Q1. Rearrange the following items of "Equity and Liabilities" head of Balance Sheet in an order as prescribed in Companies Act 2013, Schedule III.
(A) Current Liabilities
(B) Shareholders' funds
(C) Share application money pending allotment
(D) Non-Current Liabilities
Choose the correct answer from the options given below:
(a) (B), (C), (D), (A)
(b) (C), (B), (A), (D)
(c) (A), (B), (C), (D)
(d) (D), (C), (A), (B)

Q2. Match **List – I** with **List – II.**

List – I	List - II
(A) MS Access	(I) Horizontal row of the table
(B) DBMS	(II) Vertical column of the table
(C) Field	(III) Data Base management software
(D) Record	(IV) Data Base management system

Choose the **correct** answer from the options given below:
(a) (A)-(II), (B)-(IV), (C)-(III), (D)-(I)
(b) (A)-(IV), (B)-(III), (C)-(II), (D)-(I)
(c) (A)-(III), (B)-(IV), (C)-(II), (D)-(I)
(d) (A)-(IV), (B)-(III), (C)-(I), (D)-(II)

Q3. A, B and C are partners sharing profits and losses in the ratio of 4 : 3 : 2. B retires and the goodwill is valued at ₹1,08,000. A and C decided to share future profits and losses in the ratio of 5 : 3.
Record necessary journal entry.
(a) A's capital A/c Dr ₹18,000
C's capital A/c Dr ₹18,000
To B's capital A/c ₹36,000
(b) A's capital A/c Dr. ₹67,500
B's capital A/c Dr. ₹40,500
To C's capital A/c ₹1,08,000
(c) B's capital A/c Dr. ₹36,000
To A's capital A/c ₹19,500
To C's capital A/c ₹16,500
(d) A's capital A/c Dr. ₹19,500
C's capital A/c Dr. ₹16,500
To B's capital A/c ₹36,000
To C's capital A/c ₹16,500

Q4. Avtar Ltd. invited application for 80,000 shares of ₹10 each payable ₹5/-. on Application, ₹3/- on allotment and ₹2/- on call. Public had applied for 2,50,000 shares out of which application for 30,000 shares were rejected and remaining were allotted on pro-rata basis. Excess application money was adjusted against allotment only. Determine the amount to be refunded at the time of allotment of shares.
(a) ₹1,50,000
(b) ₹6,10,000
(c) ₹4,60,000
(d) ₹4,50,000

Q5. Which of the following is/are fact(s) about dissolution of the partnership firm?
(A) The business of the firm is closed.
(B) Assets are sold and liabilities are paid off.
(C) A firm can be dissolved by the court's order.
(D) The books of accounts are closed.
(E) Economic relationship between the partners continues though in a changed form.
Choose the **correct** answer from the options given below:
(a) (A), (B), (C) and (D) only

(b) (A), (B), (C) and (E) only
(c) (A), (B), (D) and (E) only
(d) (A), (B), (D) and (C) only

Q6. Securities Premium Reserve can be used for the following purposes:
(A) To issue fully paid bonus shares
(B) To write-off preliminary expenses of the company
(C) To pay premium on the redemption of preference shares and debentures of the company
(D) To distribute as a dividend to share holders
(E) To write-off company losses
Choose the **correct** answer from the options given below:
(a) (A), (B) and (E) only
(b) (A), (B) and (D) only
(c) (A), (B) and (C) only
(d) (C), (D) and (E) only

Q7. Identify the tool of financial statement analysis that represent relationship between two accounting figures.
(a) Comparative statement
(b) Common size statement
(c) Ratio Analysis
(d) Cash flow statement

Q8. The current ratio of a firm is 3 : 1. Identify how the payment of current liability will affect it.
(a) Improve current ratio
(b) Reduce current ratio
(c) No change in current ratio
(d) Will affect the solvency ratio

Q9. In the absence of partnership deed:
(A) Partners are allowed interest on capital @6% p.a.
(B) Partners are allowed interest on loan advanced by them @ 6% p.a.
(C) Partners are allowed salary, if they are working partners.
(D) Profits are shared according to capital ratio.
(E) Profits are shared in equal ratio.
Choose the **correct** answer from the options given below:
(a) (A) and (C) only
(b) (B) and (C) only
(c) (B) and (E) only
(d) (C) and (D) only

Q10. From the following statements, select the ones which relate to Income and Expenditure A/c:
(A) Provides opening and closing cash balances
(B) Prepared on accrual basis of accounting
(C) Records expenditures of revenue nature only.
(D) Records expenditures of revenue as well as capital nature
(E) Records non cash transactions such as depreciation
Choose the **correct** answer from the options given below:
(a) (A), (D) and (E) only
(b) (B), (C), (D) and (E) only
(c) (B), (C) and (E) only
(d) (C), (D) and (E) only

Q11. Which of the following is/are fact(s) related to cash flows from Operating Activities and Investing Activities?
(A) Receipt from interest and dividends will lead to cash inflow under Operating Activities
(B) Receipt from royalties, fees etc. are cash inflows under Operating Activities
(C) Payment of employee benefit expenses are cash outflow under Operating Activities
(D) Payment for purchase of plant leads to cash outflow under Investing Activities
(E) Payment of taxes are considered as cash outflow under Financing Activities
Choose the **correct** answer from the options given below:
(a) (A), (B) and (C) only
(b) (B), (C) and (D) only
(c) (C), (D) and (E) only
(d) (A), (B) and (E) only

Q12. With the help of following information of a company, calculate Cash Flow from Financing Activities
April 1, 2016 March 31, 2017

	(₹)	(₹)
Long term loans	2,00,000	2,50,000

During the year the company repaid a loan of ₹1,00,000.
(a) Outflow ₹50,000
(b) Inflow ₹1,50,000
(c) Outflow ₹1,50,000
(d) Inflow ₹50,000

Q13. Match **List – I** with **List – II.**

	List – I		List - II
(A)	In accordance with a contract between the partners	(I)	Compulsory dissolution
(B)	When business becomes illegal	(II)	Dissolution by court
(C)	Death of partner	(III)	Dissolution by agreement
(D)	Partner became insane	(IV)	Happening of certain contingencies

Choose the **correct** answer from the options given below:
(a) (A)-(III), (B)-(I), (C)-(IV), (D)-(II)
(b) (A)-(I), (B)-(III), (C)-(IV), (D)-(II)
(c) (A)-(III), (B)-(I), (C)-(II), (D)-(IV)
(d) (A)-(I), (B)-(III), (C)-(II), (D)-(IV)

Q14. Identify that account from which loss on issue of debentures can be written off when securities Premium Reserve fall short.
(a) Debenture Redemption Reserve
(b) Statement of Profit and Loss
(c) Premium on redemption of Debentures A/c
(d) Reserves and Surplus

Q15. Steps in the preparation of Income and Expenditure account are:
(A) Take revenue receipts to the credit side and revenue expenses to the debit side of Income and Expenditure A/c
(B) Persue Receipt and Payment Account thoroughly
(C) Exclude the capital receipts and capital payments
(D) Close the account to find surplus or deficit
Choose the **correct** answer from the options give below:
(a) (D), (C), (B), (A)
(b) (B), (C), (A), (D)
(c) (C), (B), (A), (D)
(d) (A), (B), (C), (D)

Q16. At the time of admission of a partner, reduction in the value of an asset will be debited to:
(a) Cash A/c
(b) Partner's Capital A/c
(c) Realisation A/c
(d) Revaluation A/c

Q17. If a creditor accepts an asset whose value is more than the amount due to him.
A. He will pay excess amount
B. He will not pay anything
C. The excess amount will be credited to Realisation Account
D. The excess amount is debited to Realisation account
E. The excess amount is debited to Bank account
Choose the correct answer from the options given below
(a) A, C and E only
(b) A, B and C only
(c) B, C and D only
(d) C, D and E only

Q18. As per Companies Act-2013, Disclosure related to share capital is compulsory for a period of 5 years immediately preceding the date of Balance sheet:

A. Number and class of shares bought back
B. Shares reserved under contracts/ commitments
C. Forfeited shares
D. Number and class of shares allotted for consideration other than cash and bonus shares
E. Calls unpaid (Aggregate)
(a) A, B and C only
(b) B, C and D only
(c) A, B and D only
(d) C, D and E only

Q19. The correct sequence of statement of profit or loss

A. Other Income
B. Total Expenses
C. Revenue from Operations
D. Profit before extraordinary items & tax
E. Total Revenue
Choose the correct answer from the options given below:
(a) C, D, A, B, E
(b) C, D, E, A, B
(c) C, A, E, B, D
(d) A, B, C, D, E

Q20. A and B are partners sharing profits and losses in the ratio 3 : 2. They admitted Z for $\frac{1}{8}$th share. Z got this share as $\frac{1}{16}$ from A and $\frac{1}{16}$ from B. Calculate sacrificing ratio of A and B.

