



# CA Success Path- Foundatio

public channel



## Description

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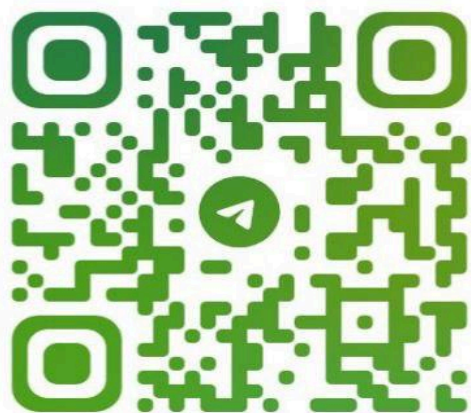
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## Notifications

On



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## Join the channel:

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- Writing practice with evaluation
- Test series
- 1-1 mentoring
- Guidance
- Important question list

Thank you for your time and support! 🌟

Regards  
CA Success Path ❤️

20:22 ✓✓

I found this very good or any question provided by you given in my Google Drive almost 50% are in test and MCQ practice is also very helpful and guidance provided by you is also very valuable and helpful. However I did not attempt my writing sessions because my test schedule was very tough. Thank you very much for guiding me in your batch, I would like to take it again when you start teaching again, thanks.

20:33

Message



As you've enrolled in the Writing Practice Batch of Sept 24 attempt, I'd like to kindly a...

Didi my exams went really good all

thanks to you ✨🌸 didi as i would

suggest according to me as anyone who enroll in batch.... What you can do that as they send you their tests.... In end of week you should provide them weekly performance analysis..... As how they performed in that week.... What are their average performance comparing to what is expected.... And how much and by how much percent they are lagged behind.....

✨.... This is all thing all students felt when they join a batch.... I hope this helps you ❤️

Once again thanku

Edited 21:26

Thank you for your time and support! 🌟

Regards

CA Success Path ❤️

20:33

The guidance you have provided during the journey was super helpful not only for law but for accounts also. And the important questions list for both the subjects was a cherry on top. I even suggested your channel to two of my friends

Thank you so much didi

20:50

CA Success Path ❤️

20:21 ✓✓

Dii.. Aap bestt ho..

Aapki writing practice wali batch ne bhut help kii..

Aapne bhi shuru din se bhut contribute kiya mere journey me.. kabhi bhi msgs, doubts ko ignore nhi kiye or silly doubts bhi aapne ache se explain kiye infact koi koi doubt 2-3 times..

Aapke wajah se hi mujhe mere answers me confidence aaya tha.. aapne daily writing practice li.. weekly test conduct kiye.. full syllabus test conduct kiye.. + day 1 se support kiye..

Thankyou so muchh diiii💕

Ab bass foundation clear ho jaaye..

Fir aap se inter me milengee🥺

22:07

Mam,

I can't even thank enough to you, no matter what the exam result may be. Your test series were so helpful for me. Your imp questions list was exactly like the Paper 1 question paper.

Especially writing practice for law have really helped to develop myself a passion towards the utter boring theory subject like law. I have already covered the full syllabus with ur writing practice. You are more than a teacher, our friend, navigator, and constant motivator 💕



Thank you and love you mam  
Or hardwork and dedication will surely be paid off one day mam ❤️❤️

I really wishes to meet u in person mam

Thank you for your time and support! 🌟

Regards

CA Success Path ❤️

20:21 ✓✓

You

Hello,

As you've enrolled in the Writing Practice Batch of Sept 24 attempt, I'd like to kindly a...

