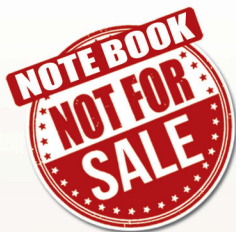


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Reg.No. 02211116121

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ALL INDIA 1ST RANKER
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CA FOUNDATION EXAMS COMPLETED WHAT NEXT?

NEVER SIT IDLE TILL RESULTS AS FAILURE MAY LEAD TO FAILURE

CAN YOU REVISE VAST SYLLABUS OF CA FOUNDATION IN JUST 55 DAYS?

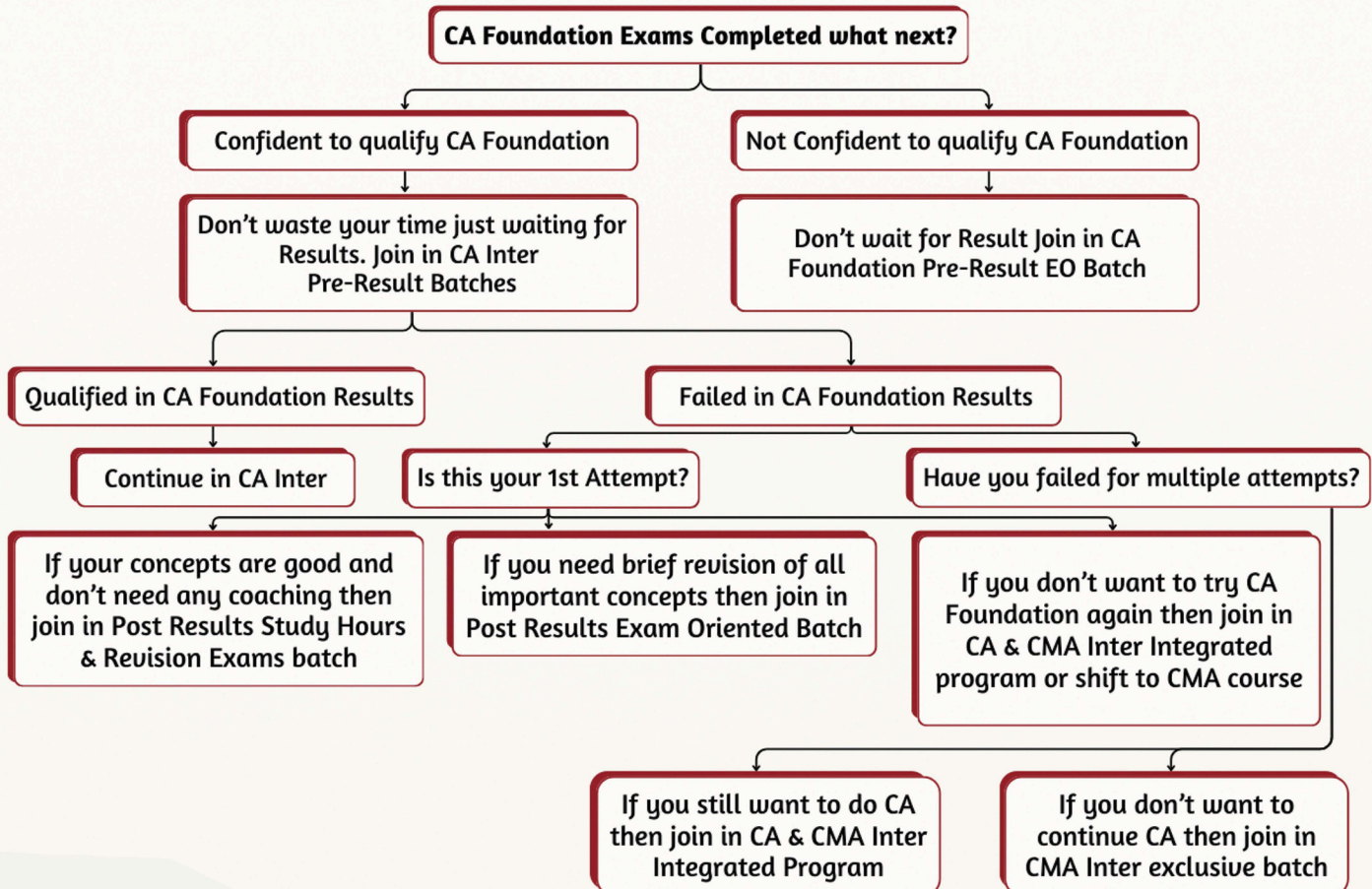
- Probable date of Jan 26 attempt results: Approx. 3rd March.
- Probable starting date of May attempt exams: May 14th.
- After results you will just have 55 days (Assuming you prepare from 10th March & Last 10 days for Pre-Final)
- FAILURE MAY LEAD TO FAILURE as 55 days are not enough to revise thoroughly.

HOW TO OVERCOME THIS?

- All India PASS % is 20 - 25%. But 75%, who fail, will SIT IDLE till results, assuming that they will qualify.
- Convince yourself that you may fail and within a week start preparing seriously for the next attempt.
- Then you get 90 DAYS to prepare for Jan exams (From 05/02 TO 04/05. Last 10 DAYS for Pre-Finals).
- Remember, even for like 10th & Intermediate you took 3 to 4 months of revision time.

HOW CAN STUDENTS ASSESS EXPECTED MARKS IN PUBLIC EXAMS?

- Within 48 hours we upload probable suggested answers on our website www.mastermindsindia.com.
- Assess your expected marks. Even in MCQ Subjects deduct 5% marks for contingency.
- In descriptive papers, award a maximum of 60 - 70% marks even if your answer is 100% correct.



CA FOUNDATION EXAMS COMPLETED WHAT NEXT?

ALL THE BELOW STATED SERVICES WILL BE AVAILABLE IN GUNTUR AND ALL OUR BRANCHES

CA INTER PRE-RESULTS REGULAR BATCHES:

- CA Inter exam standards demand 1400 hours of detailed coaching.
- Coaching 7.5 Months.
- 2.5 - 3 months revision time after coaching (Minimum time required to revise 1400 hours of syllabus).
- Remember, you need to take a gap to write Degree & CMA Inter exams in Dec 2026.
- Multiple batches in Guntur & One batch in each of our branches.

CA INTER POST RESULTS REGULAR BATCHES:

- 1400 hours coaching in 7 Months.
- 1.5 - 2 months revision time after coaching (In Pre Results batches you get 2.5 months)
- Batch Commences within 3 days of CAF Results. Multiple batches in Guntur & One batch in each of our branches.

CMA INTER EXCLUSIVE REGULAR BATCHES:

- It is a completely exclusive batch and will not be merged with CA Inter.
- 1400 hours coaching in 7 Months (Full day classes within few days of results)
- CMA Inter Exclusive batches will be available in Guntur, Hyderabad & Nellore.
- Will Commence within 3 days of results.

CA & CMA INTER INTEGRATED PROGRAM:

- Choose this if you failed in CA Foundation for multiple times but passionate about CA.
- First qualify CMA Inter and then register for CA Inter based on the same.
- You can join either before or after CA Foundation results.
- Pre Results & Post Results Batch commencement dates: Same as CA Inter.

CA FOUNDATION PRE & POST RESULTS STUDY HOURS & REVISION EXAMS (SH&RE) BATCHES:

- **Pre Results:** Study hours within a week after exams. 1st Revision exam within a week.
- **Post Results:** Study hours within a 3 days of results. 1st Revision exam within a week.
- 2 Revision exams a week + Semi & Pre Final exams as per fixed schedule.
- Faculty for doubts clarification & Brief revision of syllabus.

CA FOUNDATION PRE RESULTS EXAM ORIENTED BATCHES (EO BATCH):

- Best features of Crash Batch coaching + SH & RE.
- Shall follow the Revision Exams Schedule of Post Results SH&RE Batches for half day.
- For remaining half day, Faculty will briefly revise the syllabus of that revision exam.
- Classes Study Hours from 1st Feb 26. 1st Revision exam within a week. CA Foundation results. 150 to 200 hours coaching for all subjects together.

3 FLEXIBLE MODES OF LEARNING FOR ALL STAGES OF CA / CMA COURSES

✔ **Face to Face Classes (Complete Physical Batch)**

- Can directly interact with the Faculty and clarify your doubts.

✔ **Live-to-home online classes (Complete Online Batch)**

- Requires utmost self-discipline & facilities like Separate room, High speed internet and a laptop.

✔ **Recorded videos (Videos on demand)**

- Best videos since they are recorded by the same Faculty who are experts in Face to Face classes.

#NO MORE FAILURES DOUBLE YOUR CHANCES TO QUALIFY CA FOUNDATION

WHY STUDENTS FAIL?

Multiple revisions needed but you read just once.	You comfortably wrote your 10th & Intermediate exams due to 3 to 4 months revision time. But you never did so in CA Foundation.
Exam fear due to not writing multiple exams.	
Not learning from your mistakes.	
Distractions during studies + Smartphone addiction	Don't waste time & money with multiple times coaching. Systematic multiple revisions are enough.
No consistent preparation for 10 to 12 hrs a day.	
Sitting idle till results & lack of right mentorship.	

ONE STOP SOLUTION TO ALL ISSUES IS STUDY HOURS & REVISION EXAMS (SH&RE) THE MOST ADMIRABLE ACADEMIC PROGRAM WITH HIGHEST SUCCESS RATE.

Serious Preparation & Numerous exams in public exam standards can contribute more to your success than coaching. This service is best suited if your conceptual clarity is good and it is sufficient to study well & write exams

STUDY HOURS WITH CLOSE MONITORING	SCHEDULE BASED PREPARATION TO FIGHT PROCRASTINATION
<ul style="list-style-type: none"> ✓ Study hrs for 10 to 12 hrs a day. ✓ Distraction-free environment without MOBILES. ✓ A/C Classrooms, 2 Students per bench. 	<ul style="list-style-type: none"> ✓ Best Revision Schedule issued on Day 1. ✓ Revision of each chapter for 3 to 4 times. ✓ Brief revision of syllabus (Pre Results Batches only).

