



THE TIMES OF INDIA

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TODAY'S EDITION

➤ Get ready for Board exams by analysing assets and liabilities of the accountancy paper prepared by your teacher
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STUDENT EDITION

TUESDAY, NOVEMBER 23, 2021



Quote unquote



The ministry of health is guided by scientific evidence and also advised by NTAGI. These are advisory bodies and considered by the ministry and the respective departments to develop a policy. So, policy formulation and decisions are based on scientific evidence. Right now the scientific evidence from within the country does not underline the need for a booster dose for Covid. Public health considerations are on the priority now. The need of the hour is to attain 80 per cent coverage or more among the individuals with 2 doses of vaccine against coronavirus. Reaching out to over 80 per cent of eligible individuals is public health priority now. Discussing the booster dose doesn't make sense because there are people who are still in hesitation to come forward for vaccination. So, if we discuss the booster, we are actually leaving the programme halfway

Dr Samiran Panda, head of the Epidemiology and Infectious diseases division, ICMR

CLICK HERE: PAGE 1 AND 2

BEST OUT OF WASTE

A DRESS OUT OF RECYCLED PACKAGING



A fashion designer and blogger from South Africa has designed a creative dress that has left people stunned, including KFC. Made out of recycled KFC packaging, the dress has been appreciated by one and all, and has gone viral garnering more than 13,000 likes and several reactions on Twitter. Twitter user @NokuzoThaNtuli went viral on social media after she posted pictures of herself dressed in the outfit made from KFC packets. KFC South Africa also responded to her post after it collected over 12,000 likes on Twitter. The pleats of her dress were made of recycled KFC packaging featuring the Colonel Sanders logo.

Next frontier of biosecurity risk: ALIEN BACTERIA

As we set our sights beyond the skies, researchers have issued a warning of an extraterrestrial threat that warrants novel protocols to tackle. A new study has sought to outline the risks posed not by little green men but microscopic organisms that may potentially hitch a ride on a spacecraft back to Earth. This form of biological contamination, the researchers assert, could pose a huge threat to Earth's ecosystems and human well-being.

Scientists have been issuing such warnings since 2013. The possibility of radiation-resistance microorganisms, capable of surviving the extreme conditions of space, returning to Earth is quickly inching towards larger probabilities. Such strains of bacteria have already been discovered on the International Space Station revealing how difficult it may be to prevent this



THE THREAT

- 1 "Owing to their massive costs to resource sectors and human health, biological invasions are a global biosecurity issue requiring rigorous transboundary solutions," the researchers noted
- 2 They specifically point to the fact that bacterial strains showing extreme resistance have already

been isolated in NASA "clean rooms" - locations where engineers assemble spacecraft. The risk then, they note, is if these tiny critters make their way onboard a spacecraft, and grow even more virulent in microgravity conditions

- 3 The researchers also note that the evolutionary offspring of these bacterial strains may



- 4 The implications of such extraterrestrial invasions is as great as natural disasters like earthquakes or nuclear meltdowns previously witnessed on Earth. These 'alien' invasions are akin to biological contaminations of unspoiled regions of our planet, they note

Venezuelan musicians set world's largest orchestra record



Venezuela's National System of Youth and Children's Orchestras - known as 'El Sistema' - has set a new Guinness record for the world's largest orchestra with 8,573 musicians playing together, the country's government said. A week ago more than 12,000 musicians played a classical piece together for more than five minutes, as they sought to beat a Russian record that was set two years ago.

- The broadcast included a recording of Guinness World Records expert Susana Reyes announcing that the Venezuelan musicians had been successful in setting a new record after they played La Marche Slave by Pyotr Tchaikovsky for more than five minutes
- During the broadcast, President Nicolas Maduro showed the certificate from Guinness World Records which recognised that 'El Sistema' broke the record with 8,573 musicians in the orchestra

The previous record was for an orchestra of 8,097 musicians who played together in St Petersburg, Russia. Conditions require musicians to be playing simultaneously without people swapping in and out, or lending their instruments to other players



NO RESPITE FROM POLLUTION

With Delhi's air quality remaining in a 'very poor or severe' state, the government has indefinitely suspended in-person classes in schools. All private and government schools will be closed until further notice. Classes and exams will continue online

PRESIDENT CONFERS VIR CHAKRA ON ABHINANDAN VARTHAMAN

Group Captain Abhinandan Varthaman, who downed an enemy jet during an aerial combat with Pakistan in 2019 and was held captive for three days in that country, was on Monday honoured with the Vir Chakra award by President Ram Nath Kovind.

