FIRST PRE BOARD – 2022-23

SUBJECT: ACCOUNTANCY(055)

CLASS XII

TIME ALLOWED : 3 HRS MAX. MAKS- 80

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**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. Question 1 to 16 and 27 to 30 carries 1 mark each.

4. Questions 17 to 20, 31and 32 carries 3marks each.

5. Questions from 21,22 and 33 carries 4marks each

6. Questions from 23 to 26 and 34 carries 6marks each

7.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 sixmarks.

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**Part A : Accounting for Partnership firms and Companies**

1. AandBarepartnersintheratioof3:1.Cwasadmittedfor1/5thshareandhecouldnotbringhisshareofgoodwill.GoodwillofthefirmisvaluedatRs..1,00,000. Journal entry to be recorded for premium of goodwill will be :-

|  |  |  |  |
| --- | --- | --- | --- |
| a). | PremiumforGoodwillA/c Dr | 1,00,000 |  |
|  | ToA’sCapitalA/c |  | 75.000 |
|  | ToB’sCapitalA/c |  | 25.000 |
| b). | C’sCurrentA/c Dr | 1,00,000 |  |
|  | ToA’sCapitalA/c |  | 75.000 |
|  | ToB’sCapitalA/c |  | 25.000 |
| c). | C’sCurrentA/c Dr | 20,000 |  |
|  | ToA’sCapitalA/c |  | 10.000 |
|  | ToB’sCapitalA/c |  | 10.000 |
| d). | C’sCurrentA/c Dr | 20.000 |  |
|  | ToA’sCapitalA/c |  | 15.000 |
|  | ToB’sCapitalA/c |  | 5.000 |

(1)

**2. Assertion (A):** it is right of the new partner on the firm’s Assets and Liabilities.**Reason (R):** Old partners of the firm sacrifice some profit according to the new profit sharing ratio in favour ofincoming partner.

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. (1)

3. Excellent Ltd. company forfeited 1,000 shares of Rs. 10 each, Rs. 7 being called up for non- payment of Rs. 2 on first call. All these shares were reissued at Rs. 5 per share. What amount will be debited to share forfeiture account ?

a)Rs2,000 b)Rs5,000

c)Rs7,000 d)Rs10,000 (1)

**OR**

While issuing \_\_\_\_\_\_\_\_\_\_\_ type of Debentures, company doesn’t give any

undertaking for the repayment of money borrowed by issuing such

debentures.

a) Zero Coupon Rate Debentures b) Non-Convertible Debentures

c) Secured Debentures d) Non-Redeemable Debentures

4. Mr. Aditya, a partner withdrew Rs.5,000 in the beginning of each quarter @ 8% p.a.

interest on drawings for the year ended 31st March 2022.

a) Rs. 600 b) Rs. 1,000

c) Rs. 1,200 d) Rs. 2,000 (1)

**OR**

ApartnerwithdrewRs.4,000permonthfrom1stJuly,2021,in thebeginningofevery month and

interest on drawings was calculated asRs.1,500at the end of accounting year 31

March 2022. What is the rate of interest on drawings charged?

a) 6% p.a.

b) 8% p.a.

c) 10% p.a.

d) 12% p.a.

5. Capital employed by a partnership firm is Rs 10,00,000. Its average profit is Rs1,20,000. The normal rate of return in similar type of business is 10%. What is theamount ofsuperprofit ?

a)Rs12,000 b)Rs20,000

c)Rs1,00,000 d)Rs1,12,000 (1)

6. A Limited issued 30,000; 11% Debentures of Rs. 100 each issued at a premium of 20% redeemable at a premium of 5%redeemable after 5 years. Calculate the amount payable as premium on redemption of debentures?

a) 1,50,000 b) 6,00,000

c) 7,50,000 d) 4,00,000 (1)

**OR**

Amar Ltd. issued 30,000, 10% Debentures of Rs.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 wasRs.12,00,000 and after writing off Loss on Issue of Debentures, the balance in Securities Premium wasRs.3,00,000. At what rate of discount, these debentures were issued?

a) 10% b) 5%

c) 25% d) 15%

7. If applicants for 60,000 shares were allotted 45,000 shares on pro rata basis, the shareholder who was allotted 900 shares must have applied for :-  
 a). 900 Shares  
b).1,200 Shares  
c).1,600 Shares  
d). 1,800 Shares (1)