MULTIPLE EXAMS TO GET RID OF EXAM FEAR	QUESTION PAPERS @ PUBLIC EXAM STANDARDS
<ul style="list-style-type: none"> ✓ 2 Revision exams a week. ✓ One set of Semi Final & Pre-Final exams. 	<ul style="list-style-type: none"> ✓ Research-based papers by experienced faculty. ✓ 3 tier system of verification.

YOU CAN LEARN FROM YOUR MISTAKES	MENTORSHIP
<ul style="list-style-type: none"> ✓ Suggested Answers immediately after exam. ✓ We will also evaluate & return answer papers. ✓ Performance Report for every 10 days. 	<ul style="list-style-type: none"> ✓ Expert guidance by our Academic Advisor. ✓ Counseling to failed students. ✓ You can also prepare in your own materials.

COMPLETE RESIDENTIAL SYSTEM (CRS)	PROOF OF EXCELLENCE OF THIS PROGRAM
<ul style="list-style-type: none"> ✓ Hostel + Study Hours in the same campus. ✓ Can study productively upto 14 hrs a day. ✓ Hostel facility without CRS is also available. 	<ul style="list-style-type: none"> ✓ Almost all the students who Qualified or Achieved a Rank in our Academy have attended this service. ✓ @ Guntur, HYD (Ameerpet & Dilsukhnagar), Tirupati, Vizag, Vijayawada, Rajahmundry, Kurnool & Nellore

PRE RESULTS SH&RE BATCHES	POST RESULTS SH&RE BATCHES
<ul style="list-style-type: none"> ✓ Study Hours within 1 week of CA Foundation exams. ✓ Faculty for doubts clarification & Brief revision of syllabus. 	<ul style="list-style-type: none"> ✓ Study Hours immediately after CA foundation results. 1st Revision exam within a week. ✓ Faculty for doubts clarification (No service of brief revision).

SH&RE IS THE MOST SOUGHT AFTER SERVICE OF MASTERMINDS.
WE OFFER THIS SERVICE FOR ALL STAGES OF CA & CMA COURSES. AVAILABLE IN GUNTUR & ALL OUR BRANCHES.

YOU CAN PURSUE CA INTER EVEN WITHOUT QUALIFYING CA FOUNDATION THROUGH OUR "CA & CMA INTER INTEGRATED" GAME CHANGER ACADEMIC PROGRAM

WHAT IS THIS ACADEMIC PROGRAM?

- Exclusively available in Masterminds.
- First qualify CMA Inter Both Groups and then Register for CA Inter based on it.
- It is not a separate batch. Will merge with CA Inter to teach 90% common syllabus of CA & CMA Inter.
- After that, we will teach CMA Inter exclusive chapters separately.
- Qualified CMA Foundation but not CA Foundation - You can join in this program now.
- Registered for CMA Foundation but not qualified - Join this program & qualify CMAF in June 26.
- Not registered for CMA Foundation - Register before 31/01/26, Join this program & Qualify CMA Foundation in June 26 exams.
- In all 3 cases you write CMA Inter exams in Dec 26. Qualify Both & Register for CA Inter (Direct Entry)

SUITABILITY

- Even after multiple attempts unable to qualify CA Foundation.
- Even after multiple attempts not wrote CAF exams well but passionate about CA.
- If this is your first attempt of CA Foundation - Try CA Foundation for one more attempt.
- Degree 2nd year completed can directly join for CA Inter (No need of this Program).

BATCHES AVAILABILITY:

- Pre Results batches within a week of exams & Post Results batches within 3 days of results.
- Available in Guntur and all Our Branches.
- Face to Face classes & Live to Home Batches available.



**SCAN THE QR CODE
TO WATCH A
DETAILED VIDEO
ABOUT CA / CMA
INTER ACADEMIC
PROGRAM**

CA FOUNDATION - ACCOUNTING - JANUARY 2026 ATTEMPT

QUESTION PAPER WITH FACULTY COMMENTS

State with reasons, whether the following statements are True or False:

PUBLIC EXAM QUESTION PAPER | 1(a)(i) - 2M | CHAPTER - CAPITAL & REVENUE EXPENDITURE & RECEIPTS

Money spent to reduce working expenses is Revenue Expenditure.

PRESENCE IN MM MATERIAL	PRESENCE IN ICAI SOURCES
PG.NO 26.44 T/F 2 100%	PG.NO 1.64 ILLUSTRATION 1 - 2 nd POINT 100% D21 1(a)(i) 100%

HOW ICAI ARRIVED AT THIS QUESTION: This question is exactly copy-pasted from the Illustration in the SM and the same question also appears in the MM material under the head "True or False Statements". If you prepare the MM material thoroughly, you can answer this question comfortably.

PUBLIC EXAM QUESTION PAPER | 1(a)(ii) - 2M | CHAPTER - SUBSIDIARY BOOKS

Transactions regarding the purchase of fixed assets on credit are recorded in the Purchases book.

PRESENCE IN MM MATERIAL	PRESENCE IN ICAI SOURCES
PG.NO 3.25 T/F 2 100%	PG.NO. 2.99 T/F 2 100%

HOW ICAI ARRIVED AT THIS QUESTION: This is exactly copy pasted from true or false statements under the head "Test Your Knowledge" in SM and the same question is present in MM material too. If you prepare MM material thoroughly, you can comfortably answer this question.

PUBLIC EXAM QUESTION PAPER | 1(a)(iii) - 2M | CHAPTER - CONTINGENT ASSETS & LIABILITIES

A present financial obligation of an uncertain amount, which can be measured reliably by using a substantial degree of estimation, is termed as liability.

PRESENCE IN MM MATERIAL	PRESENCE IN ICAI SOURCES
PG.NO 26.34 SAQ 4 100%	PG.NO. 1.77 TOPIC 4.4 100% JUNE 24 MTP 3 1(b) 100%

HOW ICAI ARRIVED AT THIS QUESTION: This true or false statement was picked from the theory content and the same question is present in MM material under "Short Answer Questions" too. If you are thorough with the theory, you can answer this question comfortably.

PUBLIC EXAM QUESTION PAPER | 1(a)(iv) - 2M | CHAPTER – ACCOUNTING FROM INCOMPLETE RECORDS

Nominal Accounts are kept under Single Entry System.

PRESENCE IN MM MATERIAL	PRESENCE IN ICAI SOURCES
PG.NO 18.25 T/F 2 100%	PG.NO. 9.36 T/F 2 100% JUNE 24 MTP 3 1(a)(v) 100%

HOW ICAI ARRIVED AT THIS QUESTION: This is exactly copy pasted from true or false statements under the head “Test Your Knowledge” in SM and the same question is present in MM material too. If you prepare MM material thoroughly, you can comfortably answer this question.

PUBLIC EXAM QUESTION PAPER | 1(a)(v) - 2M | CHAPTER – DISSOLUTION OF PARTNERSHIP FIRMS & LLPS

Winding up of a LLP may be initiated by Tribunal if the LLP has failed to submit the Statements of Accounts and Solvency or the LLP Annual Returns for more than three consecutive financial years with the Registrar.

PRESENCE IN MM MATERIAL	PRESENCE IN ICAI SOURCES
-	PG.NO. 10.237 TOPIC 6.8 100%

HOW ICAI ARRIVED AT THIS QUESTION: This true or false statement was picked from the theory content. If you are thorough with the theory, you can answer this question comfortably.

PUBLIC EXAM QUESTION PAPER | 1(a)(vi) - 2M | CHAPTER – REDEMPTION OF DEBENTURES

As per Section 52 of the Companies Act, 2013, a company may utilise the Securities Premium Account to write off its preliminary expenses.

PRESENCE IN MM MATERIAL	PRESENCE IN ICAI SOURCES
PG.NO 12.10 THEORY 100%	PG.NO. 11.157 100% JUNE 24 MTP 2 1 (a)(ii) 95%

HOW ICAI ARRIVED AT THIS QUESTION: This question was picked from the theory content of SM and framed as a true or false statement. The same content is also present in the MM material. If you are thorough with the MM material, you can answer this question comfortably.

PUBLIC EXAM QUESTION PAPER | 1(b) - 4M | CHAPTER – ACCOUNTING STANDARDS

What are Accounting Standards? Briefly explain the main advantage of setting Accounting Standards and their limitations.

PRESENCE IN MM MATERIAL	PRESENCE IN ICAI SOURCES
PG.NO 26.30 & 26.31 SAQ 1, 3, 4 100%	PG.NO. 1.103 TOPIC 7.1 & 7.3 100% N18-2(a); M20; N21; JUN24-2(b) RTP 40%

HOW ICAI ARRIVED AT THIS QUESTION: This question has been directly copied from the 'Test Your Knowledge' section of the Study Material and is also included in the MM material. Three questions in the material were combined and given as one question. By thoroughly reading the theory content in the MM material without skipping any unit in the Theoretical Framework, you can confidently answer this question. This highlights the importance of studying the theory content provided in the MM material.

PUBLIC EXAM QUESTION PAPER | 1(c)- 4M | CHAPTER - ADVANCE CONCEPTS OF VARIOUS CHAPTERS - UNIT 1: ACCOUNTING FOR GST

Mr. Vijay has entered into the following transactions during the month of December, 2025. You are required to journalise the same in his books of account.

- i) Purchased goods from Ramsons for ₹ 20,000 at a trade discount of 10% plus CGST and SGST @ 9% each. ₹ 10,000 was paid immediately and the balance is payable after 2 months.
- ii) Goods costing ₹ 10,000 were withdrawn for personal use. Such goods were purchased by paying CGST and SGST @ 9% each.
- iii) Purchased Machinery for ₹ 52,500 including IGST @ 5% by issuing a cheque to the supplier.
- iv) Goods costing ₹ 3,000 (before trade discount of 10%) were returned to Vinod. Such goods were purchased by paying CGST and SGST @ 9% each.