It was so helpful di and your guidance from beginning to end like a elder sister is always far better than others. You are our support system di



21:11

# Accounts Sept 24 Solution

<p>Q1 (a)</p>	<p>State with reason whether following statements are true or false</p> <p>(i) Nominal Accounts are balanced at the end of the Accounting Year.</p> <p>(ii) Overhaul expenses of a second hand machinery purchased are revenue expenditure.</p> <p>(iii) Valuation of inventory at cost or net realisable value is based on Principle of Convention</p> <p>(iv) A promissory note can be made payable to bearer</p> <p>(v) The Receipts and Payments Account for a non-profit organisation follows the accrual concept of accounting.</p> <p>(vi) Legal heirs of a deceased partner are entitled to his capital balance only.</p>
<p>Ans</p>	<p>(i) <b>False</b> At the end of accounting year, all the nominal accounts of the ledger books are totalled and transferred to P/L Account.</p> <p>(ii) <b>False</b> Overhauling expenses are incurred to put second-hand machinery in working condition to derive enduring long-term advantage. So it should be capitalised.</p> <p>(iii) <b>True</b> The conservatism concept states that one shall not account for anticipated profits but shall provide all prospective losses. Valuing inventory at cost or net realisable value whichever is less, therefore is based on principle of Conservatism.</p> <p>(iv) <b>False</b> A promissory note cannot be made payable to the bearer. According to the Negotiable Instruments Act, a promissory note must be made payable to a specific person or order. Making it payable to the bearer would essentially make it function like a currency, which is not allowed for promissory notes.</p> <p>(v) <b>False</b> It depicts the cash system of accounting rather than the accrual system, as the cash receipts and payments pertaining to any year are entered in the Receipts and payments account. The principle of accrual is not followed with regard to the receipts and payments account of a non-profit organization.</p> <p>(vi) <b>False</b> Legal heirs of a deceased partner are entitled to all the dues of deceased partner.</p>

**(b) Differentiate between Book - keeping and Accounting.**

**Ans**

S. No.	Book-keeping	Accounting
1.	It is a process concerned with recording of transactions.	It is a process concerned with summarising of the recorded transactions.
2.	It constitutes as a base for accounting.	It is considered as a language of the business.
3.	Financial statements do not form part of this process.	Financial statements are prepared in this process on the basis of book-keeping records.
4.	Managerial decisions cannot be taken with the help of these records.	Management takes decisions on the basis of these records.
5.	There is no sub-field of book-keeping.	It has several sub-fields like financial accounting, management accounting etc.
6.	Financial position of the business cannot be ascertained through book-keeping records.	Financial position of the business is ascertained on the basis of the accounting reports.

**(c) Pass the necessary Journal entries to rectify the following errors, using a Suspense Account:**

- i. Goods of the value of ₹ 500 returned by Mr. A were entered in the Sales Day Book and posted there from to the credit of his account;**
- ii. ₹250 entered in the Sales Returns Book, has been posted to the debit of Mr. R, who returned the goods;**
- iii. A sale of ₹ 700 made to Mr. Q was correctly entered in the Sales Day Book but wrongly posted to the debit of Mr. S as ₹70;**
- iv. The total of "Discount allowed" Column in the Cash Book for September amounting to ₹ 350 was not posted.**

**Ans**

**Journal**

S No	Particulars	Dr (₹)	Cr (₹)
i	Sales A/c	..Dr	500
	Sales Return A/c	..Dr	500

	To Suspense A/c			1000
ii	Suspense A/c To Mr. R	..Dr	500	500
iii	Mr. Q To Mr. R To Suspense A/c	..Dr	700	70 630
iv	Discount A/c To Suspense	..Dr	350	350

**Q2 (a)** The cash book of Hari showed a debit balance of ₹ 1,36,800 as on 31.12.2023 which was in disagreement with balance as per pass book. Following discrepancies were noticed:

- i. Dividend of ₹ 18,000 was deposited in the bank of which Hari had no information.
- ii. Cheque was issued to Suresh of 14,780 on 18.12.2023 which was recorded in cash book as ₹14,870,
- iii. Cheques totalling of ₹ 55,000 were deposited into bank on 30.12.2023 which were not cleared until 31.12.2023.
- iv. Mediclaim premium of ₹ 14,160 was paid as per the standing instruction of Hari which was not recorded in cash book.
- v. Goods amounting ₹ 1,60,000 were sold to Ajay in November 2023. He deposited cheque on 15.12.2023 after deducted 4% cash discount. This entry was missed while preparing cash book.
- vi. Bank charges for issue of cheque book ₹ 150 was skipped while preparing cash book.
- vii. Hari received a UPI of ₹ 1,000 on 29.12.2023 for sale of scrap which was not entered in cash book.
- viii. Cheques amounting to ₹ 1,80,000 were issued during the month but cheques of ₹ 1,44,000 were only presented during the month for payment.