(a) 3 : 2
(b) 1 : 1
(c) 43 : 27
(d) 2 : 1

Q21. Oracle, SQL, Server, IBM-DB2 are example of:

(a) Desktop data base
(b) Server data base
(c) Single user system
(d) Word Processing software

Q22. How would you treat Table Tennis match expenses of ₹40,000 (assuming that no other information is given):

(a) Shown in liability side of Balance Sheet
(b) Debited to Income and Expenditure amount
(c) Shown on asset side of Balance Sheet
(d) Credited to Income and Expenditure A/c

Q23. Match List I with List II

LIST I		LIST II	
A.	AS-3	I.	Treatment of Goodwill
B.	AS-26	II.	One person company
C.	Section 2(62) of Companies Act, 2013	III.	Preference Shares
D.	Section 43 of Companies Act, 2013	IV.	Cash Flow Statement

Choose the correct answer from the options given below:
(a) A-I, B-II, C-III, D-IV
(b) A-II, B-III, C-IV, D-I
(c) A-IV, B-I, C-II, D-III

(d) A-III, B-IV, C-I, D-II

Q24. The profits of a firm for 5 years are as follows:

Year	Profits (₹)
2012-13	20,000
2013-14	24,000
2014-15	30,000
2015-16	25,000
2016-17	18,000

Calculate Goodwill on the basis of 3 years purchase of weighted average profits of last five years based on weights 1, 2, 3, 4 and 5 respectively.
(a) ₹68,200
(b) ₹69,600
(c) ₹64,800
(d) ₹66,000

Q25. This formula would result in TRUE if C4 is less than 10 and D4 is less than 100.
(a) = AND (C4 > 10, D4 > 10)
(b) = AND (C4 > 10, D4 > 100)
(c) = AND (C4 > 10, D4 = 100)
(d) = AND (C4 > 10, D4 < 100)

Q26. Ram, a partner, died on 31st March, 2022. His share of loss was ₹10,000. Following journal entry will be passed in the books of Account to record the above adjustment.
(a) P & L Suspense A/c Dr 10,000
  To Ram's Capital A/c 10,000
(b) P&L A/c Dr 10,000
  To Ram's Capital A/c 10,000
(c) P&L Appropriation A/c Dr 10,000
  To Ram's Capital A/c 10,000
(d) Ram's Capital A/c Dr 10,000
  To P & L Appropriation A/c 10,000

Q27. A firm's balance sheet shows the following:
Workmen Compensation Reserve ₹70,000
Workmen Compensation claim ₹90,000
State the journal entry to be passed at the time of Reconstitution of firm
(a) Debit Workmen Compensation Reserve A/c ₹70,000 and Revaluation A/c ₹20,000; Credit Workmen Compensation claim ₹90,000
(b) Debit Workmen Compensation Reserve A/c ₹90,000 Credit Workmen Compensation A/c ₹90,000;
(c) Debit Workmen Compensation Reserve A/c ₹70,000 Credit Workmen Compensation A/c ₹70,000;
(d) Debit Workmen Compensation claim A/c ₹70,000 and Realisation A/c ₹20,000; Credit Workmen Compensation Reserve ₹90,000

Q28. Which of the following is **not** a limitation of Ratio Analysis?
A. Comparative Analysis is possible.
B. Price-level changes are ignored.
C. Problem areas may be identified.
D. Variations in Accounting Practices.
E. Enables SWOT Analysis.
Choose the **correct** answer from the options given below:
(a) (A), (B), (C) and (C) only
(b) (A), (B), (C) and (E) only
(c) (A), (C) and (E) only
(d) (A), (B) and (D) only

Q29. Jaron, a partner in IT Travels withdrew same amount of money at the end of each quarter, for his personal use. The firm charged ₹465 as interest on his drawings. Interest on drawings is to be charged at 8% per annum. What amount was withdrawn by him at the end of each quarter?

(a) ₹15,500
(b) ₹3,875
(c) ₹2,235
(d) ₹9,300

Q30. Match **List – I** with **List – II.**

List – I		List – II	
(A)	Receipt and Payment account	(I)	Accrual Basis
(B)	Income and Expenditure account	(II)	Capital Item
(C)	Subscription	(III)	Cash Basis
(D)	Machinery	(IV)	Revenue Item

Choose the **correct** answer from the options given below:
(a) (A)-(I), (B)-(II), (C)-(III), (D)-(IV)
(b) (A)-(II), (B)-(I), (C)-(III), (D)-(IV)
(c) (A)-(III), (B)-(I), (C)-(IV), (D)-(II)
(d) (A)-(IV), (B)-(I), (C)-(II), (D)-(III)

Q31. In case the net profits made during the year by a company are ₹50,000 and bills payable have increased by ₹10,000 during the year then the cash flow from operating activities for the company will be:
(a) ₹60,000
(b) ₹40,000
(c) ₹50,000
(d) ₹70,000

Q32. Application money should be at least ___________ of the face value of share.
(a) 10 %
(b) 15 %
(c) 5%
(d) 20 %

Q33. Which of the following are facts about Debentures?
(A) Specified rate of interest on debentures is also called the specific coupon rate debenture
(B) Convertible debentures can be converted into equity shares
(C) Debentureholders are the owners of a company
(D) Debenture includes debenture inventory and bonds
(E) Irredeemable debentures are also known as perpetual debentures
Choose the **correct** answer from the options given below:
(a) (A), (B), (C) and (D) only
(b) (A), (B), (C) and (E) only
(c) (A), (B), (D) and (E) only
(d) (A), (C), (D) and (E) only

Q34. Which of the following is not included in non current liabilities?
(a) Trade Payables
(b) Deferred tax Liabilities
(c) Long term Provision
(d) Other long term Liabilities

Q35. Lal, Bal and Pal were partners sharing profit & loss in ratio 5 : 3 : 2. Bal retired, Lal and Pal decided to share future profit & loss in the ratio 2 : 1. Determine the Gaining ratio between Lal and Pal:
(a) 5 : 2
(b) 5 : 4
(c) 1 : 1
(d) 2 : 1

Q36. The directors of Y limited forfeited 200 preference shares of ₹100 each for non-payment of call money of ₹30 per share. Out of this 150 were reissued at ₹60 per share as fully paid up. Find the amount transferred to capital reserve.
(a) ₹6,000

(b) ₹4,500
(c) ₹10,500
(d) ₹3,500

Q37. Himanshi and Nisha are partners in a firm sharing profit in the ratio of 3 : 2. There capital were ₹80,000 and ₹50,000 Respectively. They admitted Shikha on Jan 1, 2023 as a new partner for $\frac{1}{5}$ share in future profit. If Shikha brought ₹60,000 as capital, the value of goodwill of the firm will be:
(a) ₹60,000
(b) ₹1,10,000
(c) ₹1,90,000
(d) ₹3,00,000

Q38. Identify the section of the Indian Partnership Act, 1932, that states that the outgoing partner has an option to receive either interest @ 6% p.a till the date of payment or such share of profits which has been earned with his/her money.
(a) Section 2
(b) Section 32
(c) Section 7
(d) Section 37

Q39. According to AS-26 on Intangible Assets.
(A) Internally generated goodwill should not be recognised as an asset
(B) Self-generated goodwill is accounted for in the books and shown as asset
(C) Intangible assets should be written off as early as possible but not exceedingly its estimated life.
(D) Purchased goodwill is not recognised as asset
(E) Can be written off even beyond 10 years depending upon the nature of asset
Choose the **correct** answer from the options given below:
(a) (A) and (B) only
(b) (C) and (B) only
(c) (D) and (E) only
(d) (A) and (C) only

Q40. Identify the item that is treated as non-cash, while preparing Cash Flow Statement as per AS-3, under indirect method.
(a) Goodwill purchased
(b) Deferred taxes
(c) Debenture interest
(d) Dividend paid

Q41. The journal entry for realisation of an unrecorded asset of 5,500 is:

(a) Cash A/c	Dr	5,500	
To Realisation A/c			5,500
(b) Realisation A/c	Dr	5000	
To Cash			5,000
(c) Cash A/c	Dr	5,500	
To Unrecorded assets			5,500
(d) Unrecorded asset A/c	Dr	5,500	
To Realisation A/c			5,500

Q42. D and M Ltd. forfeited 5,000 shares of ₹10 each for non-payment of final call of ₹3/- per shares. Out of these 2,000 shares were reissued @ ₹12/- per share as fully paid up. What is the maximum discount that can be allowed for re-issue of remaining 3,000 shares?
(a) ₹30,000
(b) ₹9,000
(c) ₹21,000
(d) ₹27,000

Q43. What is the correct sequence at the time of death of a partner?
(A) Amount paid to Executor
(B) Preparation of Revaluation account
(C) Calculation of Amount Payable to executor of Deceased partner
(D) Calculation of Revaluation Gain/Loss
(E) Balance of Executor's loan A/c
Choose the **correct** answer from the options given below:
(a) (B), (D), (C), (A), (E)
(b) (B), (D), (A), (C), (E)
(c) (D), (B), (C), (A), (E)

(d) (D), (B), (A), (C), (E)

Q44. Identify the correct sequence for preparation of realisation account.
(A) Determination of Realisation Gain / Loss
(B) Transfer of outsider's Liabilities to Realisation A/c
(C) Realisation of Assets
(D) Transfer of Assets to Realisation A/c
(E) Payment of Liabilities and Realisation Expenses
Choose the **correct** answer from the options given below:
(a) (D), (B), (C), (E), (A)
(b) (E), (B), (D), (C), (A)
(c) (D), (C), (B), (E), (A)
(d) (D), (B), (C), (A), (E)

Q45. Match **List – I** with **List – II.**

List – I		**List - II**	
(A)	Ctrl + P	(I)	Cut
(B)	Ctrl + X	(II)	Paste
(C)	Ctrl + V	(III)	Copy
(D)	Ctrl + C	(IV)	Print

Choose the **correct** answer from the options given below:
(a) (A)-(I), (B)-(II), (C)-(III), (D)-(IV)
(b) (A)-(II), (B)-(I), (C)-(IV), (D)-(III)
(c) (A)-(IV), (B)-(I), (C)-(II), (D)-(III)
(d) (A)-(IV), (B)-(II), (C)-(I), (D)-(III)

Q46. From the following information calculate Price Earning ratio:
70,000 Equity Shares of ₹10 each - ₹7,00,000
Net profit after tax before dividend - ₹1,75,000
Market price of share ₹13
Dividend declared @ 15%
(a) 0.6
(b) 2.5
(c) 5.2
(d) 1.5

Q47. From the following particulars, Determine Cash flows from Investing Activities.

