000; To Sanjay's Capital 16,000; To Vijay's Capital 12,000
6. Bank A/c Dr. 4,00,000; To Babul's Capital A/c 4,00,000

Common mistake: sharing the premium in the old ratio – it goes in the sacrificing ratio 19 : 9.

OR

Anuj, Divij and Shilpa (2 : 1 : 2) had this balance sheet on 31st March, 2023:

Liabilities	₹	Assets	₹
Capital: Anuj	3,00,000	Land & Building	8,00,000
Capital: Divij	4,00,000	Furniture	2,40,000
Capital: Shilpa	5,00,000	Stock	1,20,000
Bills Payable	60,000	Debtors	1,70,000
Creditors	1,20,000	Cash	50,000
	13,80,000		13,80,000

Anuj retired on that date: (i) his share of goodwill was ₹90,000, to be adjusted without a goodwill account; (ii) revaluation gave a gain of ₹25,000; (iii) the amount due to him went to his loan account, repayable in two equal yearly instalments with interest @ 12% p.a. on the unpaid balance, starting 31st March, 2024. Prepare the Partners' Capital Accounts and Anuj's Loan Account till it is fully paid.

ANSWER

Anuj's loan ₹4,00,000; instalments ₹2,48,000 (2024) and ₹2,24,000 (2025); closing capitals Divij ₹3,75,000, Shilpa ₹4,50,000

Gaining ratio (new ratio not given) = Divij : Shilpa = 1 : 2 → Divij pays 30,000, Shilpa 60,000 of goodwill.

Revaluation gain 25,000 in 2 : 1 : 2 → 10,000; 5,000; 10,000.

Capital accounts:

Anuj: 3,00,000 + 30,000 + 60,000 (goodwill) + 10,000 = ₹4,00,000 → transferred to Anuj's Loan A/c

Divij: 4,00,000 + 5,000 − 30,000 = ₹3,75,000 (balance c/d)

Shilpa: 5,00,000 + 10,000 − 60,000 = ₹4,50,000 (balance c/d)

Anuj's Loan Account:

Date	Particulars	₹
31.3.2023	By Anuj's Capital	4,00,000
31.3.2024	By Interest (12% on 4,00,000)	48,000
31.3.2024	To Bank (2,00,000 + 48,000)	2,48,000
31.3.2024	To Balance c/d	2,00,000
31.3.2025	By Interest (12% on 2,00,000)	24,000
31.3.2025	To Bank (2,00,000 + 24,000)	2,24,000

26. Dharma Ltd. has an authorised capital of ₹30,00,000 in 3,00,000 equity shares of ₹10 each, payable ₹2 on application, ₹5 on allotment and the balance on first and final call. It offered 90,000 shares to the public; all were subscribed and all money was received except allotment and call money on Aditi's 4,000 shares and call money on Rohit's 3,000 shares. Both holdings were forfeited. **6**

(i) Nominal capital is: (A) ₹30,00,000 (B) ₹3,00,000 (C) ₹9,00,000 (D) ₹33,00,000

(ii) Issued capital is: (A) ₹3,00,000 (B) ₹30,00,000 (C) ₹9,00,000 (D) ₹33,00,000

(iii) Subscribed and fully paid capital is: (A) ₹9,00,000 (B) ₹8,30,000 (C) ₹8,56,000 (D) Nil

(iv) 'Share Capital' shown under Shareholders' Funds is: (A) ₹8,30,000 (B) ₹8,59,000 (C) ₹9,00,000 (D) ₹30,00,000

(v) Share Forfeiture shown in Notes to Accounts is: (A) ₹32,000 (B) ₹12,000 (C) ₹44,000 (D) ₹29,000

(vi) Subscribed but not fully paid capital is: (A) ₹9,00,000 (B) ₹8,30,000 (C) ₹8,56,000 (D) Nil

ANSWER

(i) A ₹30,00,000 (ii) C ₹9,00,000 (iii) B ₹8,30,000 (iv) B ₹8,59,000 (v) D ₹29,000 (vi) D Nil

(i) Nominal (authorised) capital = 3,00,000 × 10 = ₹30,00,000.