PRESENCE IN MM MATERIAL	PRESENCE IN ICAI SOURCES
COVERED IN CRD 1 95%	PG.NO 2.37 ILLUSTRATION 8 95%

HOW ICAI ARRIVED AT THIS QUESTION: A similar problem appears in both the SM and MM material with certain modifications such as change in amounts and percentages. By paying close attention in class and practicing through internal exams, you will be able to solve this problem comfortably without any additional preparation.

PUBLIC EXAM QUESTION PAPER | 2(a) - 12M | CHAPTER - RECTIFICATION OF ERRORS

Mr. A's Trial Balance as on 31st March, 2025 did not agree and he wrote off the difference to the Profit and Loss Account for that year. Next year, he engaged the services of an accountant, who after a close scrutiny of the books of account for the previous year, observed the following errors:

- i) Goods worth ₹ 5,000 were dispatched to a customer before the close of the year but no invoice was made out.
- ii) ₹ 3,000 due to Mr. X was omitted to be taken to the Trial Balance.
- iii) Wages of ₹ 5,000 paid for erection of Machinery were debited to Wages Account.
- iv) Purchase of goods from Mr. R for ₹ 20,000 was omitted to be recorded.
- v) Cash payment of ₹ 5,000 to Mr. C was posted to the credit of his account.

- vi) Purchase of ₹ 15,390 was wrongly posted as ₹ 15,930.
- vii) Goods worth ₹ 16,000 were sent on sale or return basis to a customer and entered in the Sales Book. At the close of the year, the customer still had the option to return the goods. Gross Profit Margin was 25% on sales.
- viii) A return to creditor of ₹ 550 was entered in Returns Inward Book. However, the creditor's account was correctly posted.

Mr. A charges depreciation @ 10% on Machinery.

You are required to pass the necessary rectification entries in the books of Mr. A.

PRESENCE IN MM MATERIAL	PRESENCE IN ICAI SOURCES
COVERED FROM MULTIPLE PROBLEMS 95%	COVERED FROM MULTIPLE PROBLEMS 90% MAY 25 MTP 2 2(a)(vii) 90% SEP 25 MTP 1 2(a)(vi) 99% SEP 25 MTP 1 2(a)(iii) 95%

HOW ICAI ARRIVED AT THIS QUESTION: This problem appears in both our MM material and the Study Material, combining multiple problems with changed amounts and slight modifications to one or two points. By paying attention in class, practicing all types of problems (CRD and AP) in the Masterminds material and taking our internal exams, you'll be able to solve this problem confidently and with ease.

PUBLIC EXAM QUESTION PAPER | 2(b) - 8M | CHAPTER - DEPRECIATION & AMORTISATION

Mehta and Company had the following balance appearing in its books of account as on 1st April, 2024:

Particulars	Amount (₹)
Plant and Machinery A/c	1,42,50,000

Its accounts are made up to 31st March every year and depreciation is charged @ 10% per annum under the Written Down Value Method.

On 1st September, 2024 a new machine was acquired at a cost of ₹ 21,20,000 and a sum of ₹ 46,900 was incurred on the same day towards installation charges for erecting the said machine.

On the same date a machine which cost ₹ 32,80,500 on 1st April, 2022 was auctioned for ₹ 5,62,500. Another machine which had cost ₹ 32,77,500 on 1st April, 2023 having become obsolete, was scrapped on 1st September, 2024 and it realized nothing.

You are required to prepare the Plant and Machinery Account in the books of Mehta and Company for the year ended 31st March, 2025. Also show the working for profit/loss on sale and scrapping of the machines. Round off the figures to the nearest multiple of a rupee.

PRESENCE IN MM MATERIAL	PRESENCE IN ICAI SOURCES
PG.NO 9.12 CRD 9 98%	PG.NO. 5.40 PQ 2 98% JAN 2026 MTP 2 2(a) 98% M22 2(a) 98% M25 RTP Q7 98%

HOW ICAI ARRIVED AT THIS QUESTION: A similar problem appears in both the SM and MM material with change in amounts. By paying close attention in class and practicing through internal exams, you will be able to solve this problem comfortably with additional preparation.

PUBLIC EXAM QUESTION PAPER | 3(a) - 10M | CHAPTER - FINANCIAL STATEMENTS OF NOT-FOR-PROFIT ORGANISATIONS

The Income and Expenditure Account of Global Sports Club for the year ended on 31st March, 2025 is given as under:

Expenditure		Amt (₹)	Income		Amt (₹)
To Upkeep of grounds		24,000	By Subscription		1,80,000
To Salary		1,14,000	By Entrance Fees		6,000
To Books and Magazines		12,000	By Income from Annual Meet: Receipts	35,450	
To Annual Dinner Expenses:	36,000		Less: Expenses	<u>18,000</u>	17,450
Less: Contribution	<u>24,000</u>	12,000	By Interest on Investment @ 11% (Cost of Investment ₹ 2,05,000 purchased on 31st March, 2024)		22,550
To Audit Fees		6,000			
To Electricity Expenses		10,800			
To Interest & Bank Charges		3,600			
To Depreciation on Sports Equipment		7,200			
To Surplus		<u>36,400</u>			
		2,26,000			2,26,000

This account has been prepared after the following adjustments:

		31st March, 2024	31st March, 2025
1.	Subscription Outstanding	14,400	18,000
2.	Subscription received in advance	10,800	6,480
3.	Outstanding Salary	9,600	10,800
4.	Prepaid Electricity Expenses	Nil	1,440

The club owned a sports ground valued at ₹ 2,40,000. The club had sports equipment on 1st April, 2024 valued at ₹ 62,400. At the end of the year, after depreciation, the value of this equipment amounted to ₹ 64,800. Audit fees of ₹ 4,800 for the year 2023–24 was paid during the current year. Audit fees for 2024–25 is as yet outstanding. During 2023–24, the club had raised a bank loan of ₹ 48,000. This loan was outstanding throughout the current year. On 1st April, 2024, Cash in hand amounted to ₹ 33,360.

You are required to prepare:

- i) Receipts and Payments Account for the year ended on 31st March, 2025.
- ii) Balance Sheet as at 31st March, 2025.

PRESENCE IN MM MATERIAL	PRESENCE IN ICAI SOURCES
PG.NO 19.21 CRD 10 90%	PG.NO. 8.24 ILLUSTRATION 10 90% D21 - 4(a) D22 - 4(b) 90%

HOW ICAI ARRIVED AT THIS QUESTION: A similar problem appears in both the SM and MM material with certain modifications, such as adding one or two points like Interest on Investments and Books and Magazines, removing items such as Secretary's Honorarium and Printing and Stationery and changing the amounts. However, it is simple and easy. By paying close attention in class and practicing through internal exams, you will be able to solve this problem comfortably without any additional preparation.

PUBLIC EXAM QUESTION PAPER | 3(b) - 10M | CHAPTER - ADMISSION OF A NEW PARTNER

Ram and Shyam are partners sharing profits and losses in the ratio of 3:2. The Balance Sheet of the firm as at 31st March, 2025 stood as under:

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Accounts:		Fixed Assets	6,00,000
Ram	2,40,000	Investment	1,00,000
Shyam	1,60,000	Inventories	3,25,000
Long Term Loan	4,50,000	Trade Receivables	1,25,000
Current Liabilities	5,00,000	Loans and Advances	2,00,000
Total	13,50,000	Total	13,50,000

Due to financial difficulties, it was decided to admit Mohan as a Partner in the firm from 1st April, 2025 on the following terms:

- i) Mohan would be paid 40% share of profits. The new profit sharing ratio after the admission of Mohan would be 7:5:8.
- ii) Mohan will bring ₹ 2,00,000 towards capital in cash.
- iii) On the admission of Mohan, the goodwill of the firm will be valued at 2 years' purchase of 3 years' normal average profits of the firm. Mohan will bring his share of goodwill in cash. The partners will neither withdraw their share of goodwill nor will the goodwill appear in the books of account.

The Profits of the previous three years were as follows:

2022-23	₹ 40,000/- (Profit)	(Includes Insurance Claim of ₹ 80,000/-)
2023-24	₹ 20,000/- (Loss)	(Includes Voluntary Retirement Compensation of ₹ 2,20,000/-)
2024-25	₹ 1,00,000/- (Profit)	(Includes Profit of ₹ 50,000/- On Sale of Fixed Assets)

It was decided to revalue the assets on 31st March, 2025 as under:

Fixed Assets	₹ 8,00,000/-
Investments	Nil
Inventory	₹ 2,96,000/-

Of the Trade Receivables, ₹ 5,000/- are considered as irrecoverable and a further 5% is to be provided for bad and doubtful debts.

You are required to prepare the Revaluation Account, Partners' Capital Accounts and Balance Sheet as on 1st April, 2025 after the admission of Mohan.

PRESENCE IN MM MATERIAL	PRESENCE IN ICAI SOURCES
PG.NO 22.21 CRD 7 90%	PG.NO. 10.111 PQ 2 90%

HOW ICAI ARRIVED AT THIS QUESTION: A similar problem appears in both the SM and MM material with certain modifications, such as changes in amounts, stating current assets separately (for example, inventory and trade receivables instead of collectively as current assets) and adding an additional point related to trade receivables in additional information. By paying close attention in class and practicing through internal exams, you will be able to solve this problem comfortably.