8. A,BandCwerepartnersinafirmsharingprofitandlossesintheratioof3:2:1. C retires , on that date Workmen Compensation Reserve stood in the Balance Sheet at Rs. 60.000. Workmen Compensation claim was Rs.70,000. How much share of Workmen Compensation Reserve will be credited to C’s Capital Account ?

a)Rs10,000 b)Rs3,333

c)Nil d)Rs1,667 (1)

**OR**

P,QandRwerepartnerssharingprofitandlossesintheratioof2:2:1.Booksare closed on 31st March every year. R dies on 5th November, 2021. Under thepartnershipdeed,theexecutorsofthedeceasedpartnerareentitledtohisshareofprofittothedateofdeath,calculateonthebasisoflastyear’sprofit.Profit fortheyearended31stMarch,2022wasRs.2,40,000.R’sshareofprofitwillbe:

a) Rs.28,000 b) Rs.32,000

c) Rs.28,800 d) Rs.48,000

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

X, Y and Z who are sharing profits in the ratio of 5:3:2, decide to share profits in the ratio of 2:3:5 with effect from 1stApril, 2022. Workmen Compensation Reserve appears atRs.1,20,000 in the Balance Sheet as at 31st March, 2022.

9. Workmen Compensation Claim is estimated atRs.1,50,000

.a) Shown on Liability side of the Balance SheetRs.1,50,000

b) Credited to Partners Capital A/cRs.1,20,000

c) Debited to Revaluation A/cRs.1,50,000

d) Credited to Revaluation A/cRs.1,20,000 (1)

10. Workmen Compensation Claim is estimated atRs.80,000

.a) Credited to Partners Capital A/cRs.40,000

b) Credited to Revaluation A/cRs.1,20,000

c) Shown on Liability side of the Balance SheetRs.1,20,000

d) Debited to Revaluation A/cRs.80,000 (1)

11. X, Y and Z are partners in a firm sharing profits and losses in the ratio of 6: 4 :1.X

guaranteed a profit of Rs. 15,000 to Z. The net profit for the year ended 31st March 2022 was Rs. 99,000. X’s share in the profit of the firm will be:-

a) Rs. 30,000 b) Rs. 15,000

c) Rs. 48,000 d) Rs. 24,000 (1)

12. Sincere Ltd, issued a prospectus inviting applications for 30,000 shares of Rs.10

each payable Rs.2 on application,Rs.5 on allotment and balance on call. Public

had applied for certain number of shares and application money was received.

Which of the following application money, if received restricts the company to

proceed with the allotment of shares, as per SEBI guidelines?

a)Rs.54,000 b)Rs.50,000

c)Rs.60,000d)Rs.56,000 (1)

13. XandYarepartnersinafirmwithcapitalofRs.1,80,000andRs.2,00,000.Zwasadmittedfor1/3rdshareinprofitandbringsRs.3,40,000ascapital.Calculatetheamountofgoodwill.

a)Rs.2,40,000 b)Rs.1,00,000

c)Rs.1,50,000 d)Rs.3,00,000 (1)

14. On 31st March 2022, closing capital of A, B and C showed a balance of Rs. 20,000, Rs.18,000 and Rs.12,000 respectively. The profit for the year ended was Rs.36,000 and partners drawings had been A Rs.3,600, B Rs.4,500 and CRs.2,700. Calculate opening capital.

a) A= Rs.8,600, B= Rs.10,500 and C= Rs.8,700

b) A= Rs.7,600, B= Rs.11,500 and C= Rs.8200

c) A= Rs.11,600, B= Rs.10,500 and C= Rs.2,700

d) A= Rs.9,500, B= Rs.5,500 and C= Rs.5,600 (1)

**OR**

A,BandCsharingprofitsintheratioof2:2:1havefixedcapitalsofRs.3,00,000,Rs.2,00,000andRs.1,00,000respectively.Afterclosingtheaccountsfortheyearending31stMarch2022 itwasdiscoveredthatinterestoncapitalswasprovided@12% p.a. insteadof10%p.a.Intheadjustingentry:

a). Cr.ARs.1,200;Dr.BRs.800andDr.CRs.400

b). Dr.ARs.1,200;Cr.BRs.800andCr.CRs.400

c).Cr.ARs.800;Cr.BRs.400andDr.CRs.1,200

d). Dr.ARs.800;Dr.BRs.400andCr.CRs.1,200

15. As per Companies Act 2013, Securities Premium Balance can be utilised for

which of the following purpose?

