S R Study Material

SAMPLE PAPER 1

Class 12 - Accountancy

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

General Instructions:

1. This question paper contains 34 questions. All questions are compulsory.
2. This question paper is divided into two parts, Part A and B.
3. **Part - A is compulsory for all candidates**.
4. Part **-** B has two options i.e. **(i) Analysis of Financial Statements and (ii) Computerised Accounting**. Students must attempt only one of the given options.
5. Question 1 to 16 and 27 to 30 carries 1 mark each.
6. Questions 17 to 20, 31and 32 carries 3 marks each.
7. Questions from 21 ,22 and 33 carries 4 marks each
8. Questions from 23 to 26 and 34 carries 6 marks each
9. There is no overall choice. However, an internal choice has been provided in 7 questions of **one mark**, 2 questions of **three marks**, 1 question of **four marks** and 2 questions of **six marks**.

Part A:- Accounting for Partnership Firms and Companies

1. A and B share profits in the ratio of 2 : 1. C is admitted with $\frac{1}{4}$ share in profits. C acquires $\frac{3}{4}$ of his share from A and $\frac{1}{4}$ of his share from B. The new ratio will be: **[1]**

a) 3 : 1 : 1 b) 23 : 13 : 12

c) 13 : 23 : 12 d) 2 : 1 : 1

2. **Assertion (A):** Commission payable to the partner on Sales ORon the net profit of the firm, will be shown in Profit and Loss Appropriation Account. **[1]**

Reason (R): All appropriations are shown in the Profit and Loss Appropriation Account

a) Both A and R are true and R is the correct explanation of A.

b) Both A and R are true but R is not the correct explanation of A.

c) A is true but R is false.

d) A is false but R is true.

3. P Ltd. forfeited 150 shares of ₹ 10 each, issued at a premium of ₹ 2, for non-payment of the final call of ₹ 3. Out of these, 100 shares were re-issued at ₹ 11 per share. How much amount would be transferred to capital reserve? **[1]**

a) ₹ 300 b) ₹ 500

c) ₹ 700 d) ₹ 1,200

OR

At the time of issue of debentures, if amount is received in parts, Debentures Account is

a) credited by the issue price of the debentures

b) credited by the nominal (face) value of the debentures

c) credited by the amount called as Issue value

d) credited by the amount called as nominal (face) value

4. Ria and Surbhi were partners in a firm sharing profits and losses in the ratio of 3 : 2. With effect from 1st April, 2022, they agreed to share profits equally. The goodwill of the firm was valued at ₹ 3,00,000. The adjustment will be done by which of the following transaction? **[1]**

a) Debiting Ria's account by ₹ 3,000 and crediting Surbhi's account by ₹ 3,000.

b) Debiting Ria's account by ₹ 30,000 and crediting Surbhi's account by ₹ 30,000.

c) Debiting Surbhi's account by ₹ 30,000 and crediting Ria's account by ₹ 30,000.

d) Debiting Surbhi's account by ₹ 3,000 and crediting Ria's account by ₹ 3,000.

OR

Which of the following is not an importance of partnership deed?

a) It can be used as an evidence

b) It avoids disputes/conflicts/misunderstandings among the partners

c) Registration of partnership business is mandatory

d) It helps in smooth functioning of the business

5. Match the following: **[1]**

Column I	**Column II**
(i) Interest on capital	(a) 50
(ii) Interest on drawings	(b) Written Agreement
(iii) Partnership deed	(c) Will be charged irrespective of Profit OR loss
(iv) Maximum number of partners	(d) Will not be allowed in case of loss

a) (i) - (d), (ii) - (a), (iii) - (b), (iv) - (c)

b) (i) - (d), (ii) - (c), (iii) - (b), (iv) - (a)

c) (i) - (d), (ii) - (b), (iii) - (c), (iv) - (a)

d) (i) - (d), (ii) - (c), (iii) - (a), (iv) - (b)

6. Ram Ltd. issued 80,000, 10% Debentures of ₹ 100 each at certain rate of discount and were to be redeemed at 20% premium. Existing balance of Securities Premium before issuing of these debentures was ₹ 25,00,000 and after writing off Loss on Issue of Debentures, the balance in Securities Premium was ₹ 5,00,000. At what rate of discount, these debentures were issued? **[1]**

a) 15%

b) 5%

c) 10%

d) 25%

OR

What journal entry will be passed when purchase consideration is equal to net assets while purchasing business from vendor:

a)

