

# QB365 - Question Bank Software

## Marking Scheme

### PRACTICE PAPER-1

### CLASS-XII

### ACCOUNTANCY

(2020-2021)

Q.N O.	Part- A (Accounting for Not for Profit organizations, Partnership firms and Companies)	MARKS																																												
1.	d	1																																												
2.	b	1																																												
3.	Rs.5	1																																												
4.	c	1																																												
5.	b	1																																												
6.	Rs. 8	1																																												
7.	Rs. 12,000	1																																												
8.	d	1																																												
9.	b	1																																												
10.	d	1																																												
11.	c	1																																												
12.	c	1																																												
13.	a	1																																												
14.	<p><b>Calculation of amount of sports material to be transferred to Income and Exp. A/C</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Payment made to creditors of Sports material During the current year (as per the receipts and payments account)</td> <td style="text-align: right; width: 10%;">₹</td> <td style="text-align: right; width: 10%;">10,000</td> </tr> <tr> <td>Add: advance paid to creditors at the beginning of current year</td> <td></td> <td style="text-align: right;">1,000</td> </tr> <tr> <td>Add: creditors at the end of the current year</td> <td></td> <td style="text-align: right;">2,500</td> </tr> <tr> <td>Less: advance paid to creditors at the end of the current year</td> <td></td> <td style="text-align: right;">5,000</td> </tr> <tr> <td>Less: creditors at the end of the previous year</td> <td></td> <td style="text-align: right;">3,500</td> </tr> <tr> <td>Credit Purchase of Sports material during the year</td> <td></td> <td style="text-align: right;">5,000</td> </tr> <tr> <td>Add: Cash purchases of sports material</td> <td></td> <td style="text-align: right;">4,000</td> </tr> <tr> <td>Total purchases of Sports material</td> <td></td> <td style="text-align: right;">9,000</td> </tr> <tr> <td>Less: Book value of Sports material sold</td> <td></td> <td style="text-align: right;">2,000</td> </tr> <tr> <td>Add: opening stock of sports material</td> <td></td> <td style="text-align: right;">6,000</td> </tr> <tr> <td>Less: closing stock of sports material</td> <td></td> <td style="text-align: right;">5,500</td> </tr> <tr> <td><b>Amount of consumable items consumed during the year</b></td> <td></td> <td style="text-align: right;"><b>7,500</b></td> </tr> </table> <p><b>Note: Answer can be finding by any other correct method also.</b></p> <p style="text-align: center;">OR</p> <p style="text-align: center;">Subscription Account</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top;">Dr.</td> <td style="width: 50%; vertical-align: top;">Cr.</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Particulars</td> <td style="border-bottom: 1px solid black;">Particulars</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Balance b/d</td> <td style="border-bottom: 1px solid black;">Balance b/d</td> </tr> <tr> <td style="text-align: right;">₹ 35,000</td> <td style="text-align: right;">₹ 20,000</td> </tr> </table>	Payment made to creditors of Sports material During the current year (as per the receipts and payments account)	₹	10,000	Add: advance paid to creditors at the beginning of current year		1,000	Add: creditors at the end of the current year		2,500	Less: advance paid to creditors at the end of the current year		5,000	Less: creditors at the end of the previous year		3,500	Credit Purchase of Sports material during the year		5,000	Add: Cash purchases of sports material		4,000	Total purchases of Sports material		9,000	Less: Book value of Sports material sold		2,000	Add: opening stock of sports material		6,000	Less: closing stock of sports material		5,500	<b>Amount of consumable items consumed during the year</b>		<b>7,500</b>	Dr.	Cr.	Particulars	Particulars	Balance b/d	Balance b/d	₹ 35,000	₹ 20,000	3
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	(arrears in beg.) <b>Income and Expenditure A/c</b> Balance c/d (advance at the end)	3,70,000   40,000	(advance in beg.) Receipts and Payments A/c Income and Expenditure A/c Balance c/d (arrears at the end)	3,60,000  5,000 60,000	
		4,45,000		4,45,000	
15.	<b>JOURNAL</b>				4
	<b>Date</b>	<b>Particulars</b>	<b>Dr. ₹</b>	<b>Cr. ₹</b>	
	i	Ankit's Capital A/c Dr. Bank/Cash A/c Dr. To Realisation A/c (being stock taken over by Ankit and remaining sold)	32,000 52,000	84,000	
	ii	Realisation A/c Dr. To Bank/Cash (being payment made to creditors)	69,000	69,000	
	iii	Realisation A/c Dr. To Bank/Cash (being loan settled with interest)	22,000	22,000	
	iv.	Kartik's loan A/c Dr. Realisation A/c Dr. To Bank/Cash (being Kartik's loan settled)	12,000 500	12,500	
16.	<b>JOURNAL</b>				4
	<b>Date</b>	<b>Particulars</b>	<b>Dr. ₹</b>	<b>Cr. ₹</b>	
	i	Radhika's Capital A/c Dr. Bani's Capital A/c Dr. Chaitra's Capital A/c Dr. To Profit and Loss A/c (being loss transferred)	8,000 12,000 4,000	24,000	
	ii	General Reserve A/c Dr. To Radhika's Capital A/c To Bani's Capital A/c To Chaitra's Capital A/c (being GR distributed)	1,44,000	48,000 72,000 24,000	
	iii	Radhika's Capital A/c Dr.	30,000		