The fighter pilot of the Indian Air Force has been decorated with India's third-highest wartime gallantry medal for displaying an "exceptional sense of duty" during the dogfight, the award citation said.

Meta delays encrypted messages on FB, Insta to 2023

Meta-owned Facebook Messenger and Instagram have delayed plans to encrypt users' messages until 2023. In a post in The Telegraph, Antigone Davis, Meta's head of safety, attributed the delay to concerns about user safety. "We are taking our time to get this right and we don't plan to finish the global rollout of end-to-end encryption by default across all our messaging services until sometime in 2023," Antigone Davis wrote. With E2EE, only the sender and recipient will see their conversations. So the firm wants to ensure that this does not interfere with the platform's ability to help stop criminal activity.



- Facebook had first started rolling out encryption to its Messenger service back in 2016, but it only works when users use the Secret Conversation feature on the service.
- Earlier this year, Meta said that default E2EE would

- become available on Instagram and Messenger "sometime in 2022 at the earliest"
- Facebook has taken criticism over the years for being slow to implement end-to-end encryption by default on all of its platforms
- In addition, Meta is also planning to unify the infrastructure behind the three messaging platforms - Messenger, WhatsApp and Instagram Direct



TIME TO ANALYSE YOUR ASSETS & LIABILITIES



PRACTICE PAPER SET BY JASMEET KAUR ARORA, UDGAM SCHOOL FOR CHILDREN, AHMEDABAD

PART-I

Q1. Arun and Varun are partners sharing profits in the ratio of 4:3. Their Balance Sheet showed a balance of ₹ 56,000 in the General Reserve Account and a debit balance of ₹ 14,000 in Profit and Loss Account. They decided to share future profits equally and it was decided to record adjustment entry for the same. The adjustment entry will be:
(a) Dr. Arun's Capital a/c by ₹ 3,000; Cr. Varun's Capital a/c by ₹ 3,000.
(b) Dr. Arun's Capital a/c by ₹ 5,000; Cr. Varun's Capital a/c by ₹ 5,000.
(c) Cr. Arun's Capital a/c by ₹ 5,000; Dr. Varun's Capital a/c by ₹ 5,000.
(d) Cr. Arun's Capital a/c by ₹ 3,000; Dr. Varun's Capital a/c by ₹ 3,000.

Q2. company offered 50,000 shares of ₹ 10 each at par payable as ₹ 3 on application, ₹ 5 on allotment and the balance on final call. Application were received for 1,60,000 shares and the allotment was made pro-rata. The excess application money was to be adjusted on allotment and call. How much amount will be transferred from share Application a/c to share Allotment a/c?
(a) ₹ 80,000 (b) ₹ 3,30,000
(c) ₹ 2,50,000 (d) ₹ 4,80,000

Q3. Rita and Sita were partners in a firm sharing profits and losses in the ratio of 4:3. The balance sheet showed value of Building ₹ 80,000. If the value of Building reflected in Balance Sheet is undervalued by 20%, find out the value of Building to be shown in the new Balance Sheet.
(a) ₹ 96,000 (b) ₹ 1,00,000
(c) ₹ 64,000 (d) ₹ 60,000

Q4. Ram and Shyam are partners sharing profits equally. A drew regularly ₹ 4000 in the beginning of every month for the last six months, year ended 30th September, 2021. Calculate interest on drawings @5% p.a. for the period of six month.
(a) ₹ 600 (b) ₹ 350 (c) ₹ 700 (d) ₹ 1200

Q5. The net assets of the firm including fictitious assets of ₹ 5,000 are ₹ 85,000. The net liabilities of the firm are ₹ 30,000. The normal rate of return is 10% and the average profit of the firm are ₹ 8,000. Calculate the goodwill as per capitalization of super profit.
(a) ₹ 20,000 (b) ₹ 30,000
(c) ₹ 25,000 (d) ₹ 10,000