Prepare Bank Reconciliation Statement on 31.12.2023 and ascertain balance as per pass book

**Ans** **Bank Reconciliation Statement**

Particulars	Details	Amount
Cash Book Balance as on 31.12.2023		136800
<b>Add:</b>		
Dividend deposited but not recorded	18000	
Cheque issued to Suresh (overstated)	90	
Sale to Ajay (after cash discount)	153600	
UPI receipt for scrap sale not recorded	1000	
Unrepresented cheques issued	<u>36000</u>	208690
<b>Less:</b>		
Uncredited cheques deposited	(55000)	
Mediclaim premium paid but not recorded	(14160)	
Bank charges for cheque book not recorded	<u>(150)</u>	(69310)
Balance as per pass book		276180

**(b) Harry draws a bill on Sejal for ₹ 60,000 on 01.01.2023 for 3 months. Sejal accepts the bill and sends it back to Harry to get it discounted for ₹ 56,000. Harry remits 1/4th amount to Sejal. On the due date, Harry was unable to remit his share to Sejal, rather accepts a bill of ₹ 80,000 for a period of 3 months. This bill was discounted by Sejal for ₹ 74,600. Sejal after making the payment of first bill sent 3/4th of the amount remaining to Harry. On maturity of the bill, Harry became bankrupt and his estate paying 40 paise in the rupee. Give journal entries in the books of Sejal. Also prepare ledger account of Harry. All workings should form part of the answer.**

**Ans Journal in books of Sejal**

Date	Particulars	Dr	Cr
1.1.23	Harry To Bills Payable A/c	60000	60000
1.1.23	Bank A/c Discounting Charges A/c To Harry	14000 1000	15000

1.4.23	Bills Receivable A/c To Harry	..Dr	80000	80000
1.4.23	Bank A/c Discounting Charges A/c To Bills Receivables	..Dr ..Dr	74600 5600	80000
1.4.23	Bills Payable A/c To Bank A/c	..Dr	60000	60000
1.4.23	Harry To Discounting charges A/c To Bank A/c	..Dr	15000	4050 10950
1.4.23	Harry To Bank A/c	..Dr	80000	80000
1.4.23	Bank A/c Bad Debts A/c To Harry A/c	..Dr ..Dr	24000 36000	60000

**Harry A/c**

Particulars	₹	Particulars	₹
To Bills Payable	60000	By Bank A/c	14000
To Bank A/c	10950	By Discounting charges	1000
To Discounting charges A/c	4050	By Bills Receivable	80000
To Bank A/c	80000	By Bank	24000
		By Bad debts	36000
	155000		155000

**Q3 (a) The following Trial Balance is the Trial Balance of a Proprietor as on March 31st 2024. Prepare Trading and profit & Loss Account for the year ending March 31st 2024 and a Balance Sheet as at that date.**

Particulars	₹	Particulars	₹
Plant & Machinery	500000	Capital	400000
Office Furniture	26000	Sundry Creditors	520000
Opening Stock	480000	Sales	4800000
Motor Van	120000	Bills Payable	56000
Sundry Debtors	457000	Provision for D/Ds	25000
Cash in hand	4000	Return Outwards	55000
Cash at Bank	65000	Discount Received	37000
Wages	1500000		
Salaries	140000		
Purchases	2135000		
Bills Receivable	72000		
Return Inward	93000		
Drawings	70000		
Advertisements	60000		
Factory Rent	8000		
Insurance	63000		
General Expenses	10000		
Bad Debts	25000		
Discount allowed	65000		
	<b>5893000</b>		<b>5893000</b>

**Additional Information to be considered:**

- i. Closing Stock on March 31 2024 is 5,20,000.
- ii. During the year, Plant and Machinery was purchased for 3,00,000 but it was debited to Purchase Account.
- iii. 3 months factory rent is due but not paid 3,000.
- iv. Provide depreciation at 5% per annum on furniture and 10% on plant and machinery and motor van.
- v. Further bad debts ₹7,000.
- vi. Provision for doubtful debts to be increased to 30,000 at year- end.
- vii. Provision for discount on Debtors to be made at 2%.