PUBLIC EXAM QUESTION PAPER | 4(a) - 10M | CHAPTER - RETIREMENT OF A PARTNER

A, B and C are partners of M/s ABC LLP sharing profits and losses in the ratio of 3:2:1. The Balance Sheet of the firm as at 31st March, 2025 stood as under:

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Accounts:		Building	3,20,000
A	4,80,000	Plant and Machinery	3,20,000
B	3,20,000	Inventories	1,60,000
C	<u>1,60,000</u>	Trade Receivables	3,20,000
Trade Payables		Cash at Bank	<u>1,60,000</u>
	12,80,000		12,80,000

On 1st April, 2025, A desired to retire from the firm and the remaining partners decided to carry on the business. It was agreed to revalue the assets and liabilities on that date on the following basis:

- i) Goodwill of the entire firm is valued at ₹ 2,88,000 and A's share of the goodwill is adjusted in the accounts of B and C who would share the profit equally in future.
- ii) Building is to be appreciated by 30%. Plant and machinery is to be depreciated by 20%. Inventories are to be written down to 80% of their carrying value as on 31st March, 2025.
- iii) Trade receivables are considered good only up to 95% of the Balance Sheet figure and the balance is to be provided for as doubtful.
- iv) Old credit balances of Trade Payables ₹ 16,000 are to be written back.
- v) The Joint life policy of the partners is surrendered and a sum of ₹ 96,000 is realized therefrom.
- vi) The total capital of the reconstituted firm shall be the same as before the retirement of A. Individual capital of B and C shall be in their profit-sharing ratio and the same shall be brought in by them.
- vii) 75% of the amount due to A on his retirement shall be settled in cash and the balance shall be settled after one year.

You are required to draw up the following accounts after giving effect to the above transactions:

- 1) Revaluation Account
- 2) Partners' Capital Account
- 3) Bank Account.

PRESENCE IN MM MATERIAL	PRESENCE IN ICAI SOURCES
PG.NO 23.17 CRD 8 95%	PG.NO. 10.164 PQ 1 95% M18; N20 - Q14 N22 - Q15 JAN 24 - Q11 SEP 25 - Q12 RTP 95%

HOW ICAI ARRIVED AT THIS QUESTION: A similar problem appears in both the SM and MM material with slight modifications in wording, as well as changes in amounts and percentages, but the meaning remains the same as in the original problem. By paying close attention in class and practicing through internal exams, you will be able to solve this problem comfortably.

PUBLIC EXAM QUESTION PAPER | 4(b)- 10M | CHAPTER – ADVANCE CONCEPTS OF VARIOUS CHAPTERS UNIT 2: FINAL ACCOUNTS OF SOLE PROPRIETORS

The following is the schedule of balances as on 31st March, 2025 extracted from the books of Mr. Radhey:

Particulars	DR. (₹)	C.R (₹)
Advertisement Expenses	13,400	-
Bad Debts	4,400	-
Bad Debts Recovered	-	1,800
Cash at Bank	12,500	-
Bank Overdraft	-	3,20,000
Capital Account	-	2,60,000
Carriage Inwards	4,500	-
Carriage Outwards	5,400	-
Cash in Hand	5,800	-
Drawings	46,000	-
Furniture and Fittings	41,000	-
Interest paid on loan	12,000	-
Administrative Expenses	40,640	-
Opening Stock	1,29,000	-
Plant & Machinery	80,000	-
Prepaid Rent	1,200	-
Printing & Stationery	5000	-
Provision for Discount on Trade Receivables	-	5,500
Provision for Doubtful Debts	-	12,800
Purchases	6,08,800	-
Rent, Rates and Taxes	17,200	-
Salaries and Allowances	90,200	-
Salaries Payable	-	9,800
Sales	-	8,44,000
Trade Payables	-	1,90,000

Particulars	DR. (₹)	C.R (₹)
Trade Receivables	4,80,000	-
Wages and Salary	46,860	-
Total	16,43,900	16,43,900

Additional Information:

- i) During the year Mr Radhey has distributed free samples costing ₹ 3,300/- for publicity.
 - ii) A fire took place in the warehouse on 20th March, 2025 and destroyed goods worth ₹ 6,000/-. The insurance company has admitted a claim of ₹ 4,500/- on 31st March, 2025.
 - iii) Create a provision for doubtful debts @ 5% and provision for discount on trade receivables @ 2.5%.
 - iv) Depreciation is to be provided on Plant and Machinery @ 15% per annum and on Furniture and Fittings @ 10% per annum.
 - v) Bank overdraft is secured against hypothecation of stock. Bank overdraft outstanding on 31.03.2025 has been considered 80% of real value of stock (deducting 20% as margin) and after adjusting the marginal value of 80% of the same has been allowed to draw as an overdraft.
- Prepare a Trading and Profit and Loss Account for the year ended 31st March, 2025 and Balance Sheet as at that date.

PRESENCE IN MM MATERIAL	PRESENCE IN ICAI SOURCES
PG.NO 17.28 CRD 4 95%	MAY 2025 MTP 2 3(a) 95% M18; N19 - Q12 N21 - Q13 RTP 95%

HOW ICAI ARRIVED AT THIS QUESTION: A similar problem appears in MTP-2 issued by ICAI and in the MM material, with changed amounts. The problem has been simplified by reducing the number of adjustments from the original/source problem and by adding one more adjustment, i.e., goods destroyed by fire. However, this is a simple and easy problem, which can be solved without any additional preparation by listening attentively in class and revising only the key points in the problem.

PUBLIC EXAM QUESTION PAPER | 5(a)(i) - 5M | CHAPTER - BANK RECONCILIATION STATEMENT

On 30th November 2025, the Bank Statement of M/s Rama & Sons showed a Debit Balance of ₹ 39,700/- at bank. On comparing it with the Cash Book, the following discrepancies were observed:

- 1) A cheque of ₹ 10,000/- was issued to a supplier on 25th November but was not presented for payment till 3rd December
- 2) A cheque of ₹ 3,000/- was received from a customer and deposited on 28th November but was credited by the bank on 2nd December.
- 3) The bank had directly collected interest of ₹ 2,400/- on behalf of the firm, which has not yet been recorded in the Cash Book.
- 4) Credit side of the Bank column of Cash Book was overcast by ₹ 900/-.
- 5) A customer had directly deposited ₹ 8,000/- into the firm's bank account but entry was made in the cash book.
- 6) A cheque of ₹ 2,000/- deposited earlier was returned dishonoured and debited in the Bank Statement only.

- 7) As per standing instructions to bank, the EMI of ₹ 20,000/- was paid by the bank. The same was omitted to be accounted for in the cash book.
- 8) An amount of ₹ 5,000/- was wrongly credited by bank to the firm's account for which details are not available.
- 9) The Cashier had wrongly recorded a bank payment of ₹ 12,500/- as ₹ 21,500/- in the cash Book.

You are required to ascertain the balance appearing in the cash book of M/s Rama and Son as on 30th November, 2025.

PRESENCE IN MM MATERIAL	PRESENCE IN ICAI SOURCES
COVERED FROM MULTIPLE PROBLEMS 95%	JAN 2026 MTP 1 2(a) 20%

HOW ICAI ARRIVED AT THIS QUESTION: This problem is covered in both SM & MM material through multiple problems with changed amounts and slight modifications to one or two points. Although the model is not present in SM i.e., the opening overdraft balance as per the passbook is not given, a student with a good understanding of the SM can solve the problem comfortably. By paying attention in class, practicing all types of problems (CRD and AP) in the MM material and taking our internal exams, you'll be able to solve this problem confidently and with ease.

(Or)

PUBLIC EXAM QUESTION PAPER | 5(a)(ii) - 5M | CHAPTER - BILLS OF EXCHANGE & PROMISORY NOTES

T draws on J a bill of Exchange for ₹ 1,80,000/- on 1st April, 2025, for 3 months. J Accepts the bills and sends it to T who gets it discounted from his banker for ₹ 1,72,800/-. T immediately remits ₹ 57,600/- to J. On the due date, T, being unable to remit the amount due, accepts a bill for ₹ 2,52,000/- for three months, which is discounted by J from his banker for ₹ 2,40,660/-. J sends ₹ 40,440/- to T. Before the maturity of the bill, T becomes bankrupt an his estate paying fifty paise in a rupee.

Pass the necessary journal entries in the books of T.

PRESENCE IN MM MATERIAL	PRESENCE IN ICAI SOURCES
PG.NO 7.21 ILLUS 10 100%	D22 - 100% ; D23 - 98% 3(a) PG.NO 6.24 ILLUS 10 95%

HOW ICAI ARRIVED AT THIS QUESTION: This problem is exactly copy-pasted from a past examination paper and is also present in both the SM and MM material. Therefore, students who thoroughly prepare the MM material can solve this problem comfortably and with ease.

PUBLIC EXAM QUESTION PAPER | 5(b) - 5M | CHAPTER - ACCOUNTING FROM INCOMPLETE RECORDS

Sumitra is engaged in the business of trading in detergents. She does not maintain proper records of her business. From the following details furnished by her, you are required to compute the amount of Total Purchases and Sales for the year ended 31st March, 2025:

Particulars	Amount (₹)
Opening Balance (1 st April, 2024)	-

Particulars	Amount (₹)
Inventory	2,00,000
Sundry Creditors	1,23,000
Sundry Debtors	1,50,000
Closing Balance (31 st March, 2025)	
Inventory	1,50,000
Sundry Creditors	1,38,000
Sundry Debtors	2,56,000
Cash paid to Creditors	2,63,700
Cash received from debtors	4,56,000
Cash Sales	83,400
Cash Purchases	30,000
Discount received during the year	11,300
Discount allowed during the year	18,700

PRESENCE IN MM MATERIAL	PRESENCE IN ICAI SOURCES
PG.NO 18.32 AP 4.3 98%	PG.NO. 9.21 Example (which is provided as part of the explanation of the theory) 98%

HOW ICAI ARRIVED AT THIS QUESTION: This problem is covered in both the SM and MM material with changed amounts. It is a basic problem that can be solved comfortably and with ease by paying attention in class, without any additional practice.