a) Issuing bonus to existing shareholders to convert partly paid up into fully paid-up

bonus shares.

b) Providing for Premium payable on Redemption of Debentures.

c) Writing off all Capitalised Expenditures

d) Buy Back of Debentures (1)

16. If Sundry assets of Rs. 2,00,000 and Sundry liabilities of Rs. 40,000 are transferred to Realisation Account . If amount realized on sale of assets is Rs. 1,75,000 and realization expenses of Rs. 2,000 were paid. Profit or loss of the firm on realization will be :-

a) Profit Rs. 27,000 b) Loss Rs. 27,000

c) Profit Rs. 30,000 d) Loss Rs. 12,000 (1)

17.Udit, Sonuand Shreya were partners in a firm sharing profits and losses in

the 4:3:1. Books were closed on 31st March every year. Udit died on 1stJuly, 2022.

As per the terms of partnership deed Udit's executors are entitled to

her share of profit till the date of death on the basis of Sales turnover. Sales for

the year ended 31st March 2022 was Rs 10,00,000 and profit for the same year

wasRs. 1,20,000. Sales show a positive trend of 20% and percentage of profit

earning is reduced by 2%.

Journalise the transaction along with the working notes. (3)

18. Pratap, Ravi and Shyam are partners in a firm sharing profits and losses in the ratio 5:3:2. Shyam is given a guaranteed profit of Rs. 30,000 irrespective of his actual share. Any deficiency due to this arrangement is borne by Pratap and Ravi equally. During the year 2021-22, the net profit of the firm was Rs. 1,40,000. Show the distribution of profit among the partners (3)

**OR**

Kashyap, Bharadwaj and Vishwamitra are partners in a firm sharing profits and losses in the ratio 3:3:2. On 1st April 2021 their capital balances stood at Rs. 90,000 Rs. 80,000 and Rs. 70,000 respectively. The partnership deed provides interest on capital at 12% p.a. During the year 2021-22, the Net Profit of the firm was Rs. 1,20,000 distributed equally among the partners without providing interest on capital. You are required to pass an adjustment journal entry to rectify the errors. Show your working clearly..

19. Vaibhav Ltd took over assets of Rs 8,40,000 and liabilities of Rs.80,000 of Nikhil Ltd at an agreed value of Rs.7,20,000. Vaibhav Ltd paid to Nikhil Ltd by issue of 9% Debentures of Rs.100 each at a premium of 20%.Pass the necessary journal entries to record the above transactions in the books of Vaibhav Ltd. (3)

**OR**

R Ltd. purchased a running business from P Ltd for a sum of Rs.12,00,000 payable by

|  |  |  |
| --- | --- | --- |
| issue of equity shares of Rs.10 each at a premium of Rs. 2 per share. | |  |
| The Assets and liabilities were following: | |  |
| Plant | 4,00,000 |  |
| Furniture | 2,00,000 |  |
| Building | 4,00,000 |  |
| Stock | 3,00,000 |  |
| Sundry Creditors | 1,00,000 |  |
| Record necessary Journal entries in the books of R Ltd. | |

20. A, B and C are partners sharing profits and losses in the

ratio of 3:2:1. With effect from 1st April, 2022 they agree to share profits

equally. For this purpose, goodwill is to be valued at two year’s purchase of the

average profit of last four years which were as follows:

Year ending on 31st March,2019 Rs. 50,000 (Profit)

Year ending on 31st March,2020 Rs. 1,20,000 (Profit)

Year ending on 31st March,2021 Rs. 1,80,000 (Profit)

Year ending on 31st March,2022 Rs. 70,000 (Loss)

On 1st April, 2021 a Motor Bike costing Rs. 50,000 was purchased and debited to

travelling expenses account, on which depreciation is to be charged @ 20% p.a

by Straight Line Method. The firm also paid an annual insurance premium of Rs.