	Purchased (₹)	Sold (₹)
Machinery	3,50,000	2,75,000
Land and Building	4,50,000	3,00,000

Additional Information:
A plot of land had been purchased for investment purpose and was let out for commercial purpose and rent received ₹45,000.
(a) ₹2,20,000 cash flow
(b) ₹1,80,000 cash flow
(c) ₹1,80,000 cash used
(d) ₹2,20,000 cash used

Q48. Accumulated losses are transferred to ______ in ______ at the time of dissolution of firm.
(a) Realisation A/c, Equal Ratio
(b) Partner's Capital A/c, Old Ratio
(c) Revaluation A/c, Equal Ratio
(d) Partner's Capital A/c, Equal Ratio

Q49. Under capitalisation method of calculating goodwill, the term capital refers to:
(a) Amount standing to the credit of capital account of partners
(b) Total assets minus liabilities
(c) Total assets excluding goodwill and fictitious assets minus outsiders' liabilities
(d) Capital calculated on the basis of new partner's capital and his share of profit

Q50. Steps to print non-contiguous ranges in MS-Excel are:-
A. Click the office Button and select print
B. Select the first range to be printed
C. In print what section, select selection
D. Press [ctrl] + select second range to be printed and more, if required
E. Click print

Choose the correct from the options given below:
(a) B→D→A→C→E
(b) A→B→D→C→E
(c) B→D→C→A→E
(d) A→B→C→D→E

Q51. A and B are partners their respective capitals are ₹50,000 and ₹30,000. Interest on capital is agreed @ 6% p.a. B is allowed an annual salary ₹2,500. Profit during the year prior to calculation of Interest on capital but after charging B's salary is ₹12,500. 5% of net profit is paid to manager as commission. The amount of commission paid to manager is
(a) ₹1,500
(b) ₹1,250
(c) ₹1,000
(d) ₹750

Q52. At the time of admission of a partner following was the extract of Balance Sheet

Investment fluctuation reserve	₹2,00,000	Investment (market value ₹6,00,000)	₹6,40,000

What entry will be passed?
(a) Investment Fluctuation Reserve A/c Dr. ₹2,00,000
To Investment A/c ₹40,000
To Partner's Capital A/c (Old Ratio) ₹1,60,000
(b) Investment Fluctuation Reserve A/c Dr. ₹2,00,000
To Investment A/c ₹40,000
To Partner's Capital A/c (New Ratio) ₹1,60,000
(c) Investment Fluctuation Reserve A/c Dr ₹2,00,000
To Partner's Capital A/c (Old Ratio) ₹2,00,000
(d) Investment Fluctuation Reserve A/c Dr. ₹2,00,000
To Partner's Capital A/c (New Ratio) ₹2,000

Q53. Goodwill was of ₹80,000 on March 31st 2023 and was of ₹60,000 on March 31st 2022. How will you treat the above, while preparing cash flow statement for the year ended March 31, 2023?
(a) Add ₹20,000 in Cash from operating Activities
(b) Subtract ₹20,000 Cash from Operating Activities
(c) Inflow of ₹20,000 in Cash from Investing Activities
(d) Outflow of ₹20,000 Cash from Investing Activities

Q54. X Ltd. Purchased assets of ₹6,30,000 from Y ltd. X ltd. Issued 9% Debentures of ₹100/- each full paid in consideration. Calculate number of Debentures to be issued if debentures are issued at 20% premium.
(a) 6,300
(b) 5,250
(c) 7,875
(d) 9,000

Q55. XYZ Ltd. Extends credit terms of 40 days to its customers. Its credit collection would be considered poor if its average collection period is
(a) 30 days
(b) less than 40 days
(c) more than 40 days
(d) 35 days

Q56. In case of change in profit sharing ratio among partners in a firm, the Stock Account stood at ₹55,000 in the Balance Sheet of the old firm and at the time of reconstitution, it was observed that Stock A/c was overvalued by 10%. Identify the correct option with respect to treatment of stock account in Revaluation Account.
(a) Stock A/c will be debited by ₹5,500
(b) Stock A/c will be credited by ₹5,000
(c) Stock A/c will be debited by ₹5,000
(d) Stock A/c will be credited by ₹5,500

Q57. Consider the following facts with regard to Cash Flow Statement and identify the correct statements.
A. Proceeds from sale of land will appear under Investing Activities
B. Decrease in value of Inventory is added to the net profit to compute cash flow from Operating Activities.
C. Conversion of Debentures into Equity Shares involve issue of Equity Shares and shown under Financing Activities
D. Issue of Debentures as collateral securities are shown under Investing Activities.
E. Income tax paid is subtracted from Cash generated from operations to compute cash flow from Operating Activities.

Choose the correct answer from the options given below:
(a) A, B and C only
(b) A, B and D only

(c) A, B and E only
(d) A, C and E only

Q58. From the following details calculate interest coverage ratio:
Net profit after tax ₹1,20,000
10% long term Debt ₹20,00,000
And tax rate is 40%
(a) 1.84 times
(b) 1.5 times
(c) 2 times
(d) 1.8 times

Q59. Mukund's Loan of ₹50,000 to the firm, was settled at ₹55,000 at the time of firm's dissolution, where Mukund was one of the partners. What entry will be passed?
(a) Mukund Loan A/c Dr. 50,000
Mukund Capital A/c Dr. 5,000
To Cash A/c 55,000
(b) Mukund Loan A/c Dr 50,000
Realisation A/c Dr 5,000
To Cash A/c 55,000
(c) Mukund Loan A/c Dr 55,000
To Cash A/c 55,000
(d) Cash A/c Dr 55,000
To Mukund Loan A/c 50,000
To Realisation A/c 5,000

Q60. Redemption of Debenture can be done by many ways. Identify the wrong option.
(a) Redemption of Debenture by Payment in Lumpsum
(b) Redemption of Debenture by giving tangible Assets
(c) Redemption of Debenture by payment in instalments
(d) Redemption of Debenture by conversion into shares or new Debentures

Q61. Calculate the amount of Dividend paid during the year 2022 from the following information: Balance of Proposed Dividend as on 31st March, 2021 was ₹40,000 and on 31st March, 2022 ₹60,000. Interim Dividend was paid @20% on share capital. Share capital was ₹4,00,000.
(a) ₹1,40,000
(b) ₹1,20,000
(c) ₹1,40,000
(d) ₹1,00,000

Q62. Calculate subscription of current year to be credited to Income and Expenditure account from the following information:
Subscription Received ₹80,000, Subscription Received in Advance Last year ₹10,000, subscription Received in Advance during this year ₹2,000 and Accrued Subscription at the end of current year ₹5,000:
(a) ₹95,000
(b) ₹93,000
(c) ₹82,000
(d) ₹90,000

Q63. Select the way by which provisions appearing in the Balance Sheet of a partnership firm are closed at the time of firm's dissolution.
(a) Transferring them to the Credit of Partner's Capital A/c
(b) Transferring them to the Credit of Partner's Current A/c
(c) Transferring them to the Credit of Realisation A/c
(d) Transferring them to the Debit of Realisation A/c

Q64. Calculate cash flow from financing Activities of X Ltd. which is a financing company.

Issue of shares	₹1,00,000
Issue of Bonus shares	₹50,000
Dividend paid	₹10,000
Interest paid	₹5,000

(a) ₹90,000
(b) ₹1,35,000

(c) ₹85,000
(d) ₹95,000

Q65. What will be the accounting treatment of outstanding expenses in the Income and Expenditure A/c.
(A) Added in main or concerned head
(B) Subtracted from main head
(C) Shown in Balance-Sheet as Liability
(D) Will not be shown in Income and Expenditure A/c
(E) Shown in Receipt and Payment A/c only
Choose the **correct** answer from the options given below:
(a) (A) and (C) Only
(b) (B) and (C) Only
(c) (D) and (C) Only
(d) (E) and (A) Only

Q66. Match **List – I** with **List – II.**

List – I		**List - II**	
(A)	Equity Share	(I)	Fixed Dividend
(B)	Preference Share	(II)	No hold over Assets
(C)	Secured Loan	(III)	Hold over Assets
(D)	Unsecured Loan	(IV)	Voting Right

Choose the **correct** answer from the options given below:
(a) (A)-(I), (B)-(II), (C)-(III), (D)-(IV)
(b) (A)-(II), (B)-(I), (C)-(III), (D)-(IV)
(c) (A)-(IV), (B)-(I), (C)-(III), (D)-(II)
(d) (A)-(III), (B)-(I), (C)-(II), (D)-(IV)

Q67. Which of the following facts are related to modes of reconstitution of a partnership firm.
(A) Admission of a new partner
(B) Dissolution of a partnership firm
(C) Death of a partner
(D) Change in the profit-sharing ratio among the existing partners
(E) Retirement of a partner
Choose the **correct** answer from the options given below:
(a) (A), (B), (C) and (D) Only
(b) (A), (C), (D) and (E) Only
(c) (A), (B), (D) and (E) Only
(d) (B), (C), (D) and (E) Only