**Ans** **Trading and P/L Account**



Particulars	₹	Particulars	₹
To opening stock	480000	By Sales	4800000
To Wages	1500000	(-) Return	<u>(93000)</u>
To purchases	2135000	By Closing Stock	520000
(-) Return	(55000)		
(-) P & M	<u>(300000)</u>		
To Factory Rent	8000		
(+) O/s	<u>3000</u>		
To Gross Profit	1456000		
	5227000		5227000
To Salaries	140000	By Gross Profit	1456000
To Advertisement	60000	By Discount received	37000
To Insurance	63000		
To General Expenses	10000		
To Bad Debts	25000		
(-) Op Prov.	(25000)		
(+) Further B.D	7000		
(+) Cl Prov	<u>30000</u>		
<b>To Depreciation</b>			
P&M	80000		
Furniture	<u>1300</u>		
Motor Van	<u>12000</u>		
To Discount allowed	65000		
To Prov. for discount	8400		
To Net profit	1016300		
	1493000		1493000

**Balance Sheet**

Liabilities	₹	Assets	₹
Capital	400000	P & M	500000
(-) Drawings	(70000)	(+) addition	<u>300000</u>
(+) Net Profit	<u>1016300</u>		800000
	1346300		

Creditors	520000	(-) Dep	(80000)	720000
Bills Payable	56000	Furniture	26000	
O/s factory rent	3000	(-) dep @5%	(1300)	24700
		Motor Van	120000	
		(-) dep @10%	(12000)	108000
		Debtors	457000	
		(-) Bad debts	(7000)	
		(-) Cl.Provision	(30000)	
			420000	
		(-) Prov for Disc	(8400)	411600
		Closing Stock		520000
		B/R		72000
		Bank		65000
		Cash		4000
	1925300			1925300

(b) The following is the Balance Sheet of Krish and Bala, sharing profit and loss in the ratio 3:2

Particulars	₹	Particulars	₹
Capital A/c		Land and Building	28000
Krish	25000	Plant and Machinery	15000
Bala	<u>15000</u>	Stock	10000
General Reserve	30000	Debtor	25000
Workmen Comp Reserve	10000	Less: Provision for D/Ds	<u>4000</u>
Creditors	10000	Bank	20000
Employee's Provident Fund	8000	Advertisement Exp	4000
	98000		98000

On admission of Sobha for 1/6th share in the profits, it was decided that:

- (1) Value of land and buildings to be increased by ₹ 5,000.
- (2) Value of stock to be increased by ₹ 3,500.
- (3) Provision of doubtful debts to be increased by ₹ 1,500.
- (4) Liabilities of workmen's compensation reserve was determined to be ₹ 8,000.

(5) Sobha was to bring in further cash of ₹ 25,000 as her capital.  
 (6) Sobha brought in her share of goodwill ₹ 12,000 in cash. Prepare the Revaluation Account, the Capital Account and the Balance Sheet of the new firm.

