



7

Total Assets= ₹1,20,000

Capital Employed = Total Assets – Current Liabilities

$$= 1,20,000 - 10,000$$

$$= ₹1,10,000 \quad \boxed{1/2}$$

Normal Profits = 8% of 1,10,000

$$= ₹8,800 \quad \boxed{1/2}$$

Goodwill = Super Profits X No. of Years Purchase  $\boxed{1/2}$

Super Profits = Actual Average Profits – Normal Profits  $\boxed{1/2}$

Given Goodwill = ₹ 60,000

60,000 = 4 (Average Actual Profits – Normal Profits)

15000 = Average Actual Profits – 8,800  $\boxed{1/2}$

Average Actual Profits= 15,000 + 8,800= ₹23,800  $\boxed{1/2}$

½ X 6=  
3  
Marks

8	<b>JOURNAL</b>					
	<b>Date</b>	<b>Particulars</b>	<b>L.F</b>	<b>Amount (₹)</b>	<b>Amount (₹)</b>	
	2018 June 30	12% Debentures A/c Dr To Debenture holders A/c (Being amount due for redemption)		10,00,000	10,00,000	
	June 30	Debenture holders A/c Dr To Bank A/c (Being payment made to debenture holders on redemption)		10,00,000	10,00,000	
<p>Note: According to Section 71(4) of the Companies Act, 2013 and Rule 18(7)(b) of Companies Rules, 2014, an All India Financial Institution is not required to create Debenture Redemption Reserve.</p>						1

9	<b>JOURNAL</b>					
	<b>Date</b>	<b>Particulars</b>	<b>L.F.</b>	<b>Amount (₹)</b>	<b>Amount (₹)</b>	
	2018 April 1	Sundry Assets A/c Dr Goodwill A/c Dr To Sundry Liabilities A/c To Shiv Shankar Ltd. (Being Shiv Shankar Ltd. was taken over by Parvati Ltd. for a purchase consideration of ₹18,20,000)		25,00,000 1,00,000	7,80,000 18,20,000	
	April 1	Shiv Shankar Ltd. Dr Discount on issue of Debentures A/c Dr To Bills Payable A/c To 8% Debentures A/c (For paying Shiv Shankar Ltd. by issuing a bill of ₹ 20,000 and the balance was paid by issue of 8% Debentures of ₹ 100 each at a discount of 10%)		18,20,000 2,00,000	20,000 20,00,000	

**Or**

(i) Journal

Date	Particulars	L F	Dr. Amount (₹)	Cr. Amount (₹)
	Bank Account Dr. To Bank Loan Account (Being loan obtained from State Bank of India @ 10 % p.a. interest, against collateral security of 7,500 10 % debentures of ₹100 each)		5,00,000	5,00,000

1

½ X  
6=3  
Marks

	(ii)						
		Date	Particulars	L F	Dr. Amount (₹)	Cr. Amount (₹)	
			Bank Account Dr. To Bank Loan Account (Being loan obtained from State Bank of India @ 10 % p.a. interest, against collateral security of 7,500 10 % debentures of ₹100 each)		5,00,000	5,00,000	1
			Debenture Suspense Account Dr. 10 % Debentures Account (Being 10 % Debentures issued as collateral security in favour of State Bank of India)		7,50,000	7,50,000	1
10	<b>Calculation of amount of sports material to be transferred to Income and Expenditure Account of Raman Bhalla Sports Club, Ludhiana for the year ended on 31<sup>st</sup> March, 2018</b>						1.5 Marks for total purchases and 1.5 marks For final amount=3 Marks
		<b>Particulars</b>				<b>Amount (₹)</b>	
		Payment to creditors of sports material				91,000	
		Add: Closing creditors of sports material				45,000	
		Less: Opening creditors of sports material				(37,000)	
		Add: Cash purchases of sports material				40,000	
		<b>Total purchases</b>				<b>1,39,000</b>	
		Less: Sports material sold during the year (Book Value)				(50,000)	
		Add: Opening stock of sports material				50,000	
		Less: Closing stock of sports material				(55,000)	
		<b>Amount to be shown to Income and Expenditure Account</b>				<b>84,000</b>	
11	<b>JOURNAL</b>						
		<b>Date</b>	<b>Particulars</b>	<b>L.F.</b>	<b>Amount (₹)</b>	<b>Amount (₹)</b>	
		31.3.18	Investment Fluctuation Fund A/c Dr To Investment A/c To Bhavya's Capital A/c To Sakshi's Capital A/c (Being Investment Fluctuation Fund adjusted against the Fluctuations in market Value and balance was distributed amongst partners)		20,000	10,000 6,000 4,000	1
		31.3.18	Sakshi's Capital A/c Dr To Bhavya's Capital A/c ( Being adjustment of goodwill made between partners due to change in profit sharing ratio between partners)		2,400	2,400	1
		31.3.18	Sakshi's Capital A/c Dr To Bhavya's Capital A/c (Being General Reserve adjusted among the partners without writing it off)		2,340	2,340	1
	Workings:						
	Sacrificing ratio = Old ratio – New Ratio						