Q6. From which account, expenses on issue of shares are written off first?
(a) Statement of Profit and Loss
(b) Miscellaneous Expenses Account
(c) Share Issue Expenses Account
(d) Securities Premium Reserve Account

Q7. Anu and Tanu are equal partners with fixed capitals of ₹ 200000 and ₹ 100000 respectively. After closing the accounts for the year ending 31st March, 2021 it was discovered that interest on capitals @ 8% p.a. was omitted to be provided. The adjustment entry will be:
(a) Anu's current a/c will be credited by ₹ 16,000 and Tanu's current will be debited by ₹ 16,000.
(b) Anu's current a/c will be debited by ₹ 8,000 and Tanu's current a/c will be credited by ₹ 8,000.
(c) Anu's current a/c will be credited by ₹ 4,000 and Tanu's current a/c will be debited by ₹ 4,000.
(d) Anu's current a/c will be debited by ₹ 4,000 and Tanu's current a/c will be credited by ₹ 4,000.

Q8. In case of admission of a partner; the entry for unrecorded investment will be:
(a) Debit Partners capital a/c and Credit Investment a/c.
(b) Debit Revaluation a/c and Credit Investment a/c.
(c) Debit Investment a/c and Credit Revaluation a/c. (d) None of the above.

Q9. Rohan, Mohan and Sohan are partners sharing profit in ratio 3:2:1. Sohan is guaranteed that his share of profit will not be less than ₹ 70,000. Any deficiency will be borne by Rohan and Mo-

han in the ratio of 2:1. Firm's Profit was ₹ 2,40,000. Calculate share of Rohan.
(a) ₹ 1,00,000 (b) ₹ 1,10,000
(c) ₹ 1,20,000 (d) ₹ 90,000

Q10. Akbar, Birbal and Chanakya were partners sharing profits in ratio 5:4:3. At the time of change in profit sharing ratio, there was a debit balance of profit and loss of ₹ 3,00,000 and following entry was passed.

Akbar's capital A/c	Dr.	1,00,000	
To Birbal's capital A/c			75,000
To Chanakya's capital A/c			25,000

Calculate the new share of Akbar.
(a) 3/4 (b) 1/6 (c) 1/12
(d) Incomplete Information.

Q11. Ranu, Nanu and Shanu are partners sharing profits in ratio of 3:2:1. They agree to admit Tanu into the firm. Ranu gave 1/6 from her share to Tanu whereas remaining two partners agreed to give 1/6th and 1/9th share of their profits respectively to Tanu. Calculate Tanu's share of profit.
(a) 1/10 (b) 11/54 (c) 12/54 (d) 13/54

Q12. The excess amount which the firm pays on purchasing assets over and above the value of the business is called ____.

(a) Surplus (b) Super Profit
(c) Capital Reserve (d) Goodwill

Q13. Following amounts were payable on issue of shares by a shareholder: ₹ 3 on application, ₹ 3 on allotment, ₹ 2 on first call and ₹ 2 on final call. Rohit holding 500 shares paid only application and allotment money whereas Seema holding 400 shares paid final call money along with first call. Amount of calls in arrear will be:
(a) ₹ 3,800 (b) ₹ 2,800 (c) ₹ 2,000 (d) ₹ 6,200

Q14. Authorized Capital of a company is divided into 5,00,000 shares of ₹ 10 each. It issued 3,00,000 shares. Public applied for 3,60,000 shares. Amount of subscribed capital will be:
(a) ₹ 30,00,000 (b) ₹ 36,00,000
(c) ₹ 50,00,000 (d) ₹ 6,00,000

Q15. In the absence of Partnership Deed, at what rate is interest on the amount of Loan advanced by firm to the partner is calculated?
(a) @6% p.a. on the loan, only when there are profits.
(b) @6% p.a. on the loan even in case of losses. (c) @6% on the loan.
(d) No interest on loan