Q68. _______ is / are not true with regard to Limited liability partnership.
(A) Separate Legal entity
(B) Unlimited liability for one partner
(C) Indian Partnership Act, 1932 is applicable
(D) Perpetual Succession.
(E) Unlimited liability of partners
Choose the **correct** answer from the options given below:
(a) (A) and (B) Only
(b) (B), (C) and (E) Only
(c) (B) and (C) Only
(d) (D) and (E) Only

Q69. Under rule 10 of the companies (Miscellaneous) Rules 2014. what is the maximum number of partners a partnership firm can have?
(a)20
(b) 50
(c) 100
(d) unlimited

Q70. Gross Profit Ratio of a company was 25%. If credit revenue from, operation was ₹20,00,000 and cash revenue from operation is 20% of total revenue. If indirect expense of the company was ₹50,000. Calculate Net Profit Ratio?
(a) 33.32%
(b) 25%
(c) 27.55%
(d) 23%

Q71. Book debts were ₹1,00,000 as given in the balance sheet as on 31st March, 2022. On 1st April, 2022 the partners decided to share profits equally instead of distributing the profits in their capital ratio. On the date. bad debts for ₹40,000 were written off and a new provision for doubtful debt is to be maintained @5%. How will you treat their adjustment in revaluation account of the firm

(a) revaluation account - debited by ₹45,000

(b) revaluation account - credited by ₹45,000

(c) revaluation account - debited by ₹43,000

(d) revaluation account - credited by - ₹43,000

Q72. In the absence of only information regarding the acquisition of share in profit of the retiring partner by the remaining partners, it is assumed that they will acquire his/her share in:

(a) Old profit-sharing ratio

(b) Capital ratio

(c) Equal ratio

(d) Sacrificing ratio

Q73. A and B share profits in the ratio of 3:4. They admitted C for 1/5th share in future profits with a guarantee that his share of profits shall be at least ₹30,000.

In the above case, any deficiency to C will be borne by A and B in the ratio of:

(a) 1:1

(b) 3:4

(c) 4:3

(d)4:1

Q74. Kavi, Mani Vinayagam are partners in a firm sharing in the ratio of 2:1:1. Mani Retires. Kavi and Vinayagam decided to keep the capital of the firm at ₹1,20,000. The capital A/c of the partners showed a credit balance of ₹82,000/- for Kavi and ₹41,000/- for Vinayagam after all adjustment. The actual cash to be paid to Kavi and Vinayagam are.

(a) ₹3000 and ₹1000

(b) ₹2000 and ₹1000

(c) ₹1500 and ₹1000

(d) ₹1000 and ₹2000

Q75. In case of preparation of spreadsheet, when we apply the command of "Round down" in the value of -3.2469 as "= ROUND DOWN (-3.2469, 3)". What will the outcome of using the above command?

(a)-3.240

(b) -3.247

(c) -3.246

(d) -3.200

Q76. Identify the period, from the date of acquisition, for which an investment normally qualities as cash equivalents.

(a) Two months or less

(b) Three months or less

(c) Four months or less

(d) Six months or less

Q77. Nawab, Shanaya and Hritik are partners sharing profits and losses in the ratio of 5 : 3 : 2. The partnership deed provides for charging interest on drawings @10% p.a. The drawings of Nawab, Shanaya and Hritik were ₹20,000, ₹15,000 and ₹10,000 respectively. After final accounts have been prepared, it was discovered that interest on drawings has not been charged. The adjusting entry will be:

(a)
Shanaya Capital A/c Dr.	75	---
Hritik Capital A/c Dr.	50	---
To Nawab Capital A/c		125

(b)
Shanaya Capital A/c Dr.	125	--
To Hritik Capital A/c Dr.		50
To Nawab Capital A/c		75

(c)
Nawab Capital A/c Dr.	125	--

To Shanaya Capital A/c 75
To Hritik Capital A/c 50
(d) Shanaya Capital A/c Dr. 150 --
Hritik Capital A/c Dr. 100 --
To Nawab Capital A/c 250

Q78. A club received ₹20,000 as subscription during the year 2016-17 of which ₹3,000 relates to the year 2015-16, and ₹2,000 to the year 2017-18; and at the end of year 2016-17, ₹6,000 are still receivable. The amount to be shown in the Income and Expenditure account for the year 2016-17 is:
(a) ₹26,000
(b) ₹17,000
(c) ₹21,000
(d) ₹15,000

Q79. Record journal entry for the following on dissolution of a firm:
Firm has a stock of ₹2,40,000. Arun, a partner took over 50% of the stock at a discount of 15%-
(a) Bank A/c Dr ₹1,02,000
To Realisation A/c ₹1,02,000
(b) Realisation A/c Dr. ₹1,02,000
To Arun's Capital A/C ₹ 1,02,000
(c) Arun's Capital A/c Dr ₹1,02,000
To Realisation A/c ₹1,02,000
(d) Stock A/c Dr ₹1,02,000
To Realisation A/c ₹1,02,000

Q80.

Particulars	01.04.14 amount ₹	31.03.15 amount ₹
Creditor for medicines	25,000	17,000
Stock of medicines	62,000	54,000
Advance to supplier of medicine	11,500	18,200

Amount paid for purchase of medicine during the year 2014-15 was ₹3,70,000. The amount of medicine consumed during the year 2014-15 was:
(a) ₹3,70,000
(b) ₹3,63,300
(c) ₹3,83,000
(d) ₹3,63,000

Directions (81-85): **Read the following information to answer.**
Rathi Udyog, made a profit of ₹72,000 after charging depreciation of ₹17,000 on fixed assets and paid ₹10,000 as interim dividend. The goodwill amortized was ₹12,000 and profit (Gain) on sale of furniture was ₹2,500.
The other information was:
Trade Payable showed an increase of ₹7,000.
Outstanding expenses showed a decrease of ₹5,000.
Accrued Income showed an increase of ₹8,000.
Trade payable showed a decrease of ₹10,000.
Inventories showed a decrease of ₹3,000.
On the basis of above information answer the following questions.

Q81. If from the above information's, cash flow from operating activity is ascertained, then it is ascertained according to Accounting standard:
(a) AS-4
(b) AS-26
(c) AS-16
(d) AS-3

Q82. In the above case study if amount of Goodwill is increasing in current year, then it will be classified in:
(a) Operating activity
(b) Investing activity
(c) Financing activity
(d) Cash and Cash Equivalents

Q83. Find out Net Profit before tax from the above information's:
(a) ₹72,000
(b) ₹82,000
(c) ₹99,000
(d) ₹89,000

Q84. We add depreciation in order to find out operating profit before working capital changes:
(a) because it is an income
(b) because depreciation is a cash expense
(c) because depreciation being a non-cash expense
(d) because it is given in operating activity pro forma

Q85. Apart from showing interim dividend in Net Profit before tax, where else it will be shown?
(a) Operating activity
(b) Investing activity
(c) Financing activity
(d) Cash and Cash Equivalents

Directions (86-90): **On the basis of above case, current ratio is:**

Particulars	₹
Inventory	1,00,000
Total Current Assets	1,60,000
Shareholder's funds	4,00,000
13% Debentures	3,00,000
Current Liabilities	1,00,000
Net Profit Before Tax	3,51,000
Cost of revenue from operations	5,00,000

Q86. On the basis of above case, the current ratio is:
(a) 2:1
(b) 2:3
(c) 1:2
(d) 1.6:1

Q87. On the basis of above case, calculate Liquid ratio.
(a) 1:1
(b) 0.6:1
(c) 2:1
(d) 1:0.6

Q88. On the basis of above case, calculate Debt Equity ratio.
(a) 2:1
(b) 1;0.75
(c) 0.75:1
(d) 1:2

Q89. On the basis of above case, the Interest Coverage ratio is:
(a) 05 times
(b) 07 times
(c) 01 times
(d) 10 times

Q90. On the basis of above case, the Inventory turnover ratio is:
(a) 02 times
(b) 06 times
(c) 07 times
(d) 05 times

Directions (91-95): Answer the questions from based on the case given below:
Harit and sons Ltd. is registered with share capital of ₹80,00,000 divided into 8,00,000 shares of ₹10 each. Company has offered 1,00,000 shares to public for subscription, amount is payable as ₹3 on application ₹2 on allotment, ₹3 on 1st call and ₹2 on final call. All the shares were subscribed for but Company did not receive first call amount on 5,000 shares and final call is yet to be made by company.

Q91. Paid up Capital of the company is
(a) ₹10,00,000
(b) ₹9,85,000
(c) ₹8,75,000
(d) ₹7,85,000

Q92. Called up capital of the company is
(a) ₹10,00,000
(b) ₹8,00,000
(c) ₹7,85,000
(d) ₹9,85,000

Q93. Calls in arrear in the given case are
(a) ₹2,00, 000
(b) ₹15,000
(c) ₹25,000
(d) ₹50,000

Q94. Issued capital of Harit and Sons Ltd is
(a) ₹10,00,000
(b) ₹50,00,000
(c) ₹9,00,000
(d) ₹9,85,000

Q95. Authorised capital of the company is
(a) Rs 7,10,00,000
(b) ₹18,00,000
(c) ₹10,00,000
(d) ₹80,00,000

Directions (96-100): Read the following passage and answer question from :
The Balance sheet of Himanshu, Pranav and Tushar who were sharing profits in proportion to their capital stood as follows :

Balance Sheet
As on 31 March 2022

Liabilities		₹	Assets	₹
Sundry Creditors		25,000	Land and building	35,000
Investment Fluctuation fund		5,000	Machinery	45,500
Bills payable		10,000	Stock	13,000
Capital			Debtors	6,000
Himanshu	35,000		Investment	5,000
Pranav	21,000		Bank	4,000
Tushar	14,000		Profit and loss A/c	1,500
		70,000		
		1,10,000		1,10,000

Addition Information :
(A) On 1st April 2022, they admitted Rachit into partnership for 1/6th share in future profit
(B) Rachit will bring ₹25,000 for capital and ₹15,000 for goodwill.
(C) A provision for doubtful debts of 7% was to be made.