	Bhavya's = $3/5 - 1/2 = 1/10$ Sacrifice Sakshi's = $2/5 - 1/2 = (1/10)$ Gain	1																																																												
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To Investment	30,600	By Creditors	80,000
To Debtors	34,000	By Mrs Pradeep's Loan	40,000
To Bills Receivable	37,400	By Investment Fluctuation Fund	8,000
To Goodwill	4,000	By Bank A/c $1\frac{1}{2}$ Debtors	12,000
To Pradeep's Capital A/c $1\frac{1}{2}$	40,000	Building	1,52,000
To Bank A/c (expenses) $1\frac{1}{2}$	2,500	Bill Recievable <u>36,000</u>	2,00,000
To Bank A/c (creditors) $1\frac{1}{2}$	59,000	By Cash A/c $1\frac{1}{2}$	27,000
To Pradeep's Capital A/c $1\frac{1}{2}$	1,000		
To Partner's Capital A/cs: $1$			
Pradeep	18,300		
Rajesh	12,200		
	<b>3,59,000</b>		<b>3,59,000</b>

Working Notes :-

i) Payment to creditors = (₹80,000 - ₹ 20,000) - { ₹ 60,000 X (10/100) X (2/12) }  
= ₹ 60,000 - ₹ 1,000  
= ₹ 59,000

\* $\frac{1}{2}$  mark each for transferring assets and liabilities to realization account

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**Adjustment Table:**

Firm's		Particular's	Mudit's		Sudhir's		Uday's	
Dr	Cr		Dr	Cr	Dr	Cr	Dr	Cr
	1,00,000	Profits Given	60,000		20,000		20,000	
17,000		Interest on Capital		10,000		4,000		3,000
18,000		Salary		18,000				
15,000		Commission		3,000				12,000
50,000		Profit to be credited		30,000		10,000		10,000
			<b>60,000</b>	<b>61,000</b>	<b>20,000</b>	<b>14,000</b>	<b>20,000</b>	<b>25,000</b>

Mudit's Commission = (53,000 X 6/106) = 3,000

**RECTIFYING JOURNAL ENTRY**

Date	Particulars	L.F.	Amount (₹)	Amount (₹)
	Sudhir's Current A/c Dr To Mudit's Current A/c To Uday's Current A/c (Being interest on capital, salary and commission to partners missed in distributing profits, now adjusted)		6,000	1,000 5,000

Or

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Firm's		Particular's	Alia's		Bhanu's		Chand's	
Dr	Cr		Dr	Cr	Dr	Cr	Dr	Cr
	80,000	Profits Given	30,000		30,000		20,000	
36,000		Salary		18,000				18,000
4,000		Commission				4,000		
40,000		Profit to be credited		35,000		5,000		
			<b>30,000</b>	<b>53,000</b>	<b>30,000</b>	<b>9,000</b>	<b>20,000</b>	<b>18,000</b>

Divisible profits = ₹ 80,000 – ₹ 36,000 – ₹ 4,000 = ₹ 40,000  
Alia's Share = ₹ 15,000 + ₹ 20,000 = ₹ 35,000  
Bhanu's share = ₹ 15,000 - ₹ 10,000 = ₹ 5,000  
Chand's share ₹ 10,000 – ₹ 10,000 = nil

**JOURNAL ENTRY**

Date	Particulars	L.F.	Amount (₹)	Amount (₹)
	Bhanu's Capital A/c Dr Chand's Capital A/c Dr To Alia's Capital A/c (Being Salary, Commission to partners missed in distribution of profit, guarantee to Alia, now adjusted)		21,000 2,000	23,000

Date	Particulars	L.F.	Amount (₹)	
			Amount (₹)	Amount (₹)
	Bank A/c Dr To Equity Share Application A/c (Being application money received on 3,00,000 shares)		18,00,000	18,00,000
	Equity Share Application A/c Dr To Equity Share Capital A/c To Securities Premium Reserve A/c To Equity Share Allotment A/c (Being 2,00,000 shares allotted, excess amount transferred to allotment)		18,00,000	8,00,000 4,00,000 6,00,000
	Equity Share Allotment A/c Dr To Equity Share Capital A/c To Securities Premium Reserve A/c (Being allotment due on 2,00,000 shares)		14,00,000	10,00,000 4,00,000
	Bank A/c Dr Calls in Arrears A/