(ii) Issued capital = shares offered 90,000 × 10 = ₹9,00,000.

(iii) After forfeiting 7,000 shares, 83,000 shares remain, all fully paid → ₹8,30,000.

(v) Forfeiture = amount received on forfeited shares: Aditi 4,000 × 2 = 8,000; Rohit 3,000 × 7 = 21,000 → ₹29,000.

(iv) Share Capital in the balance sheet = 8,30,000 + 29,000 (forfeited shares account) = ₹8,59,000.

(vi) All calls on remaining shares are paid, so subscribed but not fully paid = Nil.

PART B

Answer ONLY ONE option: Option I (Analysis of Financial Statements) or Option II (Computerised Accounting). Each question shows Option I first, then Option II. Q27–30: 1 mark each · Q31–32: 3 marks each · Q33: 4 marks · Q34: 6 marks.

27. *Option I – Analysis of Financial Statements* **1**

Identifying a firm's financial strengths and weaknesses by establishing proper relationships between items of the Balance Sheet and the Statement of Profit and Loss is called:

(A) Comparative Statement Analysis **(B)** Cash Flow Analysis

(C) Financial Analysis **(D)** Common Size Analysis

ANSWER
(C) Financial Analysis

This is the textbook meaning of analysis of financial statements (financial analysis). Comparative, common-size and cash-flow analysis are only tools of it.

OR

Ratios that measure the business's ability to pay amounts due to stakeholders as and when they fall due are called:

(A) Solvency ratios **(B) Liquidity ratios**

(C) Activity ratios **(D)** Profitability ratios

ANSWER
(B) Liquidity ratios

Liquidity ratios (current ratio, quick ratio) measure the ability to meet obligations as they become due, i.e. short-term solvency. Solvency ratios look at long-term ability to repay; activity ratios at efficiency; profitability ratios at earnings. (Answer as per the CBSE marking scheme.)

OR

Option II – Computerised Accounting

Encrypting data helps in:

(A) Processing data easily and keeping records

(B) Keeping the accounting reports secure

(C) Creating mnemonic codes

(D) Codification

ANSWER
(D) Codification

Encryption turns readable data into a coded form that only an authorised user with the key can turn back.
So encryption is essentially the codification of data; the official marking scheme gives (D) Codification.

OR

How many columns does an 'Excel 2006' worksheet have?

(A) 2056 **(B)** 256

(C) 275 **(D)** 26

ANSWER

(C) 275 (as per the official marking scheme)

The official CBSE marking scheme accepts (C) 275.

28. *Option I – Analysis of Financial Statements* **1**

Which of these transactions will affect a company's Gross Profit Ratio?

(i) Revenue from operations ₹1,00,000

(ii) Goods purchased ₹70,000

(iii) Goods costing ₹15,000 taken for personal use

(iv) Goods costing ₹50,000 sold for ₹60,000

(A) (iv)

(B) (i) and (ii)

(C) (ii) and (iii)

(D) (i) and (iii)

ANSWER

(A) (iv) only

GP ratio = Gross profit ÷ Revenue from operations × 100.

Selling goods costing 50,000 for 60,000 adds 60,000 to revenue and 10,000 to gross profit (16.67% margin) – this changes the existing ratio.

Purchases or goods withdrawn change purchases/closing stock but not the gross profit earned on sales, so the ratio is not affected (as per the marking scheme).

OR

Option II – Computerised Accounting

Which of these is not found on the Formulas tab of the Excel ribbon?

(A) Defined names

(B) Page layout

(C) Function library

(D) Calculation

ANSWER

(B) Page layout

The Formulas tab has the groups Function Library, Defined Names, Formula Auditing and Calculation. Page Layout is a separate ribbon tab.