Q16. Raj and Simran are partners sharing profits in the ratio of 3:2 and Amit was admitted for 1/5th share of profit. Machinery would be appreciated by 10% (book value ₹ 80,000) and building would be depreciated by 20% (₹ 2,00,000). Unrecorded debtors of ₹ 1,250 to be brought into books whereas a creditor amounting to ₹ 2,750 died and nothing is to be paid on this account. What will be profit/loss on revaluation?
(a) Loss ₹ 28,000 (b) Loss ₹ 40,000
(c) Profit ₹ 28,000 (d) Profit ₹ 40,000

Q17. At the time of admission of new partner Vicky, Old partners Micky and Ricky had debtors of ₹ 50,000 and a provision for doubtful debts of ₹ 4,000 in their books. As per terms of admission, assets were revalued, and it was found that debtors worth ₹ 2,000 had turned bad and hence should be written off and new provision is to be maintained @5% on Debtors. What amount will be recorded in Revaluation account for the above situation.
(a) ₹ 2,500 (b) ₹ 500 (c) ₹ 400 (d) ₹ 2,000

Q18. Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R)

Assertion (A): Profit and Loss (Dr.) balance will be debited to old partner's capital account in old ratio.

Reason (R): It is a part of accumulated loss which needs to be closed by charging it to old partner's capital account at the time of Admission only.

In the context of the above statements,



Pic used for illustrative purpose only

which one of the following is correct?
(a) Both (A) and (R) are correct and (R) is correct explanation of (A)
(b) (A) is correct but (R) is not correct.
(c) Both (A) and (R) are correct but (R) is not the correct explanation of (A).
(d) (A) is incorrect but (R) is correct.

Q19. Rita and Sita are partners sharing profits in ratio of 4:3. Nita is admitted for 1/5th share and she brings in ₹ 1,40,000 as her share of Goodwill in cash of which ₹ 1,20,000 is credited to Rita and remaining amount to Sita. Calculate sacrificing ratio.
(a) 5:1 (b) 6:1 (c) 4:3 (d) 1:6

Q20. Kajal and Seema are partners in a firm having capital of ₹ 1,00,000 and ₹ 80,000 respectively. According to partnership deed, partners are entitled to Interest on Capital @5% p.a. Kajal has advance a loan of ₹ 50,000 whereas Seema is entitled to get a commission of @10% on net divisible profit after charging such commission. Profit during the year amounted to ₹34,000. Calculate the amount of commission Seema will receive.
(a) ₹ 3,400 (b) ₹ 2,300 (c) ₹ 2,200 (d) ₹ 2,000

Q21. Nitu, Ritu and Mitu sharing profit and losses in ratio 4:3:2. They decided to share future profits in ratio 2:3:4 with effect from 1st April, 2021. Their Balance Sheet showed a Workmen compensation Reserve of ₹ 45,000 and there was a claim against it of ₹ 49,500. Calculate the amount of revaluation profit or loss distributed among partners.
(a) Profit-2000;1500;1000
(b) Profit-1000;1500;2000
(c) Loss-2000;1500;1000
(d) Loss-1000;1500;2000

Q22. Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R)

Assertion (A): Securities Premium Reserve Account is not debited on forfeiture because premium has been received.

Reason (R): Section 52(2) of the companies Act, 2013 has restricted the uses of Securities Premium received and credited to Securities Premium Reserve Account.

In the context of the above statements, which one of the following is correct?
(a) Both (A) and (R) are correct and (R) is correct explanation of (A)
(b) (A) is correct but (R) is not correct.
(c) Both (A) and (R) are correct but (R) is not the correct explanation of (A).
(d) (A) is incorrect but (R) is correct.

Q23. PT Ltd. forfeited 150 shares of ₹ 10 each, issued at a premium of ₹ 2 per share, ₹ 10 per share called up (including premium), for non-payment of the first call of ₹ 3. Out of these, 100 shares were re-issued at a discount of ₹ 2 per share. What is reissue price per share?
(a) ₹ 10 (b) ₹ 5 (c) ₹ 8 (d) ₹ 6

Q24. Meera, Tina and Rina were partners in the ratio of 2:3:5. On 31st March 2021, their books reflected a net profit of ₹ 1,70,000. As per the terms of the partnership deed they were entitled for interest on capital which amounted to ₹

50,000, ₹ 40,000 and ₹ 90,000 respectively. Calculate the ratio in which the profits would be appropriated.
(a) 1:1:1 (b) 1:2:3 (c) 2:3:5 (d) 5:4:9

Q25. Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R)

Assertion (A): Capital Account of partners do not show debit balance in spite of consistent losses year after year.