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	To Bani's Capital A/c (being adjustment made for goodwill)		30,000	
iv	Land A/c To Revaluation (being Land revalued)	Dr.	1,80,000	1,80,000
v	Revaluation A/c To Radhika's Capital A/c To Bani's Capital A/c To Chaitra's Capital A/c (being revaluation gain adjusted)	Dr.	1,80,000	60,000 90,000 30,000

OR			
Profit and Loss Appropriation Account			
Dr.		Cr.	
Particulars	₹	Particulars	₹
To Salary		By Net Profit	15,00,00
Jay's capital A/c 1,80,000		By jay's Capital A/c	0
Vijay's capital A/c 1,80,000	3,60,000	(2,00,000-1,75,000)	25,000
To Profit Trans. To:			
Jay's capital A/c 4,66,000			
-guarantee to Karan (1,60,200)	3,05,800		
Vijay's Capital A/c 4,66,000			
-guarantee to Karan (1,06,800)	3,59,200		
Karan's Capital A/c 2,33,000			
Add guarantee 2,67,000	5,00,000		
	15,25,000		15,25,000
	0		0

17.	Balance Sheet (Extract) As at 1 <sup>st</sup> April,2020	4															
	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Note No.</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>I. EQUITIES AND LIABILITIES</b></td> </tr> <tr> <td colspan="3"><b>1. Shareholders' Fund</b></td> </tr> <tr> <td><b>Share Capital</b></td> <td align="center">1</td> <td align="right">6,67,000</td> </tr> <tr> <td><b>Reserves and Surplus</b></td> <td align="center">2</td> <td align="right">6,000</td> </tr> </tbody> </table>	Particulars	Note No.	₹	<b>I. EQUITIES AND LIABILITIES</b>			<b>1. Shareholders' Fund</b>			<b>Share Capital</b>	1	6,67,000	<b>Reserves and Surplus</b>	2	6,000	
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18.	<p>(a) In the absence of a specific provision in the Deed, no interest will be paid on the capital to the partners. The whole amount of profit will however be distributed among the partners in their profit sharing ratio.</p> <p>(b) As the firm has incurred losses during the accounting year, no interest on capital will be allowed to any partner. The firm's loss will however be shared by the partners in their profit sharing ratio. Rs.</p> <p>(c) Interest to Anupam @ 8% on Rs. 1,50,000 = 12,000          Interest to Abhishek @ 8% on Rs. 2,00,000 = 16,000          Total 28,000</p> <p>As the profit is sufficient to pay interest at agreed rate, the whole amount of interest on capital shall be allowed and the remaining profit amounting to Rs. 22,000 (Rs. 50,000 – Rs. 28,000) shall be shared by the partners in their profit sharing ratio.</p> <p>(d) As the profit for the year is Rs. 14,000, which is less than the amount of interest on capital due to partners, i.e. Rs. 28,000 (Rs. 12,000 for Anupam and Rs. 16,000 for Abhishek), interest will be paid to the extent of available profit i.e., Rs. 14,000. Anupam and Abhishek will be credited with Rs. 6,000 and Rs. 8,000, respectively. Effectively this amounts to sharing the firm's profit in the ratio of interest on capital, i.e., 3:4.</p>	4																																								