**Ans**

**Revaluation A/c**

Particulars	₹	Particulars	₹
Provision for doubtful debts	1,500	By Land & Building	5,000
To Partner's Capital A/c:-		By Stock	3,500
Krish - 4,200			
Bala - 2,800	7,000		
	8500		8500

**Partner's Capital A/c**

Particulars	Krish	Bala	Sobha	Particulars	Krish	Bala	Sobha
To Adv. Expenses	2,400	1,600		By Bal b/d	25,000	15,000	-
To Bal c/d	53,200	33,800	25,000	By General Reserve	18,000	12,000	-
				By Workmen Compensation Reserve	1,200	800	-
				By Bank	-	-	25,000
				By Prem. for Goodwill	7,200	4,800	-
				By Revaluation	4,200	2,800	-
	55,600	35,400	25,000		55,600	35,400	25,000

**Balance Sheet**

Liabilities	₹	Assets	₹
-------------	---	--------	---

Capital:-		Land & Building 28,000 (+) Rev. 5,000	33,000
Krish - 53,200		Plant & Machinery	15,000
Bala - 33,800		Stock 10,000 (+) Rev. 3,500	13,500
Sobha - <u>25,000</u>	1,12,000	Debtors 21,000 (-) Rev. 1,500	19,500
Workmen Compensation Claim	8,000	Bank (20,000 + 25,000+12,000)	57,000
Creditors	10,000		
Employee's Provident Fund	8,000		
	1,38,000		1,38,000

**Q4 (a) X, Y, Z were in a firm sharing profit and loss as 3 : 2 : 1. Their Balance Sheet on 31st March, 2024 was as follow :**

Particulars	₹	Particulars	₹
X's Capital	78000	Goodwill	12000
Y's Capital	42000	Patents	30000
Z's Capital	31000	Machinery	60000
Investment Fluctuation Fund		Investment (MV ₹ 27600)	25000
Workmen Compensation	6000	Stock	30650
Trade Creditors	12000	Debtors	50000
Employee's PF	31000	Less: provision	<u>4000</u>
	12000	Cash at bank	8350
	212000		212000

**Z retired on the above date on the following terms:**

- (1) Goodwill of the firm was valued at ₹ 60,000.
- (2) Value of patents was to be reduced by 20% and that of machinery to 90%.
- (3) Provision for doubtful debts was to be raised to 10%
- (4) Liability on account of Provident fund was only ₹ 6,000.
- (5) Liability for workmen compensation to the extent of ₹ 6,000 is to be created.
- (6) Z took over the investment at market value.
- (7) Amount due to Z is to be settled on the following basis-  
50% on retirement, 50% of the balance within one year and the balance by a bill of exchange (without interest) at 3 months.

You are required the following:

- (1) Show entries for the treatment of goodwill,
- (2) Prepare Revaluation Account,
- (3) Partner Capital Account &
- (4) Balance Sheet

**Ans**

**JOURNAL**

Particulars	Dr.	Cr.
X Capital A/c ..Dr	6,000	
Y Capital A/c ..Dr	4,000	
To Z Capital A/c (Being goodwill adjusted)		10,000
X Capital A/c ..Dr	6,000	
Y Capital A/c ..Dr	4,000	
Z Capital A/c ..Dr	2,000	
To Goodwill A/c (Being goodwill written off)		12,000

**Revaluation A/c**

Particulars	₹	Particulars	₹
To Patents	6,000	By E.P.F.	6,000
To Machinery	6,000	By Investment	2,600
To Provision for doubtful	1,000	By Partner's Capital A/c:-	

debts		X - 2,200 Y - 1,467 Z - 733	
	13,000		13,000

**Partner's Capital A/c**

Particulars	X	Y	Z	Particulars	X	Y	Z
To Goodwill	6000	4000	2000	By Bal b/d	78,000	42,000	31,000
To Investment			27600	By Investment Fluctuation Fund	3,000	2,000	1,000
To Z capital	6000	4000		By Workmen Compensation Claim	3,000	2,000	1,000
To reval.	2200	1467	733	By X Capital A/c	-	-	6,000
To Bank (50% of 1266)7			6333	By Y Capital A/c	-	-	4,000
To Z loan			3167				
To B/P			3167				
To balance c/d	69800	36533					
	84000	46000	43000		84000	46000	43000