20,000 which had already been charged to Profit and Loss Account for all the

years.

Journalise the transaction along with the working notes. (3)

21. On 1st April 2022, Apurva Ltd was registered with share capital of Rs 10,00,000 divided into 1,00,000 equity shares of Rs10 each. The company issued prospectus inviting applicants for 90,000 Equity shares. The company received applications for 85000 shares. During the first year, Rs 8 per share was called. Raman holding 1000 shares and Aman holding 2000 shares did not pay first call of Rs 2 per share. Aman’s shares were forfeited and later on 1500 shares were reissued at Rs 6 per share, 8 called up. Show how ‘Share capital’ will be disclosed in the balance sheet as per schedule III of Companies act 2013. Also prepare Notes to Accounts (4)

.

22. Ajay and Vijay are partners sharing profits and losses in the ratio 3:2. The Balance Sheet of the firm on 31st March 2022 was as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| Liabilities | Amount Rs. | Assets | Amount Rs. |
| Creditors  Bills Payable  Employees Provident Fund  Capital  Ajay 38,000  Vijay 42,000 | 30,000  10,000  25,000  80,000 | Cash in Hand  Debtors  Stock  Plant & machinery  Building  Goodwill | 4,000  36,000  35,000  20,000  40,000  10,000 |
| 1,45,000 | 1,45,000 |

The partners decided to dissolve their firm. Assets are realised as follows:

* + 1. Debtors realised Rs. 24,000; stock realised Rs.25,000.
    2. Ajay took away the machinery at an agreed value of Rs. 10,000 and agreed to discharge the liability on Bills Payable.
    3. Vijay takes the Building at a price of Rs. 36,000 and agrees to pay off the creditors. Creditors allowed a discount of Rs. 6,000.
    4. The liability on Employees Provident Fund was estimated at Rs. 26,000 to be settled.
    5. The expenses of realisation came to Rs. 3,000 met by the firm..

Prepare Realisation Account . (4)

23. X ltd invited applications for issuing 2,00,000 Equity shares of Rs 10 each at premium of Rs 3 per share. The amount was payable as follows-

On Application and Allotment-= Rs 8 per share (including premium)

On First and final call- Balance

Applications were received for 3,00,000 shares. Applications of 50,000 shares were rejected and money refunded. Shares were allotted on pro-rata basis to the remaining applicants. First and final call was made and received except on 2500 shares applied by Kanwar. His shares were forfeited. The forfeited shares were reissued at Rs 7 per share fully paid up. Journalise (6) **OR**

Pass the journal entries for forfeiture and re-issue of shares in both the following Cases:-

(a)Janata Ltd. forfeited 1,500 shares of Rs. 10 each at a premium of Rs. 2 each due to non-payment of First call of Rs. 3. The final call of Rs. 2 is not yet made. Out of these 900 shares were re-issued at Rs. 6, Rs. 8 called up.

(b) Aakash Ltd. forfeited 5,000 shares of Rs. 10 each (issued at Rs. 2 premium)

for non-payment of first call of Rs. 2 per share. Final call of Rs. 3 per share

was not yet made. Out of these 2,000 shares were re-issued at Rs. 10 per

share as fully paid. (3+3=6)

24. ‘B’ and ‘C’ are partners sharing profits in the ratio of 3:2. Following is the Balance sheet as on 31/03/2022.

Balance sheet

|  |  |  |  |
| --- | --- | --- | --- |
| Liabilities | Rs | Assets | Rs |
| Partners capital account  B-  C- | 60,000  40,000 | Land and Building  Furniture  Machinery | 80,000  10,000  20,000 |
| Provision for bad debts | 1,000 | Debtors | 25,000 |
| Creditors | 60,000 | Cash | 16,000 |
|  |  | Profit & Loss a/c | 10,000 |
|  | 1,61,000 |  | 1,61,000 |

D was admitted as a partner for 1/5th share on the following terms-

1. The new ratio of the partners is 2:2:1.
2. D brings Rs 30,000 as her capital and Rs 15000 as her share of goodwill.
3. Half of the goodwill is withdrawn by the old partners.
4. A provision of 5% is to be maintained for doubtful debts.
5. An item of Rs 500 included in sundry creditors is not likely to arise
6. A provision of Rs 800 was to be made for damages against the firm.