PUBLIC EXAM QUESTION PAPER | 5(c) - 10M | CHAPTER - INTRODUCTION TO COMPANY ACCOUNTS & ISSUE, FORFEITURE AND RE-ISSUE OF SHARES

Ajanta Limited issued 50,000 equity shares of ₹ 10/- each payable as ₹ 3/- per share on application, ₹ 5/- per share (including ₹ 2/- as premium) on allotment and ₹ 4/- per share on call. All these shares were subscribed. Money due on all shares was fully received except from X, holding 1,000 share who failed to pay the Allotment and Call money and Y, holding 2,000 shares, failed to pay the Call money. All those 3,000 shares were forfeited. Out of forfeited shares, 2,500 shares (including whole of X's shares) were subsequently re-issued to Z as fully paid up at a discount of ₹ 2 per share.

Pass the necessary journal entries in the books of Ajanta Limited to record the forfeiture and re-issued of the shares. Also prepare the extracts of the Balance Sheet and Notes to Accounts of the company.

PRESENCE IN MM MATERIAL	PRESENCE IN ICAI SOURCES
PG.NO 10.40 CRD 12 98%	PG.NO. 11.60 ILLUS 15 98% JAN 2026 MTP 2 6(a) 98% N19; D22 6(a) 98%

HOW ICAI ARRIVED AT THIS QUESTION: This problem is covered in both the SM and MM material with changed amounts. By paying attention in class, practicing problems in the MM material and taking our internal exams, you'll be able to solve this problem confidently and with ease.

PUBLIC EXAM QUESTION PAPER | 6(a) - 15M | CHAPTER - REDEMPTION OF PREFERENCE SHARES

The Balance Sheet of Dynamic Limited as at 31st March, 2024, Inter-alia, includes the following info:

Particulars	Amount (₹)
10,00,000 Equity Shares of ₹ 10/- each fully paid up	100,00,000
1,00,000 9% preference Shares of ₹ 100/- each, ₹ 70/- paid up	70,00,000
Capital Redemption Reserve	40,00,000
Securities premium Reserve	10,00,000
General Reserve	100,00,000
Balance with Banks	30,00,000

Under the terms of their issue, the preference Share are redeemable on 31st March, 2025 at a premium of 5%. Preference shareholders having 4,000 Shares fail to make the payment for the Final call made under section 55 of the companies Act, 2013. Their shares are forfeited after giving proper notices. In order to finance the redemption, the company makes a rights issue of 10,00,000 Equity shares of ₹ 10/- each at ₹11/- per share, ₹ 2/- being payable on application, ₹ 4/- (including premium) on allotment and the balance on 1st June ,2025. The issue was fully subscribed and allotment made on 31st March,2025. The Money due on allotment was received on 31st March,2025. The preference shares were redeemed after fulfilling the necessary conditions of section 55 of the companies Act, 2013.

You are required to pass the necessary journal Entries (with narrations) in the books of Dynamic Limited for the above.

PRESENCE IN MM MATERIAL	PRESENCE IN ICAI SOURCES
PG.NO 14.15 CRD 6 98%	PG.NO 11.180 ILLUSTRATION 10 98% SEP 2025 MTP 1 5(c) 95% JUN 24 6(a) 90% JAN26 17 RTP 95%

HOW ICAI ARRIVED AT THIS QUESTION: Same as above

PUBLIC EXAM QUESTION PAPER | 6(b) - 5M | CHAPTER - LEDGER

What do you mean by principal books of account? What are the rules of posting of Journal Entries into the Ledger?

PRESENCE IN MM MATERIAL	PRESENCE IN ICAI SOURCES
PG.NO 2.40 & 2.41 SAQ 1 & 2 100%	PG.NO 2.63 THEORY QUESTIONS - 1 & 2 100% D21 6(b) 100% SEP24 18 (iii) RTP 50% JAN26 18 (i) RTP 50%

HOW ICAI ARRIVED AT THIS QUESTION: This question has been directly copied from the 'Test Your Knowledge' section of the Study Material and is also included in the MM material under "SAQs". By thoroughly reading the theory content in the MM material you can confidently answer this question. This highlights the importance of studying the theory content provided in the MM material.

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CA FOUNDATION - ACCOUNTING

JANUARY 2026 ATTEMPT - PROBABLE SUGGESTED ANSWERS

QUESTION NO: 1(a) - TRUE / FALSE STATEMENTS (6 x 2 = 12M)

- i) **False:** It may be reasonably presumed that money spent on reducing revenue expenditure (working expenses) would have generated long-term benefits to the entity. So, this is capital expenditure.
- ii) **False:** Transactions regarding the purchase of fixed asset on credit are not recorded in the Purchases book, only the credit purchases of goods are recorded in it.
- iii) **False:** Provision is a present liability of uncertain amount, which can be measured reliably by using a substantial degree of estimation.

(Or)

A present financial obligation of an uncertain amount, which can be measured reliably by using a substantial degree of estimation, is termed as Provision not as liability.

- iv) **False:** Under the single-entry system of bookkeeping, generally cash book and personal accounts of creditors and debtors are maintained, and no other ledger is maintained.
- v) **False:** As per Section 64(c) of the LLP Act, 2008, the Tribunal may order the winding up of an LLP if it has failed to file the Statement of Account and Solvency or the Annual Return with the Registrar for any five consecutive financial years not for three years.
- vi) **True:** According to Section 52 of the Companies Act, 2013, Securities Premium Account be used to write off preliminary expenses of the company.

QUESTION NO: 1(b) - ACCOUNTING STANDARDS - 4M

Accounting standards are written, policy documents, issued by expert accounting body or by government or other regulatory body covering the aspects of recognition, measurement, treatment, presentation and disclosure of accounting transactions and events in the financial statements.

Benefits/ Advantages of Accounting Standards:

- 1) **Reduce Variations in Treatment:** Standards reduce to a reasonable extent, or eliminate confusing variations in the accounting treatments, used to prepare financial statements.
- 2) **Additional Disclosures:** There are certain areas where important information is not statutorily required to be disclosed. Standards may require disclosing them beyond that required by law.
- 3) **Facilitate Comparison:** Application of accounting standards facilitate comparison of financial statements of companies situated in different parts of the world and of different companies situated in the same country.

Limitations of Accounting Standards:

- 1) **Difficulties in making choice between different treatments:** Alternative solutions to certain accounting problems may each have arguments to recommend them. Therefore, the choice between different alternative accounting treatments may become difficult.
- 2) **Restricted scope:** Accounting standards cannot override the statute. The standards are required to be framed within the ambit of prevailing statutes.

QUESTION NO: 1(c) - ACCOUNTING FOR GST - 4M

Journal Entries in the books of Mr. Vijay

Date	Particulars		L.F.	Debit (₹)	Credit (₹)
(i)	Purchases A/c (20,000 x 90%)	Dr.		18,000	
	Input CGST A/c (18,000 x 9%)	Dr.		1,620	
	Input SGST A/c (18,000 x 9%)	Dr.		1,620	
	To Cash A/c				10,000
	To Ramsons A/c				11,240
	(Being goods purchased from Ramsons, CGST and SGST paid @ 9% each)				
(ii)	Drawings A/c	Dr.		11,800	
	To Purchases A/c				10,000
	To Input CGST A/c (10,000 x 9%)				900
	To Input SGST A/c (10,000 x 9%)				900
	(Being goods withdrawn for personal use and Input CGST and input SGST debited at the time of purchase reversed)				
(iii)	Machinery A/c (52,500 x 100/105)	Dr.		50,000	
	Input IGST A/c	Dr.		2,500	
	To Bank A/c				52,500
	(Being Machinery purchased and issued cheque to supplier including IGST @ 5%)				
(iv)	Vinod A/c	Dr.		3,186	
	To Purchase Returns A/c (3,000 x 90%)				2,700
	To Input CGST A/c (2,700 x 9%)				243
	To Input SGST A/c (2,700 x 9%)				243
	(Being goods returned to Vinod and Input GST debited at the time of purchases reversed)				

QUESTION NO: 2(a) - RECTIFICATION OF ERRORS - 12M

Rectification Entries in the books of Mr. A

Date	Particulars		L.F.	Debit (₹)	Credit (₹)
(i)	Customer A/c - Trade receivables A/c	Dr.		5,000	
	To Profit & Loss Adjustment A/c				5,000
	(Rectification of the error arising from non-preparation of invoice for goods delivered)				
(ii)	Suspense A/c	Dr.		3,000	
	To Trade Payables A/c				3,000
	(Being ₹ 3,000 due to Mr. X not taken into trial balance; now rectified)				

Date	Particulars		L.F.	Debit (₹)	Credit (₹)
(iii)	Machinery A/c To Profit & Loss Adjustment A/c (Being the wages paid for erection of Machinery which should have been capitalised and not to be charged to Wages A/c)	Dr.		5,000	5,000
	Profit & Loss Adjustment A/c To Machinery A/c (5,000 x 10%) (Being depreciation provided on Machinery @ 10%)	Dr.		500	500
	Instead of above two entries, a combined entry can be written as follows:				
	Machinery A/c (5,000 - 500) To Profit & Loss Adjustment A/c (Being erection charges paid for Machinery wrongly debited to Wages account now rectified - capitalisation of ₹ 4,500, i.e. ₹ 5,000 less 10% depreciation)	Dr.		4,500	4,500
(iv)	Profit & Loss Adjustment A/c To Mr. R ' Trade payables' A/c (Being omission of purchases from Mr. R, now recorded)	Dr.		20,000	20,000
(v)	Mr. C A/c (5,000 + 5,000) To Suspense A/c (Being cash paid to Mr. C wrongly credited to his account, now rectified)	Dr.		10,000	10,000
(vi)	Suspense A/c (15,930 - 15,390) To Profit & Loss Adjustment A/c (Being wrong posting in Purchases account, now rectified)	Dr.		540	540
(vii)	Profit & Loss Adjustment A/c (16,000 - 12,000) Inventory with customer A/c (16,000 - 25%) To Customer's Trade receivables A/c (The Customer's A/c credited with ₹ 16,000 for goods not yet purchased by him; cost of the goods debited to inventory and "Profit" debited to Profit & Loss Adjustment A/c)	Dr. Dr.		4,000 12,000	16,000
(viii)	Suspense A/c (550 + 550) To Profit & Loss Adjustment A/c (Correction of error by which Returns Inward Account was debited by ₹550 instead of Returns Outwards Account being credited by ₹ 550)	Dr.		1,100	1,100