**Balance sheet**

Liabilities	Amt	Assets	Amt
Capital		Patents	24,000
X	69800		
Y	36533		
	106333		

Workmen Compensation	6000	Machinery	54,000
Trade creditors	31000	Stock	30,650
EPF	6000	Debtors	45,000
Z loan	3167	Bank 8,350 (-) Z Capital (6,333)	2,017
B/P	3167		
	155667		155667

**(b) From the following Receipts and Payments Account of Delhi Club, prepare Income & Expenditure Account for the year ended 31.12.2023 and its Balance Sheet as on that date.**

Receipts	₹	Payments	₹
Cash in hand (Opening)	8100	Salary	3000
Cash at Bank (opening)	15000	Repair expense	500
Donations	7000	Purchase of furniture	7000
Subscription	10000	Miscellaneous Expense	500
Entrance Fees	1500	Purchase of Inv	6000
Int on Investments	100	Insurance premium	300
Int from bank	400	Billiard Table	10000
Sale of old Newspaper	250	Paper, Ink Etc	250
Sale of drama ticket	1250	Drama Expense	500
		Cash in hand (closing)	4500
		Cash at Bank (opening)	11050
	43600		43600

**Information:**

- (1) Subscriptions in Arrear for 2023 ₹ 1,200, subscription in advance for 2024 550.
- (2) Insurance Premium outstanding ₹ 80. Miscellaneous Expenses prepaid ₹ 90.
- (3) 50% of Donation is to be capitalized.
- (4) Entrance fee are to be treated as Revenue Income.
- (5) 8% Interest has accrued on Investments for 5 months.

**(6) Billiards Table costing ₹ 30,000 were purchased during the last year and ₹ 20,000 were paid for it.**

**Ans**

**Income & Expenditure A/c**

Expenditure	₹	Income	₹
To Salary	3,000	By Donation	3,500
To Repair exp.	500	By Subscription 10,000 (+) Cl. O/s. 1,200 (-) Adv. Cl. (550)	10,650
To Misc. Exp. 500 (-) Prepaid (90)	410	By Entrance fees	1,500
To Insurance 300 (+) Outstanding 80	380	By Int.on Inv. 100 (+)O/s Int. 100	200
To Paper Ink	250	By Int. received from bank	400
To Surplus	12,710	By Sale of Old Newspaper	250
		By Sale of drama ticket 1,250 (-) Drama Exp. (500)	750
	17,250		17,250

S U C C E S S P A T H

**Working Note:-**

**Calculation Of Interest on Investment:**

Interest on Investment =  $6000 \times 8\% \times \frac{5}{12} = ₹200$

**Balance Sheet  
(as on 31.12.2023)**

Liabilities	₹	Assets	₹
Capital 43,100 (+) Surplus 12,710	55,810	Furniture	7,000



Donation	3,500	Investment	6,000
Advance Subscription	550	Billiard Table	30,000
Outstanding Insurance Prem.	80	Outstanding subscription	1,200
		O/s Interest on Investment	100
		Prepaid Miscellaneous Expense	90
		Cash	4,500
		Bank	11,050
	59,940		59,940

**Balance Sheet  
(as on 31.12.2022)**

Liabilities	₹	Assets	₹
Billiard Table Creditor	10,000	Cash	8,100
Capital Fund(Bal.Fig.)	43,100	Bank	15,000
		Billiard Table	30,000
	53,100		53,100

**Q5 (a) Physical verification of stock in a business was done on 23rd June, 2023. The value of the stock was ₹ 4,80,000. The following transactions took place between 23rd June, 2023 and 30th June, 2023:**

- (i) Out of the Goods sent on consignment, Goods at cost worth ₹ 24,000 were unsold.
- (ii) Purchase of ₹ 40,000 were made out of which Goods worth ₹ 16,000 were delivered on 5th July, 2023
- (iii) Sales were ₹ 1,36,000 which include Goods worth ₹ 32,000 sent on approval. Half of these Goods were returned before 30th June 2023, but no information is available regarding the remaining goods.
- (iv) Goods are sold at cost plus 25%. However, Goods costing ₹ 24,000 had been sold for ₹ 12,000. Determine the value of stock on 30 June, 2023.