Sundry Assets A/c	Dr.
To Sundry Liabilities A/c	

b)

Capital Reserve A/c	Dr.
To Vendor's A/c	

To Vendor's A/c	

c)

Sundry Assets A/c	Dr.
Goodwill A/c	Dr.
To Vendor's A/c	

d)

Sundry Assets A/c	Dr.
To Capital Reserve A/c	
To Vendor's A/c	

7. **Assertion (A)**:Tara Ltd. gave shares worth 1,50,000 to the vendor from whom they bought a machinery. **[1]**
Reason (R): The company can issue shares as against the payment to the vendors.

a) Both A and R are true and R is the correct explanation of A.
b) Both A and R are true but R is not the correct explanation of A.
c) A is true but R is false.
d) A is false but R is true.

8. At the time of retirement of a partner, Goodwill existing in the Balance Sheet is written off by passing the following Journal entry: **[1]**

a)

Continuing Partners' Capital A/c	Dr.
To Goodwill A/c	

b)

Retiring Partners' Capital A/c	Dr.
To Goodwill A/c	

c)

Goodwill A/c	Dr.
To Partners' Capital A/cs (including Retiring Partner)	

d)

Partners' Capital A/c	Dr.
(including retiring Partner)	
To Goodwill A/c	

OR

X, Y and Z are partners sharing profits in the ratio of 3 : 3 : 2. As per the partnership agreement, Z is to get a minimum amount of ₹ 80,000 as his share of profits every year and any deficiency on this account is to be personally borne by X. The net profit for the year ended 31st March, 2020 amounted to ₹ 3,12,000. What will be the amount of deficiency to be borne by X?

a) ₹ 8,000
b) ₹ 1,000
c) ₹ 4,000
d) ₹ 2,000

Question No. 9 to 10 are based on the given text. Read the text carefully and answer the questions: **[2]**

Mohit, Dev and Sumit are equal partners with capitals of ₹ 5,00,000, ₹ 3,00,000 and ₹ 2,00,000 respectively. Mohit withdrew ₹ 60,000 in the beginning of each quarter for the year ended 31st March, 2020. Dev withdrew ₹ 60,000 at the end of each quarter for the year ended 31st March, 2020. Sumit withdrew ₹ 90,000 in the middle of each quarter for the year ended 31st March, 2020. Interest on drawings is charged @ 10% p.a.

9. What is the total amount of drawings of all the partners?

a) ₹ 9,00,000
b) ₹ 8,60,000
c) ₹ 9,20,000
d) ₹ 8,40,000

10. What is the average period of Dev's drawings?

a) 6 months
b) 12 months
c) 7.5 months
d) 4.5 months

11. Where a partner is entitled to interest on capital contributed by him, such interest will be payable: **[1]**

a) only out of reserves

b) only out of profit

c) only out of profit and only out of capital

d) only out of capital

12. Kali Ltd. issued 6,000 equity shares of ₹ 10 each at 10% premium. The issue was fully subscribed. Amount per share was payable as follows: **[1]**
On application ₹ 3, on allotment ₹ 3 (including premium), On first call ₹ 3 and on final call ₹ 2. A, a holder of 200 shares paid the entire money along with allotment. The amount received on allotment will be ________.

a) ₹ 19,000

b) ₹ 18,000

c) ₹ 21,000

d) ₹ 25,000

13. Gaurav Ltd. Invited application for 50,000 equity share @ 10 each at a premium of 20% payable as ₹ 6 on application and ₹ 6 on allotment (including premium). Application were received for 90,000 equity share and allotment was made as follows: **[1]**

- Applied 40,000 - Allotted 10,000 (Category 1)
- Applied 50,000 - Allotted 40,000 (Category 2)

Mr. Shyam to whom 1000 shares allotted in category 2 failed to pay the allotment money. Calculate net allotment money not paid by Mr. Shyam:

a) 1,500

b) 6,000

c) 4,500

d) 7,500

14. Balance Sheet of Sonu and Sonia as on 31st March 2021. **[1]**

Liabilities	**Amount**	**Assets**	**Amount**
Capital A/cs: Sonu	2,00,000	Non-current Assets	6,00,000
Sonia	2,00,000	Current Assets	1,40,000
Current A/cs: Sonu	20,000		
Sonia	20,000		
General Reserve	3,00,000		
	7,40,000		7,40,000