Reason (R): When capitals are fixed, all transactions other than that of capital between the firm and the partner are recorded in his current account.

In the context of the above statements, which one of the following is correct?
(a) Both (A) and (R) are correct but (R) is not the correct explanation of (A).
(b) Both (A) and (R) are correct and (R) is correct explanation of (A)
(c) (A) is correct but (R) is not correct.
(d) (A) is incorrect but (R) is correct.

Q26. Sooraj Ltd took over business of Ram Ltd and paid him by issuing equity shares of ₹ 50,00,000 @ ₹ 100 each at a premium of 20% and 10,000 8% Preference shares of ₹ 200 each along with bills of exchange of ₹ 5,00,000.

Find out the purchase consideration payable to Ram Ltd.
(a) ₹ 75,00,000 (b) ₹ 85,00,000
(c) ₹ 86,60,000 (d) ₹ 70,00,000

Answer Q 27 to Q30 based on the given case study.

GH Ltd issued 2,000 equity shares of ₹ 10 each payable as: ₹ 2 on application; ₹ 3 on allotment; ₹ 3 on first call and ₹ 2 on second and final call. Application received for 3,000 shares and pro-rata amount was made among 2,400 applicants. Money overpaid was adjusted on sum due on allotment.

Rahul who was allotted 40 shares failed to pay allotment money and his shares were forfeited.

Rohan who applied for 72 shares failed to pay first call and final call money whereas Rishi who was allotted 100 shares paid final call money along with first call. Out of forfeited shares 20 shares were reissued @ ₹ 9 per share.

Q27. What will be the amount of share capital shown in the balance sheet?
(a) ₹ 19,840 (b) ₹ 19,800
(c) ₹ 19,548 (d) ₹ 19,500

Q28. Calculate the amount received on First call.
(a) ₹ 5,900 (b) ₹ 6,000 (c) ₹ 6,020 (d) ₹ 5,820

Q29. Calculate the amount of calls-in-arrear on allotment.
(a) ₹ 120 (b) ₹ 104 (c) ₹ 144 (d) ₹ 96

Q30. What amount will be transferred to Capital Reserve account?
(a) Nil (b) ₹ 48 (c) ₹ 60 (d) ₹ 28

PART-II

Q31. Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R):

Assertion (A): Increasing the value of closing inventory increases profit.

Reason (R): Increasing the value of closing inventory reduces cost of goods sold. In the context of the above two statements, which of the following is correct?
(a) Both (A) and (R) are correct and (R) is the correct reason of (A).
(b) Both (A) and (R) are correct but (R) is not the correct reason of (A).
(c) Only (R) is correct.
(d) Both (A) and (R) are wrong.

Q32. Calls in advance appear in a Company's Balance Sheet under ____.

(a) Share Capital (b) Current Liability
(c) Long-term Borrowings
(d) Reserve and Surplus.

Q33. If the operating cycle period of a Company is 15 months and expected realisation period from trade receivables is 16 months. Under which head it will be recorded in the Balance Sheet of a Company as per Schedule III of the Companies Act, 2013.
(a) Non-current Assets
(b) Current Assets
(c) Non-current Liabilities
(d) Current Liabilities

Q34. Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R)

Assertion (A): Quick Ratio can be more than Current Ratio.

Reason (R): Difference between Current Ratio and Quick Ratio arises due to Inventory and Prepaid expenses.

In the context of the above statements, which one of the following is correct?
(a) Both (A) and (R) are correct and (R) is correct explanation of (A).
(b) Both (A) and (R) are correct but (R) is not the correct explanation of (A)
(c) (A) is correct but (R) is not correct.
(d) (A) is incorrect but (R) is correct.

Q35. Interest accrued and due on debentures appear in a Company's Balance Sheet under the Sub-Head ____.