(D) Land and building is to be appreciated to 120%.
(E) Machinery is decreased by ₹1,500.
On the basis of above case give answer to question :

Q96. Select the treatment of Investment Fluctuation fund on the admission of Rachit.
(a) Transfer to credit side of All Partner's Capital A/c
(b) Transfer to liability side of New Balance Sheet
(c) Transfer to Debt side of Revaluation A/c
(d) Transfer to Credit side of Old Partner's Capital A/c

Q97. Identify gain/loss on Revaluation of assets:
(a) ₹5,500 gain
(b) ₹5,080 gain
(c) ₹5,500 loss
(d) ₹5,080 loss

Q98. Determine the amount compensated by Rachit to Pranav :
(a) ₹15,000
(b) ₹4,500
(c) ₹7,500
(d) ₹3,000

Q99. Identify the Journal Entry that is to be recorded for distribution of profit and loss account appearing in Balance Sheet among partners :

(A)	Profit and Loss A/c Dr. To Himanshu's Capital A/c To Pranav's Capital A/c To Tushar's Capital A/c	1,500	 500 500 500
(B)	Himanshu's Capital A/c Dr. Pranav's Capital A/c Dr. Tushar's Capital A/c Dr. To Profit and Loss A/c	500 500 500	 1,500
(C)	Himanshu's Capital A/c Dr. Pranav's Capital A/c Dr. Tushar's Capital A/c Dr. To Profit and Loss A/c	750 450 300	 1,500
(D)	Profit and Loss A/c Dr. To Himanshu's Capital A/c To Pranav's Capital A/c To Tushar's Capital A/c	1500	 750 450 300

(a) A
(b) B
(c) C
(d) D

Q100. Determine the new profit-sharing ratio among partners, after Rachit's admission.
(a) 2 : 1 : 2 :1
(b) 5 : 3 : 2 : 2
(c) 5 : 2 : 3 : 2
(d) 3 : 5 : 2 : 2

Solutions:

S1. Ans. (a)

Sol. The correct order for rearranging the items of "Equity and Liabilities" on the Balance Sheet as prescribed in the Companies Act 2013, Schedule III is as follows:

(B) Shareholders' funds: Shareholders' funds typically include equity share capital, preference share capital, reserves, and surplus.

(C) Share application money pending allotment: Share application money pending allotment refers to the funds received from shareholders who have applied for shares but have not yet been allocated shares.

(D) Non-Current Liabilities: Non-Current Liabilities are long-term obligations of the company, such as long-term loans, debentures, and other long-term borrowings which are settled after one year.

(A) Current Liabilities: Current Liabilities are short-term obligations that the company needs to pay within a year, including trade payables, short-term loans, and accrued expenses.

S2. Ans. (c)

Sol. **(A) MS Access - (III) Data Base management software:** MS Access is a type of database management software used for creating and managing databases.

(B) DBMS - (IV) Data Base management system: DBMS stands for Database Management System, which is a software system for managing databases.

(C) Field - (II) Vertical column of the table: A field is an individual data element within a database, often represented as columns in database tables.

(D) Record - (I) Horizontal row of the table: A record is a collection of related data elements, typically represented as rows in a database table.

S3. Ans. (d)

Sol. **Calculation of Gaining Ratio:**

A: $\frac{5}{8} - \frac{4}{9} = \frac{45-32}{72} = \frac{13}{72}$

B: $\frac{3}{8} - \frac{2}{9} = \frac{27-16}{72} = \frac{11}{72}$

Gaining ratio =13 : 11

B's share of goodwill = ₹1,08,000 × $\frac{3}{9}$ = ₹36,000

A's Gain= $\frac{13}{24} \times ₹36{,}000 = ₹19{,}500$

C' Gain= $\frac{11}{24} \times ₹36{,}000 = ₹16{,}500$

Journal Entry

A's Capital A/c	Dr.	₹19,500
C's Capital A/c	Dr	₹16,500
To B's Capital A/c		₹36,000

S4. Ans. (c)

Sol.

Particulars	₹
Excess Amount adjusted towards allotment	(2,20,000 − 80,000) × 5 = ₹7,00,000
Less: Amount due on allotment	80,000 × 3 = ₹2,40,000
Amount refunded on allotment	₹4,60,000

S5. Ans. (a)

Sol. **(A) The business of the firm is closed:** Dissolution means the firm's operations are stopped.

(B) Assets are sold, and liabilities are paid off: Assets are liquidated to settle debts and obligations.

(C) A firm can be dissolved by the court's order: Courts can order dissolution in disputes or for protection.

(D) The books of account are closed: Financial records are finalized and transactions settled.

S6. Ans. (c)

Sol. Securities Premium Reserve can be used only for the following five purposes:

(a) to issue fully paid bonus shares to the extent not exceeding unissued share capital of the company;

(b) to write-off preliminary expenses of the company;

(c) to write-off the expenses of, or commission paid, or discount allowed on any securities of the company; and

(d) to pay premium on the redemption of preference shares or debentures of the company.

(e) Purchase of its own shares (i.e., buy back of shares).

S7. Ans. (c)

Sol. Ratio analysis involves calculating various financial ratios that express the relationship between different financial statement items. These ratios help in assessing the financial performance, liquidity, profitability, and other aspects of a company by comparing different accounting figures.

S8. Ans. (a)

Sol. If the current ratio is 3:1, any payment of current liability will improve the ratio. This can be evident from the imaginary example given below:

Example:

Current Ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}} = \frac{3}{1} = \frac{3,00,000}{1,00,000}$ (Let)

Payment of Current liability = ₹50,000 (Let)

New Current Ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}} = \frac{3,00,000-50,000}{1,00,000-50,000} = \frac{2,50,000}{50,000} = \frac{5}{1}$

The ratio improved from 3 : 1 to 5 : 1.

S9. Ans. (c)

Sol. Provisions of Partnership Act Relevant for Accounting The important provisions affecting partnership accounts are as follows:

(a) Profit Sharing Ratio: If the partnership deed is silent about the profit-sharing ratio, the profits and losses of the firm are to be shared equally by partners, irrespective of their capital contribution in the firm.

(b) Interest on Capital: No partner is entitled to claim any interest on the amount of capital contributed by him in the firm as a matter of right. However, interest can be allowed when it is expressly agreed to by the partners. Thus, no interest on capital is payable if the partnership deed is silent on the issue.

(c) Interest on Drawings: No interest is to be charged on the drawings made by the partners, if there is no mention in the Deed.

(d) Interest on Loan: If any partner has advanced loan to the firm for the purpose of business, he/she shall be entitled to get an interest on the loan amount at the rate of 6 per cent per annum.

(e) Remuneration for Firm's Work: No partner is entitled to get salary or other remuneration for taking part in the conduct of the business of the firm unless there is a provision for the same in the Partnership Deed.

S10. Ans. (c)

Sol. The statements that relate to the Income and Expenditure Account (A/c) are:

(B) Prepared on accrual basis of accounting: Income and Expenditure Accounts are typically prepared on the accrual basis of accounting, where income is recognized when earned, and expenses are recognized when incurred, regardless of when cash is received or paid.

(C) Records incomes of revenue nature only: Income and Expenditure Accounts primarily record incomes of revenue nature. These are the regular operational incomes of an organization, such as membership fees, subscription fees, donations, etc.

(E) Records non-cash transactions such as depreciation: Income and Expenditure Account may include non-cash transactions like depreciation. It doesn't involve actual cash expenditure.

S11. Ans. (b)

Sol. The facts related to cash flows from Operating Activities and Investing Activities are:

(B) Receipt from royalties, fees, etc., are cash inflows under Operating Activities: Cash received from royalties, fees, or similar sources related to the core operations of a business is considered a cash inflow from operating activities.

(C) Payment of employee benefit expenses is a cash outflow under Operating Activities: Payments made for employee benefit expenses, such as salaries and wages, are considered cash outflows from operating activities.

(D) Payment for the purchase of plant leads to cash outflow under Investing Activities: Payments made for the acquisition of assets like plants and equipment are categorized as cash outflows from investing activities.

S12. Ans. (d)

Sol.

Cash Flows from Investing Activities

Particulars	₹
Loan Acquired	1,50,000
Loan repaid	(1,00,000)
Cash generated from Investing activities	50,000

Working Note:

Dr. Long term Loans Account Cr.

Particulars	₹	Particulars	₹
To Bank	1,00,000	By Balance b/d	2,00,000

To Balance c/d	2,50,000	By Bank (Bal. fig – Loan acquired)	1,50,000
Total	3,50,000	Total	3,50,000

S13. Ans. (a)

Sol.
(A) In accordance with a contract between the partners:
This refers to the voluntary dissolution of a partnership based on an agreement among the partners.
(B) When the business becomes illegal: This refers to compulsory dissolution, which occurs when the partnership's business activities become illegal.
(C) Death of a partner: This is a situation where the partnership may dissolve due to the happening of certain contingencies, such as the death of a partner.
(D) Partner insane: This is another condition where the partnership may dissolve, and it can lead to dissolution by a court's order.

