

## CLASS –XII-C

### ACCOUNTANCY PROJECT 2020-21

#### Essentials of Project:-

- *Acknowledgement*
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- *Introduction*
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### *Project-1- Comprehensive Project*

#### **Question-1-FREEZING HUB**

*Icecream Parlours are a booming business in India and this Popularity is making its way to Retails. New Data indicates that India's Ice cream market is fastest growing in the world. Varsha who recently completed her MBA in Marketing from Delhi decided to tap this bussiness opportunity and decided to setup an ice cream parlour in nearby popular market. She was short of capital , so she discussed her business plan with her best friend Riya, Riya liked it and showed her interest in becoming a partner. Varsha and Riya formed a Partnership firm and a deed was made on the following terms: a) Interest on Capital will be provided @6% p.a.*

*b) Profit will be distributed in the Ratio 3:2. They*

*Started their business on 1<sup>st</sup> April 2017. Each Partner contributed Rs. 10,00,000 as capital. A shop at a prime location of the city was taken on a monthly Rent Rs. 8000. Furniture & Fixtures of Rs. 1,50,000, Decoration and Lightning Rs. 50,000 and Air Conditioners of Rs. 50,000 was installed. Machinery Required for making and vending ice cream was installed for Rs. 4,00,000. Two computers were also purchased for Rs. 50,000 , out of the total capital invested by partner Rs. 5000 was retained by the firm for Petty Expenses and the balance amount was deposit in bank for customers. All the payment was done through bank. The following payments were made during the year through bank.*

	Rs.
<i>Carriage Inwards</i>	20,000
<i>Salary and Wages</i>	3,60,000
<i>Electricity Expenses</i>	50,000
<i>Water Expenses</i>	30,000
<i>Advertisement and Pamphlet Expenses</i>	50,000
<i>Telephone Charges</i>	20,000
<i>Insurance</i>	30,000
<i>Internet and Wifi Charges</i>	30,000
<i>Ice Cream Vending Machine</i>	4,00,000
<i>Consumable Stores</i>	3,20,000
<i>Sales</i>	15,00,000

*During the Year following are the creditors for consumable stores.*

	Rs.
<i>D.Essence and Company</i>	12,000
<i>Atul Dairy</i>	1,00,000
<i>Mawana Sugar Company</i>	60,000
<i>G and Company</i>	8,000

*At The End of the year, Petty cash Balance in Hand was Rs.2000. The Actual Amount of general and Petty Expenses amount to Rs. 25,000 and the cash required to meet the petty expenses was withdrawn from bank. Closing stock of Consumable Stores was valued at Rs. 80,000. Depreciation is to be charged on machinery and furniture and fixtures @5% p.a. and on computer and air conditioners @10 % p.a. Electricity expenses were outstanding for Rs. 15000. Insurance of Rs.5000 was prepaid and hence is to be carry forward to next year. Rent for the last quarter was outstanding during the year Rs. 1,00,000 and Rs. 50,000 was withdrawn by varsha&Riya respectively for personal use. Out of the total Balance Rs. 12,00,000 was kept as fixed deposits. You are required to:*

*(i)Journalize the above transaction, post them into ledger and prepare a trial balance.(ii) Prepare Trading and Profit and loss Account and Profit and Loss Appropriation Account and Partner's capital Account and Balance Sheet. (iii)*

*Calculate Profitability Ratios and comment on the Efficiency of the business if the norms set for the gross profit ratio and Net Profit ratio in similar type of business enterprises are 60% and 20% respectively. (iv)*

*Partners want to expand their Bussiness. They Approached the bank for a loan of Rs.6,00,000. Mention the Ratios that the bank Manager will take into consideration before granting the loan .*

# PROJECT-2- SPECIFIC PROJECT

## RATIO ANALYSIS

### QUESTION -1-

#### BALANCE SHEET OF TARMAC LIMITED

AS ON 31<sup>ST</sup> MARCH 2012

Particulars	Figures in Rs.000's	Figures in Rs.000's
<b><u>Sources of Funds</u></b>		
<b><u>Shareholder's Fund</u></b>		
Share Capital	5,00,000	
Reserve and Surplus	<u>17,42,59</u>	22,42,59
<b><u>Loans</u></b>		
Secured	11,38,86	
Unsecured	<u>5,58,29</u>	16,97,15
Deffered Tax Liability(Net)		95,33
<b>Total</b>		40,35,07
<b><u>Applications of Funds</u></b>		
<b><u>Fixed Assets</u></b>		
Gross Block	18,41,58	
Less:- Depreciation	<u>12,40,03</u>	
Net Block		6,01,55
Capital Work in Progress		<u>15,29</u>
		6,16,84
Investments		1,48,34
<b><u>Current Assets, Loans and Advances</u></b>		
Inventories	21,46,20	
Sundry Debtors	19,51,56	
Cash and Bank Balances	4,49,74	
Loans and Advances	<u>8,50,58</u>	53,98,08
<b><u>Current Liabilites and Provisions</u></b>		
Current Liabilites	18,16,17	
Provisions	<u>3,12,02</u>	21,28,19
Net Current Assets		32,69,89
<b>Total</b>		40,35,07