Ans

**Statement of Valuation of Stock on 30th June, 2023**

Particulars		₹
Value of stock as on 23rd June, 2023		4,80,000
<b>Add:</b> Unsold stock out of the goods sent on consignment	24,000	
Purchases during the period from 23rd June, 2023 to 30th June, 2023	24,000	
Goods in transit on 30th June, 2023	16,000	
Cost of goods sent on approval basis (80% of ₹16,000)	12,800	76,800
S U C C E S S P A T H		5,56,800
<b>Less:</b> Cost of sales during the period from 23rd June, 2023 to 30th June, 2023		
Sales (136000-16000)	120000	
Less: gross Profit	9600	110400
Value of stock as on 30th June, 2022		446400

- (b) (i) PQR associates bought a computer set on 01.04.2020 for ₹ 2,00,000 and charged depreciation @ 20% p.a. on diminishing balance method. They made further additions as follows:
- | Date | Amount |
|------|--------|
|------|--------|

1.4.21 150000

1.4.23 100000

On 01.04.2023 it was decided to change the method to straight line basis and charge depreciation assuming the expected life of all the computers to be 8 years from 01.04.2023. Prepare Computers A/c for year ending 31.03.2024

Ans

**Computer A/c**

Date	Particulars	₹	Date	Particulars	₹
1.4.23	To bal b/d:		31.3.24	By Depreciation:	
	C1 1,02,400			C1 12,800	
	C2 96,000	1,98,400		C2 12,000	
1.4.23	To Bank:			C3 12,500	37,300
	C3	1,00,000	31.3.23	By bal c/d	
				C1 89,600	
				C2 84,000	
				C3 87,500	2,61,100
		2,98,400			2,98,400

S U C C E S S P A T H

(b) Following information relates to Mr. Prem who maintains his books under single entry system. He is not able to ascertain the amount of bad debts incurred by him and seeks your help.

Debtors as on 01.04.2023 ₹ 6,50,000

Debtors as on 31.03.2024 ₹ 8,50,000

Sale for FY 2023-2024 is 16,00,000 out of which 80% is on credit.

Payment received during the year is ₹ 7,50,000 out of which cheques of ₹ 18,000 were dishonored. Bills of exchange accepted by customers ₹ 2,90,000

Discount allowed is 1% of the credit sale.

Ans

**Debtors A/c**

Particulars	₹	Particulars	₹
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To Bal b/d	6,50,000	By Cash A/c	7,50,000
To Credit Sales (80% of 16,00,000)	12,80,000	By Discount Allowed A/c	12,800
To Bank A/c	18,000	By Bills Receivable	2,90,000
		By Bad Debts(Bal.Fig.)	45,200
		By Bal c/d	8,50,000
	19,48,000		19,48,000

**(c) XYZ Ltd. an unlisted company issued 6000, 12% debentures of ₹ 100 each at a discount of 5% on 01.04.2021. Interest is payable annually on 31st March every year. The debentures are redeemable at premium of 10% in 3 equal annual installments beginning from 31.03.2022 The company invested in specified securities for the redemption of debentures. Entire loss on issue to be booked in the 1st year. You are required to pass journal entries for all the 3 years.**

**Ans** **In the books of XYZ Ltd.**  
**Journal**

Date	Particulars	Dr.(₹)	Cr.(₹)
1.4.21	Bank A/c ..Dr To 12% Debenture Application A/c	5,70,000	5,70,000
	12% Debenture Application A/c ..Dr Loss on Issue of Debenture A/c ..Dr To 12% Debenture A/c To Premium on redemption	5,70,000 90,000	6,00,000 60,000
	Profit & Loss A/c ..Dr To Debenture redemption reserve A/c	60,000	60,000
1.4.22	Debenture Redemption Reserve Investment A/c ..Dr To Bank A/c	30,000	30,000