19	<p align="center"><b>Income &amp; Expenditure A/c of Samara Club for the year ended 31st March 2020</b></p> <table border="1"> <thead> <tr> <th colspan="2">Dr.</th> <th colspan="2">Cr.</th> </tr> <tr> <th>EXPENDITURE</th> <th>₹</th> <th>INCOME</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td>To Rent 29,000</td> <td></td> <td>By Subscriptions 52,000</td> <td></td> </tr> <tr> <td>-Prepaid 4,000</td> <td></td> <td>+ O/s for 2020 8,000</td> <td></td> </tr> <tr> <td>-----</td> <td align="right">25,000</td> <td>-----</td> <td align="right">60,000</td> </tr> <tr> <td>To Honorarium</td> <td align="right">4,000</td> <td>By Interest on Investment 4,000</td> <td></td> </tr> <tr> <td>To Depreciation on Machinery</td> <td></td> <td>+ Accrued Interest 1,000</td> <td></td> </tr> <tr> <td>(8,000+ 1,333)</td> <td align="right">9,333</td> <td>-----</td> <td align="right">5,000</td> </tr> <tr> <td>To Excess of Income over</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Expenditure – Surplus</td> <td align="right">52,267</td> <td>By Government Grants</td> <td align="right">25,000</td> </tr> </tbody> </table>	Dr.		Cr.		EXPENDITURE	₹	INCOME	₹	To Rent 29,000		By Subscriptions 52,000		-Prepaid 4,000		+ O/s for 2020 8,000		-----	25,000	-----	60,000	To Honorarium	4,000	By Interest on Investment 4,000		To Depreciation on Machinery		+ Accrued Interest 1,000		(8,000+ 1,333)	9,333	-----	5,000	To Excess of Income over				Expenditure – Surplus	52,267	By Government Grants	25,000	6
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			By Profit on Sale of old Furniture	600	
		90,600		90,600	
20	JOURNAL				3+3
	<b>Date</b>	<b>Particulars</b>	<b>Dr. ₹</b>	<b>Cr. ₹</b>	
	July 01	Bank A/c Dr. To Debenture application and allotment A/c (being app. Money rec.)	45,50,000	45,50,000	
	July 01	Debentures application and allotment A/c Dr. Loss on issue of Debentures A/c Dr. To 8% Debentures A/c To Premium on redemption of Debentures A/c (being deb. Money adjusted)	45,50,000 8,00,000	50,00,000 3,50,000	
	July 01	Securities premium reserves A/c Dr. Statement of Profit and Loss A/c Dr. To Loss on issue of Debentures A/c (being Loss written off)	5,00,000 3,00,000	8,00,000	
	JOURNAL				
	<b>Date</b>	<b>Particulars</b>	<b>Dr. ₹</b>	<b>Cr. ₹</b>	
		Building A/c Dr. Plant and Machinery A/c Dr. Furniture A/c Dr. Goodwill A/c Dr. To Liabilities To XYZ Co. (being business taken over)	1,50,000 1,40,000 10,000 35,000	20,000 3,15,000	
		XYZ Co. Dr. To 12% Debentures A/c To securities premium reserve A/c (being 3,000 deb. issued)	3,15,000	3,00,000 15,000	
21.	JOURNAL				8
	<b>Date</b>	<b>Particulars</b>	<b>Dr. ₹</b>	<b>Cr. ₹</b>	
		Bank A/c Dr. To Share application A/c (being app. Money rec.)	80,000	80,000	
		Share application A/c Dr. To Share Capital A/c To Share Allotment A/c To Bank A/c (being app. Money adjusted)	80,000	60,000 12,000 8,000	
		Share Allotment A/c Dr. To Share Capital A/c	1,50,000	90,000	