S14. Ans. (b)

Sol. When the Securities Premium Reserve is not sufficient to cover the loss on the issue of debentures, the remaining amount of the loss is charged to the Statement of Profit and Loss (also known as the Income Statement or P&L Statement).

S15. Ans. (b)

Sol. The correct steps in the preparation of an Income and Expenditure Account are indeed as follows:
(B) Peruse Receipt and Payment Account thoroughly: Review the Receipt and Payment Account to identify all cash transactions, including both revenue and capital items.
(C) Exclude the capital receipts and capital payments: Separate the capital transactions from the revenue transactions to focus on the income and expenses relevant to the accounting period.
(A) Take revenue receipts to the credit side and revenue expenses to the debit side of Income and Expenditure A/c: Record revenue receipts as credits and revenue expenses as debits in the Income and Expenditure Account.
(D) Close the account to find surplus or deficit: After recording all relevant items, calculate the surplus or deficit by balancing the Income and Expenditure Account.

S16. Ans. (d)

Sol. The reduction in the value of an asset at the time of a partner's admission is debited to Revaluation A/c. This is done to accurately reflect the decreased value of the asset during the revaluation process and to distribute any resulting profits or losses among the partners.

S17. Ans. (a)

Sol.
A. **He will pay excess amount**: The creditor will pay the excess amount because the asset provided is worth more than the debt owed to them.
C. **The excess amount will be credited to Realisation Account**: The excess amount is added to the Realisation Account to record it as an asset realized during the dissolution of a partnership.
E. **The excess amount is debited to Bank account**: Simultaneously, the excess amount is debited to the Bank account because it represents an inflow of cash or a valuable asset into the firm's bank account.

S18. Ans. (c)

Sol. Disclosures under the Companies Act-2013:
A. **Number and class of shares bought back**: Companies must disclose the details of shares they repurchased during the specified 5-year period.
B. **Shares reserved under contracts/commitments**: This disclosure informs stakeholders about shares set aside for future issuance as per contracts or commitments.
D. **Number and class of shares allotted for consideration other than cash and bonus shares**: Companies need to disclose shares issued in exchange for non-cash consideration and bonus shares issued during the specified 5-year period.

S19. Ans. (c)

Sol. The correct sequence for the statement of profit or loss:
C. Revenue from Operations: This is the starting point, as it represents the primary source of income generated by the company.
A. Other Income: After accounting for revenue from operations, other income is added. Other income includes non-operational income sources, such as interest, rent, or dividends.
E. Total Revenue: This is the sum of revenue from operations and other income, representing the company's total income for the period.
B. Total Expenses: Next, total expenses are subtracted from the total revenue. This includes all the costs and expenditures incurred by the company in the relevant period.

D. Profit before Extraordinary Items & Tax: Finally, after subtracting total expenses from total revenue, you arrive at the profit before considering extraordinary items and tax. This represents the company's operating profit.

S20. Ans. (b)

Sol. Since A and B have sacrificed equal share in favour of Z, the sacrificing ratio will be 1 : 1.

S21. Ans. (b)

Sol. Oracle, SQL Server, and IBM-DB2 are examples of database management systems (DBMS) that are typically used as server databases. These systems are designed to manage and store data for multiple users and applications in a centralized manner, making them server databases.

S22. Ans. (b)

Sol. Table Tennis match expenses of ₹40,000 would be treated as an expense and would be debited to the Income and Expenditure Account. This is because such expenses are considered part of the organization's operating expenses and are reflected in the income and expenditure statement.

S23. Ans. (c)

Sol. The correct match is given below:

LIST I		LIST II	
A.	AS-3	IV.	Cash Flow Statement
B.	AS-26	I.	Treatment of Goodwill
C.	Section 2(62) of Companies Act, 2013	II.	One person company
D.	Section 43 of Companies Act, 2013	III.	Preference Shares

S24. Ans. (b)

Sol.

Year	Profits(₹)	Weights	Products
2012-2013	20,000	1	20,000
2013-2014	24,000	2	48,000
2014-2015	30,000	3	90,000
2015-2016	25,000	4	1,00,000
2016-2017	18,000	5	90,000
Totals		**15**	**3,48,000**

Weighted Average Profits=$\frac{3,48,000}{15}$ = ₹23,200

Goodwill= Weighted Average Profits × No. of Years Purchase

Goodwill=23,200× 3 = ₹69,600

S25. Ans. (d)

Sol. "= AND (C4 > 10, D4 < 100)" formula will result in TRUE if both conditions are met: C4 is greater than 10, and D4 is less than 100.

S26. Ans. (d)

Sol. Journal Entry for transfer of Loss to partner:

Ram's Capital A/c Dr. ₹10,000

To P&L Appropriation A/c ₹10,000

S27. Ans. (a)

Sol. When the claim for Workmen Compensation is more than that of reserve, the difference is transferred to Revaluation account.

Journal Entry in this case would be:

Workmen Compensation Reserve A/c	Dr.	₹70,000	
Revaluation A/c	Dr.	₹20,000	
To Workmen Compensation claim			₹90,000

S28. Ans. (c)

Sol. Limitations of Ratio Analysis include:

B. Price-level changes are ignored

D. Variations in Accounting Practices

(A), (C), and (E) are not the limitations of Ratio analysis.

S29. Ans. (b)

Sol. Interest on Drawings = Quarterly Drawings × 4 × Rate% × Average Period

$$465 = \text{Quarterly Drawings} \times 4 \times \frac{8}{100} \times \frac{4.5}{12}$$

Quarterly Drawings=₹3,875

S30. Ans. (c)

Sol. The correct match is given below:

List – I		List – II	
(A)	Receipt and Payment account	(III)	Cash Basis
(B)	Income and Expenditure account	(I)	Accrual Basis
(C)	Subscription	(IV)	Revenue Item
(D)	Machinery	(II)	Capital Item

S31. Ans. (a)

Sol. Increase in current liability is added back to net profit to ascertain net cash flows from Operating Activities.

Cash flows from Operating Activities

Particulars	₹
Net profit	50,000
Add: Increase in Bills Payable	10,000
Net cash flows from Operating Activities	**60,000**

S32. Ans. (c)

Sol. As per Companies Act, 2013, application money should be at least 5% of the face value of the share when applying for shares during the share issuance process.

S33. Ans. (c)

Sol. The correct facts about debentures are:

(A) Specified rate of interest on debentures is also called the specific coupon rate debenture.

(B) Convertible debentures can be converted into equity shares.

(D) Debentures include debenture inventory and bonds.

(E) Irredeemable debentures are also known as perpetual debentures.

S34. Ans. (a)

Sol. Trade payables fall under current liabilities, as they represent the amounts the company owes to its creditors in the short term. The other options, deferred tax liabilities, long-term provisions, and other long-term liabilities, are considered non-current liabilities as they represent obligations that extend beyond the current fiscal year.

S35. Ans. (b)

Sol. Gaining Ratio = New ratio – Old Ratio

Lal: $\frac{2}{3} - \frac{5}{10} = \frac{5}{30}$

Pal: $\frac{1}{3} - \frac{2}{10} = \frac{4}{30}$

Gaining Ratio = Lal : Pal = 5 : 4

S36. Ans. (b)

Sol.

Particulars	₹
Amount collected on 150 forfeited shares	150 × 70 = ₹10500
Less: Discount on Reissue	150 × 40 = (₹6000)
Amount transferred to capital Reserve	**₹4,500**

S37. Ans. (b)

Sol. Total capital of the firm on the basis of Shikha's Capital = 60,000 $\times \frac{5}{1}$ = ₹3,00,000

Goodwill of the firm = ₹3,00,000 − ₹80,000 − ₹50,000 − ₹60,000 = ₹1,10,000

S38. Ans. (d)

Sol. In the absence of any agreement, Section 37 of the Indian Partnership Act, 1932 is applicable, which states that the outgoing partner has an option to receive either interest @ 6% p.a. till the date of payment or such share of profits which has been earned with his/her money (i.e., based on capital ratio).

S39. Ans. (d)

Sol. Accounting Standard 26- Intangible Assets:

(i) Intangible asset should be recognised by fulfilling the criteria as recognised under AS 26.

(ii) If an in asset does not satisfy recognition criteria, it should be expensed.

(iii) Internally generated goodwill should not be recognised as an asset.

(iv) Internally generated brands, mastheads, and publishing titles and other similar in substance should not be recognised as intangible assets.

(v) Internally generated assets other than the goodwill, brands, mastheads, and publishing titles may be recognised provided they satisfy recognition criteria as prescribed by AS 26.

(vi) Intangible assets should be written off as early as possible but not exceeding its estimated life, which normally should not be beyond 10 years.

S40. Ans. (b)

Sol. Deferred taxes are taxes that are payable in the future. Hence, presently they are treated as non-cash expense.

S41. Ans. (a)

Sol. Journal Entry for Unrecorded Asset:

Cash A/c Dr. 5,500
  To Realisation 5,500

S42. Ans. (c)

Sol. Maximum discount on re-issue must not exceed amount actually received on forfeited share.
Hence, Maximum discount = $3000 \times 7 = ₹21000$

S43. Ans. (a)

Sol. The correct sequence at the time of the death of a partner is as follows:

(B) Preparation of Revaluation account: This step involves revaluing the assets and liabilities of the partnership to determine any gains or losses resulting from the change in partnership due to the death of a partner.