Date	Particulars		L.F.	Debit (₹)	Credit (₹)
(ix)	Capital A/c To Profit & Loss Adjustment A/c (Being balance in Profit & Loss Adjustment A/c transferred to Capital A/c)	Dr.		12,860	12,860
(x)	Suspense A/c To Capital A/c (Being balance in suspense A/c transferred to Capital A/c)	Dr.		5,360	5,360

Dr. **Suspense a/c** **Cr.**

Particulars	Amount (₹)	Particulars	Amount (₹)
To Trade Payables A/c	3,000	By Mr. C A/c	10,000
To Profit & Loss Adjustment A/c	540		
To Profit & Loss Adjustment A/c	1,100		
To Capital A/c (Bal fig)	5,360		
	10,000		10,000

Dr. **Profit & Loss Adjustment Account** **Cr.**

Particulars	Amount (₹)	Particulars	Amount (₹)
To Mr. R A/c- Trade payables A/c	20,000	By Customer A/c - Trade Receivables A/c	5,000
To Customer A/c- Trade Receivables A/c	4,000	By Machinery A/c	4,500
		By Suspense A/c	540
		By Suspense A/c	1,100
		By Capital A/c (B.F)	12,860
	24,000		24,000

QUESTION NO: 2(b) - DEPRECIATION & AMORTISATION - 8M

Books of Mehta and Company

Dr. **Plant and Machinery Account** **Cr.**

Date	Particulars	Amt (₹)	Date	Particulars	Amt (₹)
2024 Apr. 1	To Balance b/d	1,42,50,000	2024 Sep 1	On sold machine: (WN:1)	
Sep. 1	To Bank	21,66,900		By Depreciation	1,10,717
	(21,20,000 + 46,900)			By Bank A/c (Sale proceeds)	5,62,500
				By Profit & Loss A/c (Loss on sale)	19,83,988
				On Scrapped machine: (WN:2)	

Date	Particulars	Amt (₹)	Date	Particulars	Amt (₹)
				By Depreciation	1,22,906
				Profit & Loss A/c (Loss)	28,26,844
			2025		
			Mar31	By Depreciation (WN:3)	9,90,708
				By Balance c/d	98,19,237
		1,64,16,900			1,64,16,900

Working Notes:

1) Calculation of loss on sale of Machine on 1-9-2024:

Particulars	Amount (₹)
Cost on 1-4-2022	32,80,500
Less: Depreciation @ 10% on ₹ 32,80,500	(3,28,050)
W.D.V. on 1-4-2023	29,52,450
Less: Depreciation @ 10% on ₹ 29,52,450	(2,95,245)
W.D.V. on 1-4-2024	26,57,205
Less: Depreciation @ 10% on ₹ 26,57,205 for 5 months	(1,10,717)
	25,46,488
Less: Sale proceeds on 1-9-2024	(5,62,500)
Loss on Sale of Machine	19,83,988

2) Calculation of loss on scrapped Machine:

Particulars	Amount (₹)
Cost on 1-4-2023	32,77,500
Less: Depreciation @ 10% on ₹ 32,77,500	(3,27,750)
W.D.V. on 1-4-2024	29,49,750
Less: Depreciation @ 10% on ₹ 29,49,750 for 5 months	(1,22,906)
Loss	28,26,844

3) Calculation of depreciation on the remaining Machinery:

Particulars	Amount (₹)	Amount (₹)
Balance of machinery account on 1-4-2024		1,42,50,000
Less: W.D.V of machinery sold	26,57,205	
W.D.V. of machinery scrapped	29,49,750	(56,06,955)
W.D.V. of other machinery on 1-4-2024		86,43,045
Depreciation:		
Depreciation @ 10% on ₹ 86,43,045 for 12 months		8,64,305
Depreciation @ 10% on ₹ 21,66,900 for 7 months		1,26,403
		9,90,708

QUESTION NO: 3(a) - FINANCIAL STATEMENTS NOT FOR PROFIT ORGANISATIONS - 10M

Receipts and Payments A/c of

Dr. 'Global Sports Club' for the year ended 31.03.2025 Cr.

Receipts	Amt (₹)	Amt (₹)		Payments	Amt (₹)	Amt (₹)
To Balance b/d		33,360		By Upkeep of ground		24,000
To Annual Dinner Contributions		24,000		By Salary	1,14,000	
To Subscriptions (WN:1)		1,72,080		(+) O/s (P.Y)	9,600	
To Entrance Fees		6,000		(-) O/s (C.Y)	(10,800)	1,12,800
To Annual Meet Receipts		35,450		By Books & Magazines		12,000
To Interest on Investments		22,550		By Annual Dinner Expenses		36,000
				By Audit fees		4,800
				By Electricity Exp.	10,800	
				(+) Prepaid (C.Y)	1,440	12,240
				By Interest & Bank Charges		3,600
				By Sports Equipment (WN:2)		9,600
				By Annual Meet Exp.		18,000
				By Balance c/d (B.F)		60,400
		2,93,440				2,93,440

Balance Sheet of 'Global Sports Club' as on 31.03.2025

Liabilities	Amt (₹)	Amt (₹)	Assets	Amt (₹)	Amt (₹)
Capital Fund	4,81,960		Sports Ground		2,40,000
Add: Surplus	36,400	5,18,360	Sports Equipment		64,800
O/s Salary		10,800	Investments		2,05,000
O/s Audit Fees		6,000	Prepaid Electricity Exp.		1,440
Subscription received in advance		6,480	O/s subscriptions		18,000
Bank Loan		48,000	Cash in hand		60,400
		5,89,640			5,89,640

Balance Sheet of 'Global Sports Club' as on 31.03.2024

Liabilities	Amt (₹)	Assets	Amt (₹)
Capital Fund (Bal. Fig.)	4,81,960	Sports Ground	2,40,000
O/s Salary	9,600	Sports Equipment	62,400
O/s Audit Fees	4,800	O/s subscriptions	14,400
Subscription received in advance	10,800	Investments	2,05,000
Bank Loan	48,000	Cash in hand	33,360
	5,55,160		5,55,160

Working Notes:

1)

Dr.		Subscriptions A/c		Cr.	
Particulars	Amt (₹)	Particulars	Amt (₹)		
To Outstanding subscriptions (Opening)	14,400	By Subscription received in advance (opening)	10,800		
To Income & Expenditure A/c	1,80,000	By Subscription received in cash (Bal. fig.)	1,72,080		
To Subscription received in advance (Closing)	6,480	By Outstanding subscriptions (Closing)	18,000		
	2,00,880			2,00,880	

2)

Dr.		Sports Equipment A/c		Cr.	
Particulars	Amt. (₹)	Particulars	Amt. (₹)		
To Balance B/d	62,400	By Depreciation	7,200		
To Cash (B.F) (Purchases)	9,600	By Balance c/d	64,800		
	72,000			72,000	

QUESTION NO: 3(b) - ADMISSION OF A NEW PARTNER - 10M

Working Notes: Goodwill

Calculation of normal Profits / Losses:

	2022 - 23	2023 - 24	2024 - 25
Net Profit / Loss	40,000	(20,000)	1,00,000
Less: Abnormal Gain	(80,000)	-	(50,000)
Add: Abnormal Loss	-	2,20,000	-
Normal Profit / Loss	(40,000)	2,00,000	50,000

$$\text{Average Normal Profit} = \frac{\text{₹ } 2,10,000}{3} = \text{₹ } 70,000$$

$$\begin{aligned} \therefore \text{Goodwill} &= \text{Average Profit} \times \text{No. of years purchase} \\ &= \text{₹ } 70,000 \times 2 = \text{₹ } 1,40,000 \end{aligned}$$

$$\begin{aligned} \text{Goodwill to be brought in by Mohan in cash} &= \text{₹ } 1,40,000 \times 40\% \\ &= \text{₹ } 56,000/- \end{aligned}$$

$$\begin{aligned} \therefore \text{Total Cash brought in by Mohan} &= \text{₹ } 2,00,000 + \text{₹ } 56,000 \\ &= \text{₹ } 2,56,000 \end{aligned}$$

Calculation of Sacrificing Ratio of Ram and Shyam:

Old – New = Sacrifice

$$\text{Ram: } 3/5 - 7/20 = \frac{12-7}{20} = \frac{5}{20}$$

$$\text{Shyam: } 2/5 - 5/20 = \frac{8-5}{20} = \frac{3}{20}$$

∴ Sacrificing Ratio = 5:3

$$\text{Ram will get } \text{₹ } 56,000 \times \frac{5}{8} = \text{₹ } 35,000$$

$$\text{Shyam will get } \text{₹ } 56,000 \times \frac{3}{8} = \text{₹ } 21,000$$

Dr.		Revaluation A/C		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
To Investments A/C	1,00,000	By Fixed Assets A/C	2,00,000		
To Inventories A/C (3,25,000 – 2,96,000)	29,000				
To Bad – Debts A/C	5,000				
To Provision for Bad & doubtful debts A/C (1,25,000 – 5,000) × 5%	6,000				
To Profit:					
Ram : 36,000	60,000				
Shyam : 24,000					
	2,00,000				2,00,000

Dr.				Partners Capital Accounts				Cr.			
Particulars	Ram	Shyam	Mohan	Particulars	Ram	Shyam	Mohan				
To Ram & Shyam Capital A/c's	-	-	56,000	By Balance b/d	2,40,000	1,60,000	-				
				By Cash A/c	-	-	2,56,000				
				By Mohan Capital A/c (WN)	35,000	21,000	-				

Particulars	Ram	Shyam	Mohan	Particulars	Ram	Shyam	Mohan
				By Revaluation A/c	36,000	24,000	-
To Balance c/d	3,11,000	2,05,000	2,00,000				
	3,11,000	2,05,000	2,56,000		3,11,000	2,05,000	2,56,000