## PROFIT AND LOSS ACCOUNT OF TARMAC LIMITED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

PARTICULARS	Rs.(000's)
<b><u>Income :</u></b>	
Sales and operating Earnings	73,90,47
Other Income	31,39
Variation In Stock	<u>53,99</u>
	<u>74,75,85</u>
<b><u>Expenses:</u></b>	
Material Consumed	28,51,40
Purchase of Trading Goods	14,03,33
Payments to and Provision for employees	12,94,47
Manufacturing Expenses	3,07,51
Excise Duty	70,08
Other Expenses	9,17,94
Interest and finance Charges	2,46,30
Depreciation	1,10,89
Less:- Transfer to Revaluation	<u>93</u>
	<u>1,09,96</u>
	<u>72,00,99</u>
Profit Before Tax	2,74,86
Prior Year Adjustment (Net)	25,71
<b><u>Provision for Taxation</u></b>	
Current Tax	1,19,50
Deffered Tax Liability/(Assets)	8,13
Profit After Tax	1,72,94
Balance Brought Forward From Previous Year	4
Balance Available for Appropriation	<u>1,72,98</u>
Appropriations:	
General Reserve	88,30
Surplus/(Loss) Carried to B/s	7
Proposed Dividend	75,00
Tax on Proposed Dividend	<u>9,61</u>
Basic Earning Per Share	<u>1,72,98</u>
	<u>3.46</u>

You are required to prepare a Project Report commencing upon the performance and financial position of the firm on the basis of Ratio Analysis.

# CASH FLOW STATEMENT

## QUESTION -2-

From the following statement of Balance sheet of X Ltd., Prepare a cash flow Statement and give your comments about the same.

Particulars	Note No.	31.03.2013	31.03.2012
<b>I) Equity and Liabilities</b>			
1. Shareholder's Fund			
a) Share Capital		5,00,000	4,50,000
b) Reserve and Surplus	1.	1,18,000	70,000
2. Current Liabilities			
a) Trade Payables		99,000	75,000
b) Short Term Provisions	2.	<u>1,00,000</u>	<u>82,000</u>
Total		<u>8,17,000</u>	<u>6,77,000</u>
<b>II) ASSETS</b>			
<b>1. Non-Current Assets</b>			
a) Fixed Assets			
(i) Tangible Assets	3.	3,70,000	2,80,000
(ii) Intangible Assets	4.	90,000	1,15,000
<b>2. Current Assets</b>			
a) Inventory		1,09,000	77,000
b) Trade Receivables		2,30,000	1,80,000
c) Cash and cash Equivalents		<u>18,000</u>	<u>25,000</u>
Total		<u>8,17,000</u>	<u>6,77,000</u>

**Notes:-**

**1) Reserve and Surplus:-**

General Reserve	70,000	40,000
Profit and Loss Balance	<u>48,000</u>	<u>30,000</u>
	<u>1,18,000</u>	<u>70,000</u>

**2) Short Term Provisions:-**

Provisions and Taxation	50,000	40,000
Proposed Dividend	<u>50,000</u>	<u>42,000</u>
	<u>1,00,000</u>	<u>82,000</u>

**3) Intangible Assets:-**

Goodwill	<u>90,000</u>	<u>1,15,000</u>
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**4) Tangible Assets:-**

Land and Building	1,70,000	2,00,000
Plant	2,00,000	80,000

**Additional Information:-**

- a) Depreciation of Rs.10,000 and Rs.20,000 has been charged on Plant, Land and Buildings respectively.
- b) An Interim Dividend of Rs.20,000 has been paid.
- c) Income tax of Rs. 35,000 has been paid.
- d) Rent received during the year Rs.10,000.

**Points to be noted by Candidates**

1. Candidates will be expected to have completed one question out of two from specific project and the given question of Comprehensive Project.
2. Candidates can take help from the Book at Last of second volume Project Work is given.
3. Use Spiral File with Transparent Plastic sheet on front and red cover at the back.
4. Front Page of the project should be computer printed page with school Logo.