Drawings made by the partners during the year were ₹ 10,000 and ₹ 8,000. Profit during the year was ₹ 4,50,000 out of which 3,00,000 was transferred to the General Reserve. After closing the accounts, it was noticed that interest on capital @6% p.a. for the year was not provided.
Interest on capital of Sonu and Sonia will be:

a) Sonu 8,100 and Sonia 7,980

b) Sonu 12,000 and Sonia 12,000

c) No interest on capital due to negative capital

d) Sonu 12,000 and Sonia 10,000

15. Match the followings: **[1]**
X and Y are partners sharing profit in the ratio of 3 : 2 with a capital of ₹ 2,00,000 each. They admitted Z as a new partner and new profit sharing ratio between X, Y and Z decided 2 : 2 : 1. Z has paid ₹ 1,20,000 for his capital and ₹ 60,000 as premium for goodwill.
Find out the capital balance of each partner:

(a) Goodwill brought by Z is retained in the business	(i) X = 2,30,000; Y = 1,80,000; Z =

	1,20,000
(b) 30% of the premium for goodwill withdrawn by sacrificing partners	(ii) X = 2,18,000; Y = 2,00,000; Z = 1,20,000
(c) Goodwill already appeared in the books amounting to ₹ 50,000	(iii) X = 2,60,000; Y = 2,00,000; Z = 1,20,000
(d) 70% of the premium for goodwill withdrawn by sacrificing partners	(iv) X = 2,42,000; Y = 2,00,000; Z = 1,20,000

a) (a) - (iii), (b) - (iv), (c) - (i), (d) - (ii)
b) (a) - (iii), (b) - (i), (c) - (iv), (d) - (ii)
c) (a) - (ii), (b) - (iii), (c) - (iv), (d) - (i)
d) (a) - (ii), (b) - (iii), (c) - (i), (d) - (iv)

OR

X and Y are partners sharing profits in the ratio of 3 : 1. They admit Z as a partner who pays ₹ 4,000 as goodwill, the new profit sharing ratio being 2 : 1 : 1 among X, Y and Z. The amount of goodwill will be credited to:

a) X and Y as ₹ 3,000 and ₹ 1,000
b) ₹ 2,000 each
c) only Y
d) only X

16. A and B share profits and losses in the ration of 5:2. They have decided to dissolve the firm. Assets and external liabilities have been transferred to Realisation A/c. An unrecorded Stock worth Rs 1,600 was taken over by B at Rs 1,200. What should be the journal entry? **[1]**

a)

B's Capital A/c	Dr.	1,200	
To Realisation A/c			1,200

b)

B's Capital A/c	Dr.	200	
To Realisation A/c			200

c)

B's Capital A/c	Dr.	1,600	
To Realisation A/c			1,600

d)

B's Capital A/c	Dr.	400	
To Realisation A/c			400

17. Vishal, Aakash and Rohit are partners in a firm sharing profits in the ratio of 5 : 3 : 2. They decided to share profits, in the ratio of 2 : 3 : 5 w.e.f, 1st April, 2023. On the date of change in profit-sharing ratio, the firm had balance in General Reserve of ₹ 1,00,000. It was agreed by the partners that out of General Reserve ₹ 50,000 be transferred to Workmen Compensation Reserve to meet a claim of workers, if any. Pass the Journal entry for distributing General Reserve on change in profit-sharing ratio. **[3]**

18. X and Y were sharing profits in the ratio of 2 : 1. On 1st April, 2022 they admitted Z for $\frac{1}{4}$th share in the profits. Z is guaranteed a minimum profit of ₹ 1,00,000 for the year. Any deficiency in Z's share is to be borne by X and Y in the ratio of 3 : 2. Losses for the year ending 31st March, 2023 amounted to ₹ 1,20,000. Record necessary entries. **[3]**

OR

Amit, Babu and Charu set up a partnership firm on April 1, 2019. They contributed ₹ 50,000, ₹ 40,000 and ₹ 30,000, respectively as their capitals and agreed to share profits and losses in the ratio of 3 : 2 : 1. Amit is to be paid a salary of ₹ 1,000 per month and Babu, a Commission of ₹ 5,000. It is also provided that interest to be allowed on capital at 6% p.a. The drawings for the year were Amit ₹ 6,000, Babu ₹ 4,000 and Charu ₹ 2,000. Interest on drawings of ₹ 270 was charged on Amit's drawings, ₹ 180 on Babu's drawings and ₹ 90, on Charu's drawings. The net profit as per Profit and Loss Account for the year ending March 31, 2020 was ₹ 35,660. Prepare the Profit and Loss Appropriation Account to show the distribution of profit among the partners.