Balance Sheet of the firm as on 1-04-2024 (After Mohan's admission)

Liabilities	Amount (₹)	Assets	Amount (₹)
Capitals		Fixed Assets	8,00,000
Ram	3,11,000	Inventories	2,96,000
Shyam	2,05,000	Trade Receivables	1,25,000
Mohan	2,00,000	(-) Bad debts	(5,000)
Long Term Loan	4,50,000	(-) PBD	(6,000)
Current Liabilities	5,00,000	Loans & Advances	2,00,000
		Cash	2,56,000
	16,66,000		16,66,000

Alternatively Goodwill can be adjusted as under

	Ram	Shyam	Mohan
Goodwill (Old Ratio) Cr	84,000	56,000	-
(-) Goodwill (New Ratio) Dr	(49,000)	(35,000)	(56,000)
Gain (Dr)			56,000 (Dr.)
Sacrifice (Cr)	35,000 (Cr)	21,000 (Cr)	-

QUESTION NO: 4(a) - RETIREMENT OF A PARTNER - 10M

Dr.		Revaluation A/c		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
To Plant & Machinery A/c	64,000	By Buildings A/c	96,000		
To Inventories A/c	32,000	By Trade Payable A/c	16,000		
To PBD A/c	16,000	By Bank A/c (JLP)	96,000		
By Profit transferred to Capital Accounts:					
A – $96,000 \times \frac{3}{6} = 48,000$					
B – $96,000 \times \frac{2}{6} = 32,000$					
C – $96,000 \times \frac{1}{6} = 16,000$	96,000				
	2,08,000				2,08,000

NOTE: Alternatively, Joint life policy can also be credited to partners capitals.

Dr. Partners Capital Accounts Cr.

Particulars	A	B	C	Particulars	A	B	C
To A Capital A/c (W.N-2)	-	48,000	96,000	By Balance b/d	4,80,000	3,20,000	1,60,000
To Bank A/C (6,72,000 X 75%)	5,04,000	-	-	By B Capital (W.N-2)	48,000	-	-
To A's Laon A/c (6,72,000 X 25%)	1,68,000	-	-	By C Capital (W.N-2)	96,000	-	-
				By Revaluation A/c (Profit)	48,000	32,000	16,000
To Balanced c/d (W.N-3)	-	4,80,000	4,80,000	To Bank A/c (Bal Fig)	-	1,76,000	4,00,000
	6,72,0,00	5,28,000	5,76,000		6,72,000	5,28,000	5,76,000

Dr. Bank A/C Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To Balance b/d	1,60,000	By A Capital A/c	5,04,000
To Insurance Co. A/c (JLP)	96,000	By Balance c/d	3,28,000
To B Capital A/c	1,76,000		
To C Capital A/c	4,00,000		
	8,32,000		8,32,000
To Balance b/d	3,28,000		

Working Notes:

1) Calculation of gaining ratio:

Gained share = New share - Old share

$$B = \frac{1}{2} - \frac{2}{6} = \frac{6-4}{12} = \frac{2}{12}$$

$$C = \frac{1}{2} - \frac{1}{6} = \frac{6-2}{12} = \frac{4}{12}$$

∴ Gaining ratio of B & C = 2: 4 or 1: 2

2) Treatment of Goodwill:

Firm Goodwill = 2,88,000

A's Share of Goodwill = 2,88,000 × $\frac{3}{6}$ = ₹ 1,44,000

∴ Goodwill borne by B = ₹ 1,44,000 × $\frac{1}{3}$ = ₹ 48,000

∴ Goodwill borne by C = ₹ 1,44,000 × $\frac{2}{3}$ = ₹ 96,000

3) Calculation of new Capital balances of Band C:

Total Capital of Reconstituted Firm = 9,60,000

∴ B Capital = ₹ 9,60,000 × $\frac{1}{2}$ = ₹ 4,80,000

∴ C Capital = ₹ 9,60,000 × $\frac{1}{2}$ = ₹ 4,80,000

QUESTION NO: 4(b) - ADVANCED CONCEPTS OF FINAL ACCOUNTS OF SOLE PROPRIETORS -10M

Dr Trading and Profit & loss Account of Mr. Radhey for the year ended 31st March 2025 Cr

Particulars	Amt (₹)	Amt (₹)	Particulars	Amt (₹)	Amt (₹)
To Opening stock		1,29,000	By Sales		8,44,000
To Purchases	6,08,800		By Goods destroyed by fire		6000
(-) Free samples	(3300)	6,05,500	By Closing Stock (W.N 3)		5,00,000
To Wages		46,860			
To Carriage inwards		4500			
To Gross Profit c/d (Transferred to P&L a/c)		5,64,140			
		13,50,000			13,50,000
To Salaries		90,200	By Gross profit b/d		5,64,140
To advt. expenses	13,400		By Bad debts recovered		1,800
(+) Free samples	3300	16,700			
To Rent, rates & taxes		17,200			
To Admini. expenses		40,640			
To Printing & stationary		5000			
To Carriage outwards		5400			
To Interest on loan		12,000			
To PBD A/c (WN 1)		15,600			
To PDD (WN 2)		5900			
To Depreciation					
On Plant & Machinery ($80,000 \times \frac{15}{100}$)		12,000			
On Furniture & Fittings ($41,000 \times \frac{10}{100}$)		4100			
To Loss by fire (6000 - 4500)		1500			
To Net Profit (Transferred to capital A/c)		3,39,700			
		5,65,940			5,65,940

Balance sheet of Mr. Radhey as on 31st March, 2025

Liabilities	Amt (₹)	Amt (₹)	Assets	Amt (₹)	Amt (₹)
Capital	2,60,000		Plant & Machinery	80,000	
(+) Net profit	3,39,700		(-) Depreciation	(12,000)	68,000
	5,99,700		Furniture & Fittings	41,000	
(-) Drawings	(46,000)	5,53,700	(-) Depreciation	(4100)	36,900
Trade Payables		1,90,000	Closing stock (WN 3)		5,00,000
Bank overdraft		3,20,000	Trade Receivables	4,80,000	
Salaries payable		9800	(-) PBD (WN 1)	(24,000)	
				4,56,000	
			(-) PDD (WN 2)	(11,400)	4,44,600
			Prepaid rent		1200
			Insurance Co. (claim)		4500
			Cash at bank		12,500
			Cash in hand		5800
		10,73,500			10,73,500

Working Note 1:

Dr.		PBD A/c		Cr.	
Particulars	Amt (₹)	Particulars	Amt (₹)		
To Bad debts	4400	By Balance b/d	12,800		
To Balance c/d $(4,80,000 \times \frac{5}{100})$	24,000	By Profit & Loss A/c (Bal fig.)	15,600		
	28,400		28,400		

Working Note 2:

Dr.		PDD A/c		Cr.	
Particulars	Amt (₹)	Particulars	Amt (₹)		
To Balance c/d $(4,80,000 - 24,000 = 4,56,000 \times \frac{2.5}{100})$	11,400	By Balance b/d	5500		
		By Profit & Loss A/c (Bal fig.)	5900		
	11,400		11,400		

Working Note 3:

Calculation of closing stock:

$$\text{Value of stock} = 3,20,000 \times \frac{100}{80} \times \frac{100}{80} = ₹ 5,00,000$$

QUESTION NO: 5(a) (i) - BANK RECONCILIATION STATEMENT - 5M

Bank Reconciliation Statement Of M/S Rama & Sons as On 30th November,2025

Particulars	Amount (₹)	Amount (₹)
Overdraft balance as per passbook		39,700
Add: cheques issued but not presented for payment	10,000	
bank had directly collected interest on behalf of the firm but not recorded in cashbook	2,400	
Credit side of the bank column of cashbook was overcast	900	
A customer directly deposited into bank but not recorded in cashbook	8,000	
Wrong credit in passbook	5,000	
Cashier had wrongly excess amount recorded a bank payment in the cashbook(21,500-12,500)	9,000	35,300
		75,000
Less:		
Cheque deposited into bank but not collected by bank	3,000	
Dishonor of deposited cheque not recorded in cashbook	2,000	
EMI paid by the bank as per standing instructions but not recorded in cashbook	20,000	(25,000)
Overdraft balance as per cash book		50,000

QUESTION NO: 5(a) (ii) - BILLS OF EXCHANGE & PROMISSORY NOTES - 5M

Journal entries in the books of 'T'

Date	Particulars	LF	Debit (₹)	Credit (₹)
1.4.2025	Bills receivable A/c Dr To J A/c (Being the bill drawn on J for 3months for mutual accommodation)		1,80,000	1,80,000
1.4.2025	Bank A/c Dr Discount A/c Dr To Bills receivable A/c (Being the bills discounted with bank)		1,72,800 7,200	1,80,000
1.4.2025	J A/c Dr To Bank A/c To Discount A/c($\frac{57,600}{1,72,800} \times 7,200$) (Being 1/3 rd of the proceeds sent to J)		60,000	57,600 2,400
4.7.2025	J A/c Dr To Bills payable A/c (Being the bill accepted for 3months)		2,52,000	2,52,000

Date	Particulars	LF	Debit (₹)	Credit (₹)
4.7.2025	Bank A/c Dr Discount A/c $\left(\frac{1,20,000+40,440}{2,40,660} \times 11,340\right)$ To J A/c (Being proceeds of Second bill received from J)		40,440 7,560	48,000
7.10.2025	Bills payable A/c Dr To J A/c (Being the bill dishonoured due to in solvency)		2,52,000	2,52,000
7.10.2025	J A/c Dr To Bank A/c To Deficiency A/c (Being insolvent, only 50 Paise in a rupee paid to J)		1,68,000	84,000 84,000