31.3.23	Interest on debenture A/c ..Dr To Bank A/c	72,000	72,000
	Bank A/c ..Dr To Debenture Redemption Reserve Investment A/c	30,000	30,000
	12% Debenture A/c ..Dr Premium on redemption of Debentures ..Dr To Debentureholders A/c	2,00,000 20,000	2,20,000
	Debentureholders A/c ..Dr To Bank A/c	2,20,000	2,20,000
	Debenture Redemption Reserve A/c ..Dr To General Reserve A/c	20,000	20,000
	Profit and Loss A/c ..Dr To Interest on Debentures A/c	72,000	72,000
	Profit and Loss A/c ..Dr To Loss on Issue of Debentures A/c	90,000	90,000

**Q6 (a)** P Limited issued 6,00,000 equity shares of ₹ 10 each at a premium of ₹ 2 per share, payable as ₹ 3 on application, ₹ 5 on allotment (including premium) and the balance in two calls of equal amount. Applications were received for 8,00,000 shares and pro-rata allotment was made to all the applicants. The excess application money was adjusted towards allotment. Harish to whom 1600 shares were allotted failed to pay both calls and his shares were subsequently forfeited after second call. You are required to pass journal entries in the books of P Limited and prepare bank account.

<b>Ans</b>	<b>Journal</b>		
	<b>Particulars</b>	<b>Debit</b>	<b>Credit</b>
	Bank A/c ..Dr To Equity share application	2400000	2400000

Equity share application To Equity Share capital To Equity Share allotment	..Dr	2400000	1800000 600000
Equity Share allotment To Equity Share Capital To Securities Premium	..Dr	3000000	1800000 1200000
Bank A/c To Equity Share Allotment	..Dr	2400000	2400000
Equity Share 1st call To Equity Share capital	..Dr	1200000	1200000
Bank A/c Calls in Arrears To Equity Share 1st call	..Dr ..Dr	1196800 3200	1200000
Equity Share final call To Equity Share capital	..Dr	1200000	1200000
Bank A/c Calls in Arrears To Equity Share final call	..Dr ..Dr	1196800 3200	1200000
Equity Share capital To Share forfeiture To Calls In arrears	..Dr	16000	9600 6400

**Bank A/c**

Particulars	Amt	Particulars	Amt
To Eq. Sh. Application	2400000	By Balance c/d	7193600
To Eq. Sh. Allotment	2400000		
To Eq. Sh. 1st Call	1196800		
To Eq. Sh. Final Call	1196800		
	7193600		7193600

**(b) Differentiate between Periodic Inventory System and Perpetual Inventory System.**

**Ans**

S. No.	Periodic Inventory System	Perpetual Inventory System
1.	This system is based on physical verification.	It is based on book records.
2.	This system provides information about inventory and cost of goods sold at a particular date.	It provides continuous information about inventory and cost of sales.
3.	This system determines inventory and takes cost of goods sold as residual figure.	It directly determines cost of goods sold and computes inventory as balancing figure.
4.	Cost of goods sold includes loss of goods as goods not in inventory are assumed to be sold.	Closing inventory includes loss of goods as all unsold goods are assumed to be in Inventory.
5.	Under this method, inventory control is not possible.	Inventory control can be exercised under this system.
6.	This system is simple and less expensive.	It is costlier method.
7.	Periodic system requires closure of business for counting of inventory.	Inventory can be determined without affecting the operations of the business.

S U C C E S S P A T H



# CA Success Path- Foundatio

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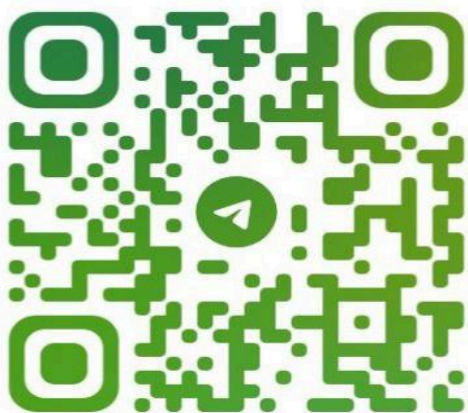
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