29. *Option I – Analysis of Financial Statements* **1**

While preparing a Cash Flow Statement, purchase of marketable securities or short-term investments is not shown as a cash flow because:

(A) These are current assets
(B) These constitute cash equivalents
(C) These are intangible assets
(D) These are tangible assets

ANSWER
(B) They are cash equivalents

Highly liquid short-term investments (maturity of 3 months or less) are cash equivalents. Moving money from cash into cash equivalents is only a change within 'cash and cash equivalents', so it is not a cash flow.

OR

Which of the following is NOT a cash outflow from operating activities?

(A) Purchase of marketable securities
(B) Cash payment to suppliers of goods
(C) Payment of employee benefit expenses
(D) Payment of insurance premium

ANSWER
(A) Purchase of marketable securities

Paying suppliers, employees and insurance premium are routine operating outflows. Purchase of marketable securities is not an operating activity – such securities are investments/cash equivalents.

OR

Option II – Computerised Accounting

What error does Excel show when it does not recognise text in a formula (e.g. a misspelt function name)?

(A) Correct a # DIV/0! Error
(B) Correct a # N/A Error
(C) Correct a # Name Error
(D) Correct a # Null! Error

ANSWER
(C) #NAME? error

#NAME? appears when Excel does not recognise text in a formula. #DIV/0! = division by zero; #N/A = value not available; #NULL! = intersection of ranges that do not intersect.

30. *Option I – Analysis of Financial Statements* **1**

Statement I: For non-financial enterprises, interest and dividend received are financing activities.

Statement II: For financial enterprises, interest and dividend received are investing activities.

Choose the correct option.

(A) Both the Statements are true.

(B) Statement I is true and Statement II is false.

(C) Statement I is false and Statement II is true.

(D) Both the Statements are false.

ANSWER

(D) Both statements are false

Non-financial enterprise: interest/dividend received → investing activity (not financing). Financial enterprise: they are its main business → operating activity (not investing). So both statements are false.

OR

Option II – Computerised Accounting

The result produced by an arithmetic expression or a function is called a:

(A) Horizontal value

(B) Derived value

(C) Basic value

(D) Vertical value

ANSWER

(B) Derived value

A value typed directly into a cell is a basic (constant) value; a value that results from a formula, expression or function is a derived value.

OR

In VLOOKUP() and HLOOKUP(), which range_lookup value makes the function return only an exact match?

(A) False

(B) True

(C) Blank

(D) Zero

ANSWER

(A) FALSE

range_lookup = FALSE (or 0) forces an exact match; TRUE or omitted gives an approximate match (data must be sorted).

31. *Option I – Analysis of Financial Statements* **3**

Under Schedule III, Part I of the Companies Act, 2013, give the major head and sub-head (if any) in a company's balance sheet for: (i) Stores and spare parts (ii) Livestock (iii) Public deposits.

ANSWER

(i) Current Assets – Inventories (ii) Non-current Assets – PPE and Intangible Assets (iii) Non-current Liabilities – Long-term Borrowings

Item	Major head	Sub-head
Stores and spare parts	Current Assets	Inventories
Livestock	Non-current Assets	Property, Plant & Equipment and Intar
Public deposits	Non-current Liabilities	Long-term Borrowings

½ mark each for the major head and the sub-head.

OR

Option II – Computerised Accounting

Give any three advantages and any three limitations of a Computerised Accounting System.

ANSWER

Advantages: timely reports, efficient record keeping, better control (also economy, confidentiality). Limitations: fast obsolescence, data loss on power failure, hacking (also no unprogrammed reports).

Advantages (any three, ½ each):

1. Reports and information are generated quickly in the required format.
2. Records are kept efficiently and accurately.
3. Effective control over the accounting system.
4. Economical processing of accounting data.
5. Confidentiality of data through passwords.

Limitations (any three, ½ each):

1. Technology becomes obsolete fast, so fresh investment is needed often.
2. Data may be lost or corrupted due to power interruption or system failure.
3. Data is exposed to hacking.
4. Reports that are not programmed cannot be produced.