19. D. K. Limited obtained a loan of ₹ 10,00,000 from State Bank of India @ 9 % interest. The company issued ₹ 15,00,000 9% debentures of ₹ 100 each, in favour of State Bank of India as collateral security. Pass necessary Journal entries for the above transactions: **[3]**

i. When company decided not to record the issue of 9% Debentures as collateral security.
ii. When company decided to record the issue of 9% Debentures as collateral security.

OR

Bansal Heavy Machine Ltd. purchased machine worth ₹ 3,80,000 from Handa Trader. Payment was made as ₹ 50,000 cash and remaining amount by issue of equity shares of the face value of ₹ 100 each fully paid at an issue price of ₹ 110 each.

Give journal entries to record the above transaction.

20. What is the need for the valuation of Goodwill in case of partnership? **[3]**

21. Mansa Co. issued 50,000 shares of ₹ 10 each payable as follows: **[4]**

On Application;	₹ 3
On Allotment;	₹ 3
On First Call;	₹ 2
On Final Call.	₹ 2

All the shares were subscribed and allotted. Give Journal entries and show the Share Capital in the Balance Sheet assuming that all sums have been duly received. Expenses on issue of shares amounted to ₹ 10,000.

22. Gaurav, Saurabh and Vaibhav were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. They decided to dissolve the firm on 31st March, 2018. After transferring Sundry assets (other than cash in hand and cash at Bank) and third party liabilities to realisation account, the assets were realized and liabilities were paid off as follows: **[4]**

i. A machinery with a book value of ₹ 6,00,000 was taken over by Gaurav at 50% and stock worth ₹ 5,000 was taken over by a creditor of ₹ 9,000 in full settlement of his claim.
ii. Land and building (book value ₹ 3,00,000) was sold for ₹ 4,00,000 through a broker who charged 2% commission.
iii. The remaining creditors were paid ₹ 76,000 in full settlement of their claim and the remaining assets were taken over by Vaibhav for ₹ 17,000.
iv. Bank loan of ₹ 3,00,000 was paid along with interest of ₹ 21,000.

Pass necessary journal entries for the above transactions in the books of the firm.

23. Unique Pictures Limited was registered with an authorised capital of ₹ 5,00,000 divided into 20,000, 5% preference shares of ₹ 10 each and 30,000 equity shares of ₹ 10 each. The company issued 10,000 preference and 15,000 equity shares for public subscription. Calls on shares were made as under **[6]**

	Equity Shares (₹)	**Preference Shares (₹)**
Application	2	2
Allotment	2	3

First Call	2.50	2.50
Second and Final Call	2.50	2.50

All these shares were fully subscribed. All the dues were received except the second and final call on 100 equity shares and on 200 preference shares. Record these transactions in the journal. You are also required to prepare the cash book and balance sheet.

OR

Krishna Ltd. invited applications for 50,000 shares of ₹ 10 each. Payments were to be made as follows - ₹ 3 on Application; ₹ 3 on Allotment; ₹ 2 on First call and ₹ 2 on Final call.
All the shares were applied. You are required to prepare Journal Entries, Ledger Accounts and show the Share Capital in the Balance Sheet of the company assuming that all sums due on Allotment and Calls have been received. Share Issue expenses amounted to ₹ 20,000. 4,000 fully paid shares were also issued to Promoters for their services.

24. M and N are partners in 5:3. **[6]**

Balance Sheet of M and N as at 31st March, 2021

Liabilities		Rs.	Assets	Rs.
Creditors		4000	Stock	8000
B/P		2000	Debtors	7200
Capital A/cs:			Bank	500
M	12000		Cash	300
N	10000	22000	Machinery	12000
		28000		**28000**

On the above date , R is admitted as a partner on the following terms:

a. New ratio of M, N and R will be 7:5:4 respectively.
b. R shall bring in Rs. 8000 as capital and Rs. 4000 as goodwill.
c. M and N will withdraw half of the goodwill in cash.
d. Machinery is to be valued at Rs. 15000; Stock at Rs. 10000 and a Provision for doubtful debts is to be created Rs. 1000.
e. Unrecorded Outstanding Salaries is to be recorded Rs. 2000.