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	To Securities Premium Reserve A/c (being allot. due)		60,000	
	Bank A/c To Share allotment A/c (being allot. Money rec.)	Dr.	1,21,440	1,21,440
	Share first call A/c To Share Capital A/c (being call due)	Dr.	60,000	60,000
	Bank A/c To Share first call A/c (being call Money rec.)	Dr.	48,800	48,800
	Share final call A/c To Share Capital A/c (being call due)	Dr.	90,000	90,000
	Bank A/c To Share final call A/c (being call money rec.)	Dr.	73,200	73,200
	Share Capital A/c Securities Premium Reserve A/c To Share Allotment A/c To Share first call A/c To Share final call A/c To Share Forfeited A/c (being 560 shares forfeited)	Dr. Dr.	56,000 7,200	16,560 11,200 16,800 18,640
	Bank A/c Share forfeited A/c To Share Capital A/c (being shares reissued)	Dr. Dr.	44,800 11,200	56,000
	Share forfeited A/c To Capital Reserve A/c (being profit on reissue trans..)	Dr.	7,440	7,440
OR JOURNAL				
<b>Date</b>	<b>Particulars</b>		<b>Dr. ₹</b>	<b>Cr. ₹</b>
	Bank A/c To Share application A/c (being app. Money rec.)	Dr.	1,35,000	1,35,000
	Share application A/c To Share Capital A/c To Securities Premium Reserve A/c To Share Allotment A/c To Bank A/c (being app. Money adjusted)	Dr.	1,35,000	60,000 30,000 18,000 27,000
	Share Allotment A/c To Share Capital A/c	Dr.	1,20,000	90,000

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	To Securities Premium Reserve A/c (being allot. due)		30,000	
	Bank A/c Dr. To Share allotment A/c (being allot. Money rec.)	1,00,300	1,00,300	
	Share Capital A/c Dr. Securities Premium Reserve A/c Dr. To Share Allotment A/c To Share Forfeited A/c (being shares forfeited)	2,500 500	1,700 1,300	
	Share first call A/c Dr. To Share Capital A/c To Securities premium reserve (being call due)	1,18,000	88,500 29,500	
	Bank A/c Dr. To Share first call A/c (being call Money rec.)	1,15,000	1,15,000	
	Share Capital A/c Dr. Securities Premium Reserve A/c Dr. To Share first call A/c To Share Forfeited A/c (being shares forfeited)	6,000 750	3,000 3,750	
	Bank A/c Dr. Share forfeited A/c Dr. To Share Capital A/c (being shares reissued)	4,000 1,000	5,000	
	Share forfeited A/c Dr. To Capital Reserve A/c (being profit on reissue trans..)	300	300	
	Share final call A/c Dr. To Share Capital A/c To Securities premium reserve (being call due)	86,250	57,500 28,750	
	Bank A/c Dr. To Share final call A/c (being call money rec.)	83,250	83,250	
	Share Capital A/c Dr. Securities Premium Reserve A/c Dr. To Share final call A/c To Share Forfeited A/c (being shares forfeited)	10,000 1,000	3,000 8,000	
	Bank A/c Dr. To Share Capital A/c To Securities Premium Reserve A/c (being shares reissued)	18,000	15,000 3,000	

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		Share forfeited A/c To Capital Reserve A/c (being profit on reissue trans.)	Dr.	10,500	10,500			
22.	<b>JOURNAL</b>						8	
	<b>Date</b>	<b>Particulars</b>		<b>Dr. ₹</b>	<b>Cr. ₹</b>			
		Cash A/c To B's Capital A/c To Premium for Goodwill (being amount brought by B)	Dr.	41,000	30,000 11,000			
		Premium for Goodwill A/c To W's Capital A/c To R's Capital A/c (being premium Money adjusted)	Dr.	11,000	6,600 4,400			
		W's Capital A/c R's Capital A/c To Cash A/c (being premium withdrawn)	Dr. Dr.	3,300 2,200	5,500			
		Revaluation A/c To Provision for Doubtful debts A/c To Stock (being revaluation made)	Dr.	5,300	300 5,000			
		Plant and Machinery A/c Patents A/c To Revaluation A/c (being revaluation made)	Dr. Dr.	5,000 6,300	11,300			
		Revaluation A/c To Sundry Creditors A/c (being Inc. in liabilities)	Dr.	3,000	3,000			
		Revaluation A/c To W's Capital A/c To R's Capital A/c (being profit on revaluation trans.)	Dr.	3,000	1,800 1,200			
	<b>OR</b>							
	<b>REVALUATION ACCOUNT</b>							
	<b>Dr.</b>			<b>Cr.</b>				
	<b>PARTICULARS</b>	<b>₹</b>		<b>PARTICULARS</b>	<b>₹</b>			
	Stock	13,000		Furniture	3,000			
	Provision for Doubtful debts	10,000		Loss on revaluation trans.to:				
				Ashish's Capital	10,000			
				Suresh's Capital	6,000			
				Lokesh's Capital	4,000			
				-----				
					20,000			
		23,000			23,000			
	<b>Dr. CAPITAL ACCOUNTS Cr.</b>							