(D) Calculation of Revaluation Gain/Loss: After preparing the Revaluation account, the gains or losses are calculated, reflecting the changes in the value of assets and liabilities.

(C) Calculation of Amount Payable to the Executor of the Deceased Partner: Once the revaluation is complete, the amount payable to the executor of the deceased partner is determined. This includes the deceased partner's share of the partnership assets.

(A) Amount Paid to Executor: After calculating the amount payable, it is paid to the executor of the deceased partner's estate.

(E) Balance of Executor's Loan Account: Finally, any remaining balances in the executor's loan account, if applicable, are settled or adjusted.

S44. Ans. (a)

Sol. The correct sequence for the preparation of a realization account is as follows:

(D) Transfer of Assets to Realization A/C: Assets are transferred to the Realization Account to record their values at the time of liquidation.

(B) Transfer of Outsider's Liabilities to Realization A/C: Outsider's liabilities (liabilities to parties other than the partners) are transferred to the Realization Account.

(C) Realization of Assets: Actual realization or sale of assets takes place during this step.

(E) Payment of Liabilities and Realization Expenses: Liabilities and realization expenses are paid using the funds generated from asset realization.

(A) Determination of Realization Gain/Loss: After all assets are realized, and liabilities and expenses are paid, the Realization Account is settled to determine if there is any realization gain or loss.

S45. Ans. (c)

Sol. The correct match for List - I with List - II is as follows:

(A) **Ctrl + P - (IV) Print:** The Ctrl + P keyboard shortcut is used to print documents.
(B) **Ctrl + X - (I) Cut:** Ctrl + X is used to cut selected text or objects.
(C) **Ctrl + V - (II) Paste:** Ctrl + V is used to paste the content that was previously cut or copied.
(D) **Ctrl + C - (III) Copy:** Ctrl + C is used to copy selected text or objects.

S46. Ans. (c)

Sol. Earnings per share = $\frac{\text{Net profit after tax but before dividend}}{\text{No. of shares}}$

Earnings per share $= \frac{1,75,000}{70,000} = ₹2.5$

Price-Earning Ratio = $\frac{\text{Market Price per share}}{\text{EPS}} = \frac{13}{2.5} = 5.2$

S47. Ans. (c)

Sol. Cash flows from Investing Activities:

Particulars	**₹**
Purchase of Machinery	(75,000)
Purchase of Land and Building	(1,50,000)
Rent from Land let out	45,000
Cash used in Investing Activities	**(1,80,000)**

S48. Ans. (b)

Sol. Accumulated losses in a partnership firm are typically transferred to the Partner's Capital Accounts in accordance with the old profit-sharing ratio.

S49. Ans. (c)

Sol. In the context of calculating goodwill using the capitalization method, the term "capital" refers to the total capital employed in the business, which is calculated as the total assets (excluding goodwill and fictitious assets) minus the liabilities owed to outsiders (i.e., external parties or creditors)

S50. Ans. (a)

Sol. Sequence of steps to print non-contiguous ranges in MS-Excel:

B. **Select the first range to be printed**: Start by selecting the first range of cells that you want to print.

D. **Press [Ctrl] + select the second range to be printed and more, if required**: While holding the Ctrl key, select additional non-contiguous ranges that you want to print.

A. **Click the Office Button and select Print**: After selecting all the desired ranges, go to the Office Button (or File, depending on your Excel version) and choose the Print option.

C. **In the "Print What" section, select "Selection"**: In the Print settings, choose the option to print the selected cells or ranges.

E. **Click Print**: Finally, click the Print button to print the selected non-contiguous ranges.

S51. Ans. (d)

Sol. Net profit = $12{,}500 + 2500 = ₹15{,}000$

Commission paid to manager = $₹15{,}000 \times \frac{5}{100} = ₹750$

S52. Ans. (a)

Sol. Since, decrease in investment is less than the Investment Fluctuation Reserve, the fall in value will be deducted from Investment Fluctuation Reserve and the balance reserve will be divided among the partners in old ratio.

Journal Entry:

Investment Fluctuation Reserve A/c	Dr.	₹2,00,000	
To Investment A/c			₹40,000
To Partners Capital A/c (Old Ratio)			₹1,60,000

S53. Ans. (d)

Sol. The goodwill has decreased from ₹80,000 on March 31, 2022, to ₹60,000 on March 31, 2023, indicating a decrease in value. This represents outflow of cash from investing activities.

S54. Ans. (b)

Sol. Number of Debentures issued = $\frac{\text{Purchase Consideration}}{\text{Issue price}} = \frac{6{,}30{,}000}{120} = 5{,}250$

S55. Ans. (c)

Sol. If XYZ Ltd. extends credit terms of 40 days to its customers and the average collection period is more than 40 days, it would be considered poor because it means that, on average, customers are taking longer than the allowed credit period to make their payments.

S56. Ans. (b)

Sol. Value of stock at ₹55,000 is overvalued which means the actual value of Stock must be less than ₹55,000. This will cause a reduction in the value of stock. Therefore, the stock should be credited in revaluation account.

Amount by which Stock should be credited=$₹55{,}000 \times \frac{10}{110} = ₹5{,}000$.

S57. Ans. (c)

Sol. The correct statements are:

A. Proceeds from sale of land will appear under Investing Activities

B. Decrease in value of Inventory is added to the net profit to compute cash flow from Operating Activities

E. Income tax paid is subtracted from Cash generated From operations to compute cash flow from Operating Activities.

S58. Ans. (c)

Sol. Profit before interest and taxes = profit after tax + Interest Expenses

Profit before taxes = $₹1{,}20{,}000 \times \frac{100}{(100-40)} = ₹2{,}00{,}000$.

Profit before interest and taxes=$2{,}00{,}000 + 10\%$ of $₹10{,}00{,}000 = 2{,}00{,}000 + 2{,}00{,}000 = ₹4{,}00{,}000$

Interest Coverage ratio =$\frac{\text{Profit before Interest and taxes}}{\text{Interest Payments}} = \frac{₹4{,}00{,}000}{2{,}00{,}000} = 2$ times.

S59. Ans. (b)

Sol. When Mukund's loan of ₹50,000 is settled at ₹55,000, the additional increase in liability of ₹5,000 is transferred to Realisation A/c. The whole amount is settled by paying out cash. Hence, the Journal Entry in this case will be:

Mukund's Loan A/c	Dr	₹50,000	
Realisation A/c	Dr	₹5,000	
To Cash A/c			₹55,000

S60 . Ans. (b)

Sol. Typically, debentures are redeemed by payment in lump sum, payment in instalments, or by conversion into shares or new debentures. Redeeming debentures by giving tangible assets is not a common method and is not a standard practice in debenture redemption.

S61. Ans. (b)

Sol. Proposed Dividend on 31st March, 2022 for ₹60,000 is only proposed and not paid yet. Proposed Dividend as on 31st March, 2021 was ₹40,000 which must have been paid in the year. Additionally, Interim Dividend was paid @20% on share capital of ₹4,00,000 which amounts to ₹80,000. Hence, amount of Dividend paid during the year 2022 = ₹80,000 + ₹40,000= ₹1,20,000.

S62. Ans. (b)

Sol. Subscription of current year to be credited to Income and Expenditure account = Subscription Received + Subscription Received in Advance Last year - subscription Received in Advance during this year + Accrued Subscription at the end of current year

Subscription of current year to be credited to Income and Expenditure account = 80,000 – 2,000 + 10,000 + 5,000 = ₹93,000.

S63. Ans. (c)

Sol. Provisions appearing in the Balance Sheet of a partnership firm are closed at the time of the firm's dissolution by transferring them to the Credit of the Realisation Account. The Realisation Account is used to record the settlement of all assets and liabilities during the dissolution process, and provisions are included in this process.

S64. Ans. (a)

Sol. Cash flow from Financing Activities

Particulars	**₹**
Issue of shares	1,00,000
Less: Dividend paid	(10,000)
Net Cash inflow from Financing Activities	**90,000**

Important Notes:

- Issue of Bonus shares does not bring in cash hence, it is not taken into account.
- Since, the company is financing in nature, Interest paid will be treated as operating activity and not financing activity.

S65. Ans. (a)

Sol. Outstanding expenses in the Income and Expenditure Account are typically treated as follows:

(A) Added in the main or concerned head: Outstanding expenses are added to the respective expense heads in the Income and Expenditure Account to reflect the true expenses for the period.

(C) Shown in the Balance Sheet as a Liability: Outstanding expenses are shown in the Balance Sheet as a liability because they represent unpaid expenses as of the balance sheet date.

S66. Ans. (c)

Sol. The correct match is given below:

List - I	**List - II**
(A) Equity Share	(IV) Voting Right
(B) Preference Share	(I) Fixed Dividend
(C) Secured Loan	(III) Hold over Assets
(D) Unsecured Loan	(II) No hold over Assets

S67. Ans. (b)

Sol. The modes of reconstitution of a partnership firm are:

(A) Admission of a new partner

(C) Death of a partner

(D) Change in the profit-sharing ratio among the existing partners

(E) Retirement of a partner

S68. Ans. (b)

Sol. The statements not true regarding the Limited liability partnership.

(B) Unlimited liability for one partner

(C) Indian Partnership Act, 1932 is applicable

(E) Unlimited liability of partners

S69. Ans. (b)

Sol. As per Rule 10 of the Companies (Miscellaneous) Rules 2014, the maximum number of partners allowed in a partnership firm is 50. This limitation is set to distinguish between a partnership and a company, which can have more than 50 members. The rule ensures that larger business entities operate under the more stringent regulatory framework applicable to companies.