J ACCOUNT

Date	Particulars	Amt (₹)	Date	Particulars	Amt (₹)
1.4.02025	To Bank A/c	57,600	1.4.2025	By Bills receivable	1,80,000
	To Discount A/c	2,400	4.7.2025	By Bank A/c	40,440
4.7.2025	To Bills Payable	2,52,000		By Discount A/c	7,560
7.10.2025	To Bank A/c	84,000	7.10.2025	By Bills payable A/c	2,52,000
	To Deficiency A/c	84,000			
		4,80,000			4,80,000

QUESTION NO: 5(b) - ACCOUNTS FROM INCOMPLETE RECORDS - 5M

Dr		Sundry Debtors A/c		Cr	
Particulars	Amount (₹)	Particulars	Amount (₹)	Particulars	Amount (₹)
To Balance b/d	1,50,000	By Cash	4,56,000		
To Credit Sales (Bal: fig)	5,80,700	By Discount allowed	18,700		
		By Balance C/d	2,56,000		
	7,30,700		7,30,700		

Dr		Sundry Debtors A/c		Cr	
Particulars	Amount (₹)	Particulars	Amount (₹)	Particulars	Amount (₹)
To Cash	2,63,700	By Balance b/d	1,23,000		
To Discount received	11,300	By credit purchases (Bal. fig.)	2,90,000		
To Balance c/d	1,38,000				
	4,13,000		4,13,000		

Calculation of Total Purchases:

Particulars	Amount (₹)
Cash Purchases	30,000
Add credit purchases	2,90,000
Total purchases	3,20,000

Calculation of Total sales:

Particulars	Amount (₹)
Cash Sales	83,400
Add credit sales	5,80,700
Total sales	6,64,100

QUESTION NO: 5(c) - ISSUE FORFEITURE AND RE ISSUE OF SHARES - 10M

Journal Entries in the books for Ajanta Limited

Date	Particulars		LF	Debit (₹)	Credit (₹)
	Equity Share Capital A/c (3,000 x ₹ 10)	Dr		30,000	
	Securities premium A/c (1,000 x ₹ 2)	Dr		2,000	
	To share Allotment A/c (1,000 x ₹ 5)				5,000
	To share first & final call A/c (3,000 x ₹ 4)				12,000
	To Forfeited shares A/c				15,000
	[(1,000 x ₹ 3) + (2,000 x ₹ 6)]				
	(Being 1,000 shares of X forfeited due to non payment of allotment and call money and 2,000 shares of Y forfeited due to non Payment of call Money as per Board Resolution no....dated)				
	Alternatively:				
	Equity Share Capital A/c (3000 x ₹ 10)	Dr		30,000	
	Securities premium A/c (1000 x ₹ 2)	Dr		2,000	
	To Calls in arrears A/c				17,000
	(1000 x ₹ 5) + (3,000 x ₹ 4)				
	To Forfeited shares A/c				15,000
	[(1000 x ₹ 3) + (2,000 x ₹ 6)]				
	(Being 1000 shares of X forfeited due to non payment allotment and call money and 2000 shares of Y forfeited due to non payment of call money as per board resolution no....dated)				
	Bank A/c (2500 x ₹ 8)	Dr		20,000	
	Forfeited shares A/c (2500 x ₹ 2)	Dr		5,000	
	To Equity Share Capital A/c (2500 x ₹ 10)				25,000
	(Being forfeited shares are re-issued)				

Date	Particulars		LF	Debit (₹)	Credit (₹)
	Forfeited shares A/c To Capital Reserve A/c (Being Re-issue of forfeited profit transferred to capital reserve)	Dr		7,000	7,000

Working Notes:

1) Calculation of amount transferred to Capital Reserve:

Particulars	Amount (₹)
Forfeited profit on X Shares(1,000× ₹ 3)	3,000
Forfeited profit on Y Shares (1,500× ₹ 6) (only Re-issued shares)	<u>9,000</u>
Forfeited profit for 2,500 Shares	12,000
Less: Discount (2,500× ₹ 2)	<u>(5,000)</u>
∴ Amount transferred to capital reserve=	7,000

2) Calculation of balance amount in forfeited shares A/C: Profit on Non-re issued shares of Y=500×6=3,000

3) Calculation of bank balance:

Dr		Bank A/C		Cr	
Particulars	Amt (₹)	Particulars	Amt (₹)		
To Share Application A/C (50,000 shares ₹ 3 each)	1,50,000				
To Share Allotment A/C (49,000 shares ₹ 5 each)	2,45,000				
To Share 1 st and final call A/C (47,000 shares ₹ 4 each)	1,88,000				
To share capital A/C (2,500 shares ₹ 8 each)	20,000	By Balance c/d		6,03,000	
	6,03,000				6,03,000

Part I: Balance Sheet

Name of the Company: Ajanta Limited

Balance sheet as at:

Particulars	Notes No	Current year figure
Equity and liabilities:		
Share holder's funds:		
Share capital	1	4,98,000
Reserves and Surplus	2	<u>1,05,000</u>
Total		6,03,000

Assets:		
Non-current assets		
Current assets		
Cash and cash equivalents	3	<u>6,03,000</u>
Total		6,03,000

Notes to Accounts:

1) Share Capital:

Particulars	Amount (₹)
Authorised Capital
Issued, Subscribed, called up and paid up capital 49,500 shares@ ₹ 10/- each	4,95,000
<u>Add:</u> Forfeited shares A/C	3,000
Total	4,98,000

2) Reserves and Surplus:

Particulars	Amount (₹)
Securities premium (49,000 shares@ ₹ 2/- each)	98,000
Capital Reserve	7,000
Total	1,05,000

3) Cash and Cash Equivalents:

Particulars	Amount (₹)
Cash at Bank	<u>6,03,000</u>
Total	6,03,000

QUESTION NO: 6(a) - REDEMPTION OF PREFERENCE SHARES - 15M

In the books of dynamic limited

Journal entries

Date	Particulars	LF	Debit (₹)	Credit (₹)
	9% Preference share final call A/c (1,00,000 shares @ ₹ 30 each) To Preference share capital A/c (Being final call made on preference shares @ ₹ 30 each to make them fully paid up)	Dr	30,00,000	30,00,000
	Bank A/c (96,000× ₹ 30 each) Calls in arrears A/c (4,000× ₹ 30 each) To 9% Preference share final call A/c (Being receipt of final call money on preference shares)	Dr Dr	28,80,000 1,20,000	30,00,000

Date	Particulars	LF	Debit (₹)	Credit (₹)
	Preference share capital A/c (4,000×₹ 100 each) To Calls in arrears A/c (4,000 × 30 each) To Forfeited shares A/c (4,000 × 70 each) (Being shares forfeited after shareholders fail to pay the final call)	Dr	4,00,000	1,20,000 2,80,000
	Forfeited shares A/c To Capital Reserve A/c (Being Forfeited shares A/C balance transferred to capital reserve)	Dr	2,80,000	2,80,000
	9% Preference share capital A/c (96,000 shares × ₹ 100 each) Premium on Redemption of preference shares A/c (96,000 shares × ₹ 5 each) To Preference shareholders A/c (96,000 shares × ₹ 105 each) (Being amount payable to preference shareholders on redemption at 5% premium)	Dr Dr	96,00,000 4,80,000	1,00,80,000
	Bank A/c (10,00,000 shares × ₹ 2 each) To Equity Share Application A/c (Being application money received on 10,00,000 shares @ ₹ 2)	Dr	20,00,000	20,00,000
	Equity share Application A/c To Equity share capital A/c (Being application money transferred to share capital A/C)	Dr	20,00,000	20,00,000
	Equity share Allotment A/c (10,00,000 shares X ₹ 4 each) To Equity share capital A/c (10,00,000 shares X ₹ 3 each) To Securities premium A/c (10,00,000 Shares × ₹1 each) (Being allotment money due on 10,00,000 shares 4 each including ₹ 1 premium)	Dr	40,00,000	30,00,000 10,00,000
	Bank A/c To Equity Allotment A/c (Being allotment money received)	Dr	40,00,000	40,00,000

Date	Particulars	LF	Debit (₹)	Credit (₹)
	General Reserve A/c To Capital Redemption Reserve A/c (CRR A/c) (For transfer of CRR amount not covered by the proceeds of fresh issue of equity shares is ₹ 96,00,000- ₹ 20,00,000-₹ 30,00,000)	Dr	46,00,000	46,00,000
	Preference shareholders A/c To Bank A/c (Being amount paid to preference share holders)	Dr	1,00,80,000	1,00,80,000
	General Reserve A/c To Premium on Redemption of Preference shares A/c (Being writing of premium on redemption of preference shares)	Dr	4,80,000	4,80,000

QUESTION NO: 6(b) - LEDGERS - 5M

Ledger is known as principal books of accounts and it provides full information regarding all the transactions pertaining to any individual account. Ledger contains all set of accounts (viz. personal, real and nominal accounts).

Rules regarding posting of entries in the ledger:

- 1) Separate account is opened in ledger book for each account and entries from Journal posted to respective account accordingly.
- 2) It is a practice to use words 'To' and 'By' while posting transactions in the ledger. The word 'To' is used in the particular column with the accounts written on the debit side while 'By' is used with the accounts written in the particular column of the credit side. These 'To' and 'By' do not have any meanings but are used to the account debited and credited.
- 3) The concerned account debited in the journal should also be debited in the ledger, but reference should be of the respective credit account.

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A HISTORIC ACHIEVEMENT

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FOR
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**CA
INTER 1519** **PASS
OUTS**

1519 STUDENTS HAVE QUALIFIED
FROM MASTERMINDS, IN JULY 2024 **CA INTER**
RESULTS (EITHER G1 OR G2 OR BOTH GROUPS).

SCAN
FOR
DETAILS



**CA
FINAL 872** **PASS
OUTS**

872 STUDENTS HAVE QUALIFIED
FROM MASTER MINDS, IN JULY 2024 **CA FINAL**
RESULTS (Either Gr.1 / Gr.2 / Both Groups)

SCAN
FOR
DETAILS



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FROM MASTERMINDS, IN AUG 2024 **CMA INTER**
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