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Date	Particulars	Ashish ₹	Suresh ₹	Lokesh ₹	Date	Particulars	Ashish ₹	Suresh ₹	Lokesh ₹
June 30	Revaluation (loss)	10,000	6,000	4,000	June 30	Bal. b/d	7,20,000	4,15,000	3,45,000
	Suresh capital	20,000		40,000		Reserve fund	90,000	54,000	36,000
	Cash		40,000			P&L suspense A/c		15,000	
	Suresh loan		4,98,000			Ashish capital		20,000	
	Bal c/d	7,80,000		3,37,000		Lokesh capital		40,000	
		8,10,000	5,44,000	3,81,000			8,10,000	5,44,000	3,81,000

### BALANCE SHEET

LIABILITIES	₹	ASSETS	₹
Capitals :		Land	4,00,000
Ashish        7,80,000		Buildings	3,80,000
Lokesh        3,37,000		Plant and Machinery	4,65,000
-----	11,17,000	Furniture	80,000
Suresh's Loan	4,98,000	Stock	1,72,000
Sundry Creditors	1,24,000	Sundry Debtors    1,72,000	
Outstanding Expenses	16,000	Less: Prov. For DD    10,000	
		-----	1,62,000
		Cash (1,21,000-40,000)	81,000
		P&L Suspense Account	15,000
	<b>17,55,000</b>		<b>17,55,000</b>

23.	a	1
24.	a	1
25.	a	1
26.	₹10,000	1
27.	Reserves and Surplus, negative	1
28.	b	1
29.	₹88,000	1
30.	Gross profit = 25% on cost So, Revenue from operation = 100+25= 125 ( Let COST =100) If Revenue from operation is 125 then cost = 100 If Revenue from operation is 1 then cost = 100/125 If Revenue from operation is ₹2, 00,000 then cost =(100/125) X2,00,000 = ₹1,60,000 Closing inventory 30% of Revenue from operation = 2,00,000 x 30/100 =	3