32. *Option I – Analysis of Financial Statements* **3**

Prepare a Comparative Balance Sheet of Royal Sugar Mills Ltd. from these figures (31-3-2025 vs 31-3-2024): Share capital ₹24,00,000 vs ₹20,00,000; Long-term borrowings ₹12,00,000 vs ₹10,00,000; Trade payables ₹6,00,000 vs ₹5,00,000; Total ₹42,00,000 vs ₹35,00,000. Property, plant & equipment and intangible assets ₹30,00,000 vs ₹25,00,000; Inventories ₹2,00,000 vs ₹4,00,000; Cash and cash equivalents ₹10,00,000 vs ₹6,00,000; Total ₹42,00,000 vs ₹35,00,000.

ANSWER

All equity & liability items and totals up 20%; PPE +20%; Inventories −50%; Cash +66.67%

% change = Absolute change ÷ Previous year × 100.

Particulars	2024	2025	Change	%
Share Capital	20,00,000	24,00,000	4,00,000	20
Long-term borrowings	10,00,000	12,00,000	2,00,000	20
Trade payables	5,00,000	6,00,000	1,00,000	20
Total	35,00,000	42,00,000	7,00,000	20
PPE & Intangibles	25,00,000	30,00,000	5,00,000	20
Inventories	4,00,000	2,00,000	(2,00,000)	(50)
Cash & cash equivalents	6,00,000	10,00,000	4,00,000	66.67
Total	35,00,000	42,00,000	7,00,000	20

Keep the I. Equity and Liabilities / II. Assets headings of Schedule III in the statement.

OR

Option II – Computerised Accounting

What is a radar chart? What is it used for?

ANSWER

A chart plotting several (3+) quantitative variables on axes from a common centre; used to compare highest and lowest values across series.

Meaning (2 marks): A radar chart plots data series on axes that start from a common central point; it shows multivariate data (three or more quantitative variables), and each data series gets its own colour or pattern, forming a web-like shape.

Purpose (1 mark): It is used to compare values – especially to spot the highest and lowest values – across several variables and series at a glance.

33. *Option I – Analysis of Financial Statements* **4**

Total assets ₹6,00,000; non-current liabilities ₹1,40,000; shareholders' funds ₹4,20,000; non-current assets ₹5,20,000. Calculate (i) Current ratio (ii) Debt to capital employed ratio.

ANSWER

(i) Current ratio = 2 : 1 (ii) Debt to capital employed = 0.25 : 1

(i) Current assets = Total assets − Non-current assets = 6,00,000 − 5,20,000 = ₹80,000
Current liabilities = Total (equity + liabilities) − Non-current liabilities − Shareholders' funds = 6,00,000 − 1,40,000 − 4,20,000 = ₹40,000
Current ratio = 80,000 ÷ 40,000 = 2 : 1
(ii) Debt = Non-current liabilities = ₹1,40,000
Capital employed = Shareholders' funds + Debt = 4,20,000 + 1,40,000 = ₹5,60,000 (or Non-current assets + Current assets − Current liabilities)
Debt to capital employed = 1,40,000 ÷ 5,60,000 = 0.25 : 1 (1 : 4)

OR

Long-term borrowings ₹8,00,000; other long-term liabilities ₹80,000; long-term provisions ₹1,20,000; share capital ₹24,00,000; reserves and surplus ₹6,00,000; non-current assets ₹36,00,000; current assets ₹14,00,000; current liabilities ₹10,00,000. Calculate (i) Debt-Equity ratio (ii) Total Assets to Debt ratio.