(a) Short-term Borrowings
(b) Trade Payables
(c) Other current Liabilities
(d) Short-term Provision.

Q36. State, whether the Proprietary Ratio will Improve, Decline or will Not change if 10% redeemable Debentures of ₹ 3,00,000 are redeemed.
(a) Improve (b) Decline
(c) Not change (d) None of these.

Answer Q 37 to Q 40 based on the given case study.

A company has Share Capital of ₹ 34,00,000 and balance in Securities Premium Reserve account of ₹ 6,00,000. The Company further issued 12% debentures of ₹ 6,00,000 and took 9% Loan from SBI of ₹ 14,00,000 for expansion of business on 1st April, 2020 and paid interest on it at the end of the year.

The company had following balances in the books at the end of the year: Inventory of ₹ 8,00,000; Other Current Assets of ₹ 10,00,000; Current Liabilities ₹ 8,00,000; cash sales ₹ 80,00,000; credit Sales ₹ 40,00,000; cost of Revenue from operations ₹ 70,00,000; Return Inwards ₹ 8,00,000; operating expense ₹ 8,40,000.

Q37. Calculate Debt to Equity ratio:
(a) 0.5:1 (b) 2:1 (c) 0.12:1 (d) 0.6:1

Q38. Calculate Inventory Turnover Ratio:
(a) 7.75 times (b) 7 times
(c) 8.75 times (d) 8.25 times

Q39. Compute Working capital Turnover Ratio:
(a) 12 times (b) 11.2 times
(c) 12.8 times (d) 13 times

Q40. Compute Operating Ratio:
(a) 60% (b) 80% (c) 20% (d) 70%

These questions are meant for practice purpose only. Students are advised to check format, syllabus and marks for Board test papers with their teachers. Questions have been given by teachers and NIE is not responsible for them.

E-BOOKS, A REPOSITORY OF REFERENCE MATERIALS

It is said, "a good library will never be too neat, or too dusty because somebody will always be in it taking books off the shelves and staying up late reading them". This implies that each one of us should make maximum use of libraries, especially Board year students, as they are powerful search engines. But the pandemic has turned everything upside down. It reminded each of us about the role and importance of libraries.

Libraries are a large, structured, processed, and organized repository of knowledge. Libraries and librarians have always played a significant role as libraries are powerhouses of knowledge and librarians always attend to the information needs of the users.

With the lockdown - going digital and adopting the latest ICT techniques was the only solution to deal with the situation and transform the educational sector into a Digital Learning Hub.

The National Education Policy (NEP)

2020 mentions the need for a Digital Library to be established, to help serve the community. This will also facilitate extensive reading among students. As library professionals we have to help students in sharing resources, and conducting various online activities to interact and get connected.

Digital technologies are rapidly becoming embedded into more and more aspects of our daily lives. We are constantly being shaped by new developments, and digital literacy is a great tool of advancement during this pandemic.

Digital libraries can open doors of horizons and new opportunities for students appearing for Boards. This can help them become critical thinkers and information gatherers.

ACCESS TO E-BOOKS HELPS BOARD YEAR STUDENTS GAIN THAT EXTRA EDGE

INSTANT ACCESS

Students appearing for Boards can access the Digital Library from the comfort of their homes at any time of the day or night

READ A BOOK

As reading habits of students are declining, the concept of reading a book anytime, from any place is extremely beneficial

LIBRARY WITHOUT WALLS

Since physical space is not a constrain it becomes a 'Library Without Walls'.

LIMITLESS SCOPE

Any academic pursuit can come within its periphery, as the scope is limitless.

THE WEALTH OF KNOWLEDGE

A digital library has enormous impact, as it reinforces and the learning of Board year students.

A wide variety of learning resources are available for students which include videos on Ted Talks (One of the must-watch videos for students is the Ted Talk on 'The Power of Reading' by Luke Bakic-Pawlak), games, fun activities like After Reading Spinner, Library Scavenger Hunt, Board Games and much more. All these activities in a Digital Library can also be formulated as an alternative to home assignments. Libraries are an integral part of academics and this is an important resource that needs to be treasured.