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	<p>₹60,000                  Opening Inventory 1/3rd of Closing Inventory = <math>60,000 \times \frac{1}{3} = ₹20,000</math>                  Average inventory = <math>(\text{Opening} + \text{Closing inventory}) / 2 = (60,000 + 20,000) / 2 = ₹40,000</math>                  Inventory Turnover Ratio = <math>\text{Cost of revenue from operation} / \text{Average Inventory}</math>  <math>= 1,60,000 / 40,000</math>  <math>= 4 \text{ times}</math></p> <p align="center"><b>OR</b></p> <p>Total assets to debt ratio = <math>\text{Total assets} / \text{Long term debts}</math>  <math>= 32,00,000 / 16,00,000</math>  <math>= 2:1</math>                  Long term debts = <math>\text{total debts} - \text{current liabilities}</math>  <math>= 18,00,000 - 2,00,000 = ₹16,00,000</math>                  Total assets = <math>\text{shareholders' funds} + \text{total debts}</math>  <math>= 14,00,000 + 18,00,000 = ₹32,00,000.</math></p>																																														
31.	<p><b>Objectives of Analysis of Financial Statements:</b></p> <ol style="list-style-type: none"> <li>1) Knowledge of Financial Position</li> <li>2) Knowledge of Trends of the business</li> <li>3) Provide useful information to the Management</li> <li>4) To know the profitability</li> <li>5) Knowledge of Managerial efficiency</li> </ol> <p align="center"><b>OR</b></p> <p align="center"><b>Comparative income Statement for the year ended March 31, 2019 and 2020</b></p> <table border="1" data-bbox="337 1150 1211 1780"> <thead> <tr> <th>Particulars</th> <th>2018-19 Amount ₹</th> <th>2019-20 Amount ₹</th> <th>Absolute Change ₹</th> <th>% age change</th> </tr> </thead> <tbody> <tr> <td>Revenue from operations</td> <td>50,00,000</td> <td>80,00,000</td> <td>30,00,000</td> <td>60</td> </tr> <tr> <td>Total Revenue from Operations</td> <td>50,00,000</td> <td>80,00,000</td> <td>30,00,000</td> <td>60</td> </tr> <tr> <td>Expenses: (a) Employee Benefit Expenses: 10 % of revenue from operations</td> <td>5,00,000</td> <td>8,00,000</td> <td>3,00,000</td> <td>60</td> </tr> <tr> <td>Other Expenses</td> <td>10,00,000</td> <td>12,00,000</td> <td>2,00,000</td> <td>20</td> </tr> <tr> <td>Total expenses</td> <td>15,00,000</td> <td>20,00,000</td> <td>5,00,000</td> <td>33.33</td> </tr> <tr> <td>Net profit before tax</td> <td>35,00,000</td> <td>60,00,000</td> <td>25,00,000</td> <td>71.43</td> </tr> <tr> <td>Less: Tax</td> <td>14,00,000</td> <td>24,00,000</td> <td>10,00,000</td> <td>71.43</td> </tr> <tr> <td>Net Profit after Tax</td> <td>21,00,000</td> <td>36,00,000</td> <td>15,00,000</td> <td>71.43</td> </tr> </tbody> </table>	Particulars	2018-19 Amount ₹	2019-20 Amount ₹	Absolute Change ₹	% age change	Revenue from operations	50,00,000	80,00,000	30,00,000	60	Total Revenue from Operations	50,00,000	80,00,000	30,00,000	60	Expenses: (a) Employee Benefit Expenses: 10 % of revenue from operations	5,00,000	8,00,000	3,00,000	60	Other Expenses	10,00,000	12,00,000	2,00,000	20	Total expenses	15,00,000	20,00,000	5,00,000	33.33	Net profit before tax	35,00,000	60,00,000	25,00,000	71.43	Less: Tax	14,00,000	24,00,000	10,00,000	71.43	Net Profit after Tax	21,00,000	36,00,000	15,00,000	71.43	4
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	<b>I. Cash flow from operating activities</b> Net profit before tax & extraordinary items Adjustments for non-cash & non-operating items: Add : Depreciation  Less: Gain on Sale of machinery		1,26,000          28,000 <b>1,54,000</b> 14,000	
	Operating profit before working capital changes Adjustments for working capital changes: Add: increase in current liabilities & decrease in current assets: Trade payables inventories	98,000 42,000	1,40,000     1,40,000	
	Less : Increase in current assets : trade receivables <b>Cash flow from operating activities</b>		2,80,000 <u>2,10,000</u> <b>70,000</b>	
	<b>II. Cash flow from investing activities</b> Proceeds from sale of machinery Purchase of machinery <b>cash used in investing activities</b>	56,000 <u>(1,82,000)</u>	<b>1,26,000</b>   <u>70,000</u>	
	<b>III. Cash flow from financing activities</b> Proceeds from issue of shares Cash flow from financing activity		<b>70,000</b>	
	<b>Net increase in cash and cash equivalents</b> Add: opening cash & cash equivalents <b>Closing cash &amp; cash equivalents</b>		14,000 <u>84,000</u> <u>98,000</u>	
Working note:				
Dr. Plant and Machinery a/c <span style="float: right;">cr.</span>				
	₹		₹	
To balance b/d	2,80,000	By bank a/c	56,000	
To profit on sale of machinery	14,000	By depreciation a/c	28,000	
To bank a/c (bal. fig.)- purchase	1,82,000	By balance c/d	3,92,000	
	<u>4,76,000</u>		<u>4,76,000</u>	