ANSWER

(i) Debt-Equity = 1 : 3 (0.33 : 1) (ii) Total assets to debt = 5 : 1

Debt (long-term) = 8,00,000 + 80,000 + 1,20,000 = ₹10,00,000
Equity = 24,00,000 + 6,00,000 = ₹30,00,000
(i) Debt-Equity = 10,00,000 ÷ 30,00,000 = 1 : 3 = 0.33 : 1
(ii) Total assets = 36,00,000 + 14,00,000 = ₹50,00,000
Total assets to debt = 50,00,000 ÷ 10,00,000 = 5 : 1
(The marking scheme also accepts debt taken as only borrowings + provisions = ₹9,20,000, giving 0.31 : 1 and 5.43 : 1.)

OR

Option II – Computerised Accounting

Explain any two ways in which a Computerised Accounting System keeps business data secret.

ANSWER

Password security; Data audit (also Data vault)

Any two, 2 marks each:
1. Password security – only authorised users can open the data; it protects integrity of data; passwords are stored in coded (encrypted) form; it is a widely used method.
2. Data audit – gives administrator rights to control access; prevents unauthorised access; helps audit and correct data; shows every entry with the user's name and the date/time of any change, so alterations can be traced.

3. Data vault – an extra layer of password protection for stored data; preserves the original information; its password is hard to break; some software also encrypts the data.

OR

Name the table that gives an interactive way to quickly summarise large amounts of data, and give any three reasons for which it is designed.

ANSWER

Pivot Table

Name: Pivot Table (1 mark).

It is designed for (any three, 1 mark each):

1. Querying large data in user-friendly ways.
2. Creating custom calculations and formulas on subtotals.
3. Expanding and collapsing levels of data to focus on results and drill into details.
4. Moving rows to columns and columns to rows (pivoting) to see different summaries.
5. Filtering, sorting, grouping and conditionally formatting the most useful subset of data.
6. Presenting concise, attractive and annotated online or printed reports.

34. *Option I – Analysis of Financial Statements* **6**

For the year ended 31st March 2025, Sona Ltd. made a profit of ₹4,00,000 after charging depreciation of ₹75,000 and transferring ₹1,50,000 to general reserve. Goodwill of ₹80,000 was written off. Machinery with book value ₹90,000 was sold for ₹95,000. Trade receivables rose by ₹40,000, trade payables rose by ₹30,000, prepaid expenses rose by ₹2,000 and outstanding wages fell by ₹20,000. Calculate cash flows from operating activities.

ANSWER

Cash flow from operating activities = ₹6,68,000

Net profit before tax = 4,00,000 + 1,50,000 (transfer to reserve) = ₹5,50,000

Particulars	₹
Net profit before tax	5,50,000
Add: Depreciation	75,000
Add: Goodwill written off	80,000
Less: Gain on sale of machinery	(5,000)
Operating profit before WC changes	7,00,000
Add: Increase in trade payables	30,000
Less: Increase in trade receivables	(40,000)
Less: Increase in prepaid expenses	(2,000)
Less: Decrease in outstanding wages	(20,000)
Cash from operating activities	6,68,000

Gain on sale of machinery (95,000 − 90,000) is an investing item, so it is removed from profit.

OR

Option II – Computerised Accounting

Explain the various options available for changing the alignment of text in cells.

ANSWER

Text layout (vertical alignment, text direction), Autofit, Internal margins (left/right/top/bottom, columns) – via Home > Alignment dialog

1. Text layout – Vertical alignment sets the vertical position of text (top/middle/bottom); Text direction sets the orientation (horizontal, rotated, stacked).
2. Autofit – 'resize shape to fit text' enlarges the cell/shape vertically so all text fits.
3. Internal margin – the gap between text and border, set separately as Left, Right, Top and Bottom; Columns sets the number of text columns and spacing.

Steps: select the range → Home tab → Alignment group (dialog launcher) → Alignment tab → choose Horizontal and Vertical alignment; optionally set an angle (orientation), Wrap text, Shrink to fit or Merge cells → OK.

— END —

Questions restated from the CBSE Class XII Board Examination 2026 (set 67/1/1) for practice. Reading passages and map items are described, not reproduced.