After making the above adjustments the capital accounts of B and C to be adjusted on the basis of D’s capital brought in the firm..Actual cash to be brought in or paid in cash.

Prepare Revaluation Account and Partners Capital Account (6)

**OR**

The Balance Sheet of A, B & C who are partners in a firm sharing profits according to their capitals as on 31st March, 2022 was as under:

|  |  |  |  |
| --- | --- | --- | --- |
| Liabilities | Rs. | Assets | Rs. |
| Creditors  A’s Capital  B’s Capital  C’s Capital  General reserve | 21,000  80,000  40,000  40,000  20,000 | Building  Machinery  Stock  Debtor 20,000  Less provision for bad debts 1,000  Cash at Bank | 1,00,000  50,000  18,000  19,000  14,000 |
|  | **2,01,000** |  | **2,01,000** |

On that day B decided to retire from the firm and was paid for his share in the firm subject to the following:

a) Buildings to be appreciated to Rs.1,20,000.

b) Provision for bad debts is to be increased to 15% on debtors.

c) Machinery to be depreciated by Rs.10,000,

d) Goodwill of the firm is valued at Rs. 72,000 and the retiring partner’s share is adjusted through the capital accounts of remaining partners.

Prepare Revaluation accounts and Partners Capital Account.

25., Akbar and Akshay were in partnership sharing profits and losses in the ratio 5:3: Amar 2. on 31st March 2021, their balance sheet was as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| Liabilities | Amount Rs. | Assets | Amount Rs. |
| General Reserve  Workmen Compensation Reserve  Capital Amar 50,000  Akbar 50,000  Akshay40,000 | 24,000  30,000  10,000  1,40,000 | Cash at Bank Sundry Creditors  Debtors  Stock  Plant & Machinery  Building | 34,000  40,000  50,000  30,000  50,000 |
| 2,04,000 | 2,04,000 |

0n 1st December 2021, Akbar passed away and his share was completely acquired by Akshay. In the event of death of a partner the partnership deed inter alia provides the following:

The executor of deceased partner is entitled to get his capital as per the last balance sheet with interest on capital at 10% p.a.

His share in the accumulated profit, goodwill of the firm and estimated profit till the date of death.

The goodwill of the firm is valued at 2 years’ purchase of average profit of past 3 years.

The profit to be estimated on the basis of the average profit of past 3 years.

The profits of the firm for the past three years were:

31.03.2019 Rs. 36,000; 31.3.2020 Rs. 44,000 and 31.3.2021 Rs. 40,000.

During the year 2021 his drawings were Rs. 12,000 and interest calculated there on was Rs. 600. Prepare Akbar’s capital account, Executor’s Account assuming that the entire amount was settled immediately. redeemable at 20% premium after 5 years. These debentures were

issued on 01 October, 2021.You are required to

**(a)** Pass entries for issue of Debentures.

**(b)** Prepare Loss on Issue of Debentures Account assuming there was

existing balance (6)

26.Reliable company decided to issue 50,000,9% Debentures of Rs. 100 at 10% premium and

of Securities Premium Account of Rs. 7,80,000.

**(c)** Pass entries for Interest on debentures on March 31, 2022 assuming

interest is payable on 30th September and 31st March every year. (6)

**PART B : ANALYSIS OF FINANCIAL STATEMENTS**

27. From the following calculate Interest coverage ratio

Net profit after tax Rs 6,00,000; 10% debentures Rs 1,00,00,000; Tax Rate 40%

a) 1.2 times b) 3 times

c) 2 times d) 5 times (1)

**OR**

Financial statements are prepared on certain basic assumptions (pre-requisites)

known as\_\_\_\_\_\_\_\_\_\_\_.

a) Provision of Companies Act,2013 b) Accounting Standards

c) Postulates d) Basis of Accounting

28. X Ltd has a Current Ratio of 2:1. If the money is collected from debtors, State whether there will be increase, decrease or no changes in the ratio. (1)

29Short - term highly liquid investments which are readily convertible into a known amount of cash and which are subject to an insignificant risk of change in the value are called \_\_\_\_\_\_\_\_.

a) Cash at Bank b) Non-current Investment

c) Cash Equivalents d) Non-current Assets (1)