Prepare Revaluation Account, Partner's Capital Account and Balance Sheet of the new firm.

OR

Ankush, Bhuvesh and Mukul were partners in a firm sharing profits in the proportion of $\frac{1}{2}$, $\frac{1}{3}$ and $\frac{1}{6}$ respectively. Mukul retired on 1st April, 2023. The balance sheet of the firm on the date of Mukul's retirement was as follows:

BALANCE SHEET

as on 1st April, 2023

Liabilities	**(₹)**	**Assets**		**(₹)**
Sundry Creditors	12,600	Bank		4,100
Employee's Provident Fund	3,000	Debtors	30,000	
General Reserve	9,000	*Less*: Provision for Doubtful Debts	(1,000)	29,000

Capital A/c's			Stock		25,000
Ankush	40,000		Investments		10,000
Bhuvesh	36,500		Patents		5,000
Mukul	20,000	96,500	Machinery		48,000
		1,21,100			**1,21,100**

It was agreed that:

i. Goodwill will be valued at ₹ 27,000.
ii. Depreciation of 10% was to be provided on machinery.
iii. Patents were to be reduced by 20%.
iv. An old photocopier previously written off was sold for ₹ 600
v. Mukul took over investments for ₹ 15,800.
vi. Ankush and Bhuvesh decided to adjust their capitals in proportion of their profit sharing ratio by opening current accounts.

Prepare revaluation account and partners' capital accounts on Mukul's retirement.

25. J, H and K were partners in a firm sharing profits in the ratio of 5 : 3 : 2. On 31st March, 2015 their balance sheet was as follows **[6]**

Balance Sheet

as on 31st March, 2015

Liabilities		**Amount (Rs)**	**Assets**		**Amount (Rs)**
Creditors		42,000	Land and Building		1,24,000
Investment Fluctuation Fund		20,000	Motor Vans		40,000
Profit and Loss A/c		80,000	Investments		38,000
Capital A/cs			Machinery		24,000
J	1,00,000		Stock		30,000
H	80,000		Debtors	80,000	
K	40,000	2,20,000	(-) Provision for Doubtful Debts	(6,000)	74,000
			Cash		32,000
		3,62,000 =======			**3,62,000** ========

On the above date, H retired and J and K agreed to continue the business on the following terms

i. Goodwill of the firm was valued at Rs 1,02,000.
ii. There was a claim of Rs 8,000 for workmen's compensation.
iii. Provision for bad debts was to be reduced by Rs 2,000.
iv. H will be paid Rs 14,000 in cash and the balance will be transferred in his loan account which will be paid in four equal yearly instalments together with interest @ 10% per annum.

v. The new profit sharing ratio between J and K will be 3 : 2 and their capitals will be in their new profit sharing ratio. The capital adjustments will be done by opening current accounts.

Prepare revaluation account, partners’ capital accounts and balance sheet of the new firm.

26. Ravi Ltd. issued 5,000, 12% Debentures of ₹ 100 each, payable as follows: **[6]**

₹ 10 on application, ₹ 15 on allotment, ₹ 30 on first call and ₹ 45 on second and final call. A person who holds 400 debentures paid the amount of first and second calls with the allotment. Another person who is holding 100 debentures failed to pay the amount due on allotment. He, however, pays this amount along with the first call money. Pass entries.

Part B :- Analysis of Financial Statements

27. Internal analysis is done by **[1]**

a) Management b) Creditors

c) Shareholders d) Bankers

OR

Provision for Tax appears in a Company’s Balance Sheet under the Sub-head ________.

a) Long-term Provisions b) Short-term Provisions

c) Other Current Liabilities d) Reserves and Surplus

28. Ratios provide a ________ measure of a company’s performance and condition. **[1]**

a) Definitive b) Qualitative

c) Relative d) Gross

29. Which of the following transactions would result in inflow of cash and cash equivalents: **[1]**

a) Issue of bonus shares ₹ 5,00,000 b) Furniture costing ₹ 80,000 sold for ₹ 75,000

c) Payment to trade payables ₹ 15,000 d) Provided depreciation on fixed assets ₹ 11,000

OR

Under which type of activity will you classify the sale of shares of another company while preparing cash flow statement?

a) Financing Activity b) Investing and Financing

c) Operating Activity d) Investing Activity

30. How will you classify loans given by Tata Finance Company? **[1]**

a) Cash Flow from Operating Activities b) Cash Flow from Investing Activities

c) Cash Flow from Financing Activities d) No Cash Flow

31. Calculate Revenue from Operations, Other Income and Total Revenue for a financial company from the following information: **[3]**

Miscellaneous Income ₹ 5,000; Interest on Loans ₹ 8,00,000; Dividend ₹ 1,00,000; Gain (Profit) on Sale of Building ₹ 15,00,000.