S70. Ans. (d)

Sol. Cash revenue from operation is 20% of total revenue which means Credit Revenue from Operation is 80% of Total Revenue

Total Revenue = ₹20,00,000 $\times \frac{100}{80}$ = ₹25,00,000

Gross Profit Ratio= $\frac{\text{Gross profit}}{\text{Revenue from Operation}} \times 100$

$25\%=\frac{\text{Gross Profit}}{25,00,000}\times 100$

Gross Profit = ₹6,25,000

Net profit= ₹6,25,000 – ₹50,000 = ₹5,75,000.

Net profit Ratio = $\frac{\text{Net profit}}{\text{Revenue from Operations}}\times 100$

Net profit Ratio = $\frac{₹5,75,000}{₹25,00,000}\times 100 = 23\%$

S71. Ans. (c)

Sol. Doubtful Debts = Book Debts – Bad Debts = ₹1,00,000 – ₹40,000 = ₹60,000

New Provision for doubtful debt= ₹60,000 × 5% = ₹3,000

Since, Bad Debts and Provision on Doubtful Debts both represent increase in liability, revaluation account will be debited by ₹40,000 + ₹3,000 = ₹43,000

S72. Ans. (a)

Sol. In the absence of specific information, it is assumed that the remaining partners acquire the retiring partner's share in profit in the old profit-sharing ratio. This is the default assumption as it reflects the pre-existing agreement among the partners.

S73. Ans. (b)

Sol. Any deficiency to C will be borne by A and B in their original profit-sharing ratio, which is 3:4. This ratio determines how they share both profits and responsibilities, including making up any shortfall in C's guaranteed share.

S74. Ans. (b)

Sol. New Ratio after Mani retires = Kavi : Vinayagam= 2 : 1

New capital of the firm = 1,20,000

New capital of Kavi=$\frac{2}{3}\times 1,20,000 = ₹80,000$

New capital of Vinayagam=$\frac{1}{3}\times 1,20,000 = ₹40,000$

Cash to be paid to Kavi = 82,000 – 80,000 = ₹2,000

Cash to be paid to Vinayagam = 41,000 – 40,000 = ₹1,000

S75. Ans. (c)

Sol. The ROUNDDOWN function in spreadsheets rounds a number down, towards zero. For -3.2469 rounded down to 3 decimal places, the result is -3.246. This function truncates rather than rounding to the nearest value.

S76. Ans. (b)

Sol. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash. An investment is generally classified as a cash equivalent when it has a maturity of three months or less from the date of acquisition, ensuring high liquidity and low risk of change in value.

S77. Ans. (a)

Sol. Statement showing Net effect of Omitting Interest on Drawings

Particulars	**Nawab (₹)**	**Shanaya (₹)**	**Hritik (₹)**	**Total (₹)**
Amount which should have been debited by way of interest on drawings	1,000	750	500	2,250
Amount that should have been credited by way of share of profit	1,125	675	450	2,250
Required Adjustment	Cr. 125 (Short)	Dr. 75 (Excess)	Dr. 50 (Excess)	

Journal Entry

Particulars	**Debit (₹)**	**Credit (₹)**
Shanaya Capital A/c Dr.	75	
Hritik Capital A/c Dr.	50	
To Nawab Capital A/c		125

Note: Interest on drawings will be calculated for an average period of 6 months.

S78. Ans. (c)

Sol. Subscriptions as per Income and Expenditure account = ₹20,000(Subscriptions Received) - ₹3,000(Previous Year) + ₹6,000(Outstanding for current Year) - ₹2,000(Advance for next year) = ₹21,000

S79. Ans. (c)

Sol. Value of Stock taken over by Arun=₹2,40,000 $\times\frac{1}{2}\times 85\% = ₹1,02,000$

Journal Entry

Particulars	**Debit (₹)**	**Credit (₹)**
Arun's Capital A/c Dr	1,02,000	
To Realisation A/c		1,02,000

(Being Stock Taken over by Arun)		

S80. Ans. (b)
Sol. Cost of medicines consumed

Details	Amt. (₹)
Payment for purchases of medicine	3,70,000
(+) Creditors for medicines Purchases 31.03.15	17,000
(+) Advance for medicines Purchases on 01.04.14	11,500
	3,98,500
(-) Creditors for medicines Purchases 01.04.14	(25,000)
(-) Advance for medicines Purchases on 31.03.15	(18,200)
Purchase of medicine During the Year 2011	3,55,300
(+) Opening stock of medicine as on 01.04.14	62,000
(-) Closing stock of Medicine as on 31.03.15	(54,000)
Medicine consumed during the year 2014-15	3,63,300

S81. Ans. (d)
Sol. The cash flow from operating activities is ascertained according to Accounting Standard AS-3. AS-3 deals with the preparation and presentation of cash flow statements, providing guidelines for classifying and reporting cash flows from operating, investing, and financing activities.

S82. Ans. (b)
Sol. In the context of a cash flow statement, if the amount of goodwill is increasing in the current year, it would be classified under 'Investing activity'. Goodwill typically relates to acquisitions and mergers, representing the premium paid over the fair market value of the assets acquired. Since investing activities include transactions related to the acquisition and disposal of long-term assets and other investments, an increase in goodwill falls under this category. It represents a cash outflow for investments in intangible assets.

S83. Ans. (b)
Sol. Net Profit before tax = Profit + Interim Dividend = ₹72,000+₹10,000 = ₹82,000

S84. Ans. (c)
Sol. Depreciation is added back to the net profit when calculating operating profit before working capital changes because it is a non-cash expense. Although depreciation reduces the net profit, it does not involve any actual cash outflow. Therefore, it is adjusted back to accurately reflect the cash generated from operating activities.

S85. Ans. (c)
Sol. Interim dividends, although deducted when calculating net profit before tax, are shown under financing activities in the cash flow statement. This is because dividends, whether interim or final, involve the outflow of cash from the company to its shareholders and are thus categorized as financing activities.
S86. Ans. (d)
Sol. $\text{Current Ratio} = \frac{\text{Total Current Assets}}{\text{Current Liabilities}} = \frac{1,60,000}{1,00,000} = 1.6:1$
S87. Ans. (b)
Sol. $\text{Liquid Assets} = \text{Current Assets} - \text{Inventory} = ₹1,60,000 - ₹1,00,000 = ₹60,000$

$$\text{Quick Ratio} = \frac{\text{Liquid Assets}}{\text{Current Liabilities}} = \frac{60,000}{1,00,000} = 0.6:1$$

S88. Ans. (c)
Sol. $\text{Debt Equity Ratio} = \frac{\text{Debt}}{\text{Shareholder's fund}} = \frac{3,00,000}{4,00,000} = 0.75:1$

S89. Ans. (b)
Sol. $\text{Net Profit before Interest and Tax} = 3,51,000 + (13\% \text{ of } 3,00,000) = ₹3,90,000$

$$\text{Interest coverage Ratio} = \frac{\text{Net Profit before Interest and Tax}}{\text{Interest Payment}} = \frac{3,90,000}{39,000} = 10 \text{ times}$$

S90. Ans. (d)
Sol. $\text{Inventory Turnover Ratio} = \frac{\text{Cost of Revenue from Operations}}{\text{Average Inventory}} = \frac{5,00,000}{1,00,000} = 5 \text{ times}$
S91. Ans. (d)
Sol. Paid up Capital = (95,000×8)+(5,000×5)=₹7,85,000

S92. Ans. (b)
Sol. Called up capital = 1,00,000 ×(3+2+3)=1,00,000×8=₹8,00,000

S93. Ans. (b)
Sol. Calls in arrear = 5,000×3=₹15,000

S94. Ans. (a)
Sol. Company has offered 1,00,000 shares to public for subscription
Issued capital = 1,00,000×10=₹10,00,000

S95. Ans. (d)
Sol. Harit and sons Ltd. is registered with authorized share capital of ₹80,00,000.
S96. Ans. (d)
Sol. Investment Fluctuation fund belong to partners before reconstitution of partnership. Hence, it shall be credited to old partner's capital in old ratio.

S97. Ans. (b)
Sol.
Dr. Revaluation Account Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To Provision on doubtful Debts	420	By Land and Building	7,000
To Machinery A/c	1,500		
To Profit on Revaluation to: Himanshu's Capital ₹2,540 Pranav's Capital ₹1,524 Tushar's Capital ₹1,016	5,080		
	7,000		7,000

S98. Ans. (b)
Sol.
Goodwill brought in by Rachit = ₹15,000
Sacrificing Ratio = 5:3:2
Amount compensated by Rachit to Pranav = $₹15,000 \times \frac{3}{10} = ₹4,500$

S99. Ans. (c)
Sol.
Journal Entry

Particulars		Debit (₹)	Credit (₹)
Himanshu's Capital A/c	Dr.	750	
Pranav's Capital A/c	Dr.	450	
Tushar's Capital A/c	Dr.	300	
To Profit and Loss A/c			1,500

S100. Ans. (b)
Sol.
Share in profit for Rachit = $\frac{1}{6}$th; Balance = $\frac{5}{6}$th
New Ratio:
Himanshu = $\frac{5}{10} \times \frac{5}{6} = \frac{25}{60}$
Pranav = $\frac{3}{10} \times \frac{5}{6} = \frac{15}{60}$
Tushar = $\frac{2}{10} \times \frac{5}{6} = \frac{10}{60}$
Rachit = $\frac{1}{6} = \frac{10}{60}$
New Ratio = 5:3:2:2