**OR**

Dividend paid by a finance company comes under \_\_\_\_\_\_\_\_.

a) Financing Activity b) Operating Activities

c) Investing Activities d) Manufacturing Activity

30. Which of the following statements are true?

A. Cash flow reveals only the inflow of cash

B. Cash flow reveals only the outflow of cash

C. Cash flow is a substitute for income statement

D. Cash flow statement is not a replacement of funds flow statement.

a) Only D b) Both B and C

c) Only B d) Only A (1)

31. Classify the following items under Major heads and Sub-head (if any) in the

Balance Sheet of a Company as per schedule III of the Companies Act 2013.

(i) Loose tools

(ii) Long term Provisions

(iii) Provision for Warranties

(iv) Income received in advance

(v) Capital Advances

(vi) Advances recoverable in cash within the operation cycle (3)

32. Jai Ltd. and Viru Ltd. use different accounting policies for inventory valuation.

These variations leave a big question mark on the cross-sectional analysis and

comparison of these two firms was not possible.

Identify the limitation of Ratio Analysis highlighted in the above situation. Also

explain any two other limitations of Ratio Analysis apart from the identified

above. (3)

33. Inventory Turnover Ratio is 6 times and cost of revenue from operation is Rs. 3,00,000. Determine the value of Opening inventory, when Closing inventory is Rs. 15,000 more than Opening inventory. (4)

**OR**

Determine Return on Investment and Net Assets Turnover ratio from the

following information:-

Profits after Tax were Rs. 6,00,000; Tax rate was 40%; 15% Debentures were of

Rs.20,00,000; 10% Bank Loan was Rs. 20,00,000; 12% Preference Share Capital Rs.

30,00,000; Equity Share Capital Rs. 40,00,000 ; Reserves and Surplus were Rs.

10,00,000; Sales Rs. 3,75,00,000 and Sales Return Rs. 15,00,000.

34. Prepare a Cash flow statement on the basis of the information given in the balance sheet of Amusement Ltd as at 31/3/2022and 31/3/2021

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Note | 31-03-2022 | 31-03-2021 |
| I **Equity and Liabilites** |  |  |  |
| 1. **Shareholders fund**: |  |  |  |
| 1. Share capital |  | 12,00,000 | 11,00,000 |
| 1. Reserves and surplus | 1 | 3,00,000 | 2,00,000 |
| 1. **Non Current Liabilities:** |  |  |  |
| Long term Borrowings |  | 2,40,000 | 1,70,000 |
| 1. **Current Liabilities** |  |  |  |
| 1. Trade payable |  | 1,79,000 | 2,04,000 |
| 1. Short term provisions(tax) |  | 50,000 | 77,000 |
|  |  | **19,69,000** | **17,51,000** |
| **II Assets** |  |  |  |
| **1) Non Current Assets** |  |  |  |
| 1. **Fixed Assets** |  |  |  |
| 1. Tangible | 2 | 10,70,000 | 8,50,000 |
| 1. Intangible | 3 | 40,000 | 1,12,000 |
| 1. **Current Assets** |  |  |  |
| 1. Current Investment |  | 2,40,000 | 1,50,000 |
| 1. Inventories |  | 1,29,000 | 1,21,000 |
| 1. Trade Receivables |  | 1,70,000 | 1,43,000 |
| 1. Cash and cash equivalent |  | 3,20,000 | 3,75,000 |
|  |  | **19,69,000** | **17,51,000** |

Notes to Accounts:

|  |  |  |  |
| --- | --- | --- | --- |
| S.No. | Particulars | As at 31/3/2022 | As at 31/3/2021 |
| 1 | Reserves and Surplus |  |  |
|  | Surplus( Balance in Statement in Profit and Loss | 3,00,000 | 2,00,000 |
| 2 | Tangible assets |  |  |
|  | Machinery | 12,70,000 | 10,00,000 |
|  | Less Accumulated depreciation | (2,00,000) | (1,50,000) |
| 3 | Intangible assets |  |  |
|  | Goodwill | 40,000 | 1,12,000 |

Additional Information:

During the year a piece of machinery costing Rs 24,000 on which accumulated depreciation was Rs 16,000 was sold for Rs 6000. (6)

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