32. Calculate Operating Profit Ratio in the following cases: **[3]**

Case 1: Revenue from Operations (Net Sales) ₹ 5,00,000, Operating Profit ₹ 75,000.

Case 2: Revenue from Operations (Net Sales) ₹ 6,00,000, Operating Cost ₹ 5,20,000.

Case 3: Revenue from Operations (Net Sales) ₹ 7,20,000, Gross Profit ratio 20%, Operating Expenses ₹ 36,000.

33. From the following Balance Sheet of DELL Ltd. as at 31st March, 2023, prepare Comparative Balance Sheet: **[4]**

Particulars	**Note No.**	**31st March, 2023 (₹)**	**31st March, 2022 (₹)**
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital:			
(i) Equity Share Capital		12,50,000	5,00,000
(ii) Preference Share Capital		2,50,000	2,50,000
(b) Reserves and Surplus		3,00,000	4,50,000
2. Non-Current Liabilities			
Long-term Borrowings: 12% Debentures		9,50,000	5,50,000
Loan from Directors		2,50,000	2,00,000
3. Current Liabilities			
(a) Short-term Borrowings		3,50,000	1,75,000
(b) Trade Payables		2,00,000	1,00,000
(c) Short-term Provisions		50,000	25,000
Total		**36,00,000**	**22,50,000**
II. ASSETS **1. Non-Current Assets**			
Property, Plant and Equipment and Intangible Assets: Property, Plant and Equipment		22,50,000	15,00,000
2. Current Assets			
(a) Inventories		4,50,000	2,50,000
(b) Trade Receivables		8,00,000	4,50,000
(c) Cash and Cash Equivalents		1,00,000	50,000
Total		**36,00,000**	**22,50,000**

OR

Following information is extracted from the statement of profit and loss of Delko Ltd. for the year ended 31st March, 2019:

Particulars	**2018 - 19 (₹)**	**2017 - 18 (₹)**
Revenue from operations	₹ 60,00,000	₹ 45,00,000
Employee benefit expenses	₹ 30,00,000	₹ 22,50,000

Depreciation	₹ 7,50,000	₹ 6,00,000
Other expenses	₹ 15,50,000	₹ 10,00,000
Tax rate 50%		

Prepare a comparative statement of profit and loss.

34. From the following Balance Sheet of Vehalna Steel Ltd. as at 31st March 2017 and 31st March 2016. Prepare Cash Flow Statement: **[6]**

Particulars	**Note No.**	**31st March 2017**	**31st March 2016**
I EQUITY AND LIABILITY			
Share holders fund			
Share Capital	1	700000	500000
Reserves and surplus	2	250000	325000
Non Current Liabilities			
Long Term Borrowings	3	200000	250000
Current Liabilties			
Short Term Provisions	4	74000	49000
		1224000	1124000
Assets			
Non Current asset			
Fixed Asset			
MAchinery		500000	300000
Non current investments		200000	140000
Current asset			
Invesntories		150000	200000
Trade receivables		204000	174000
Cash		170000	310000
		1224000	1124000

Share capital		
Equity Share capital	600000	300000
12% preferance share capital	100000	200000
	700000	500000
Reserve and surplus		
General Reserve	135000	375000
Surplus	115000	-50000

Long Term Borrowings		
9% Debenturs	200000	250000
Short Term Provisions		
Proposed Dividend	24000	24000
Provision for Tax	50000	25000
	74000	49000

Additional Information

i. Machinery Costing 100000 on which Depreciation charged was 70000 was sold at a profit of 20% on book value. dep charged during the year amounted to 70000.
ii. Preference shares redeemed at par on 31st march 2017
iii. Debentures were redeeemed on Jan 1 , 2017 and equity shares were issued on april 1,2016
iv. Income tax 45000 was provided
v. Non current investments costing 60000 were sold at a profit of 20%
vi. The company declares and paid interim dividend on equity shares 40 per share out of generl reserve. It did not propose final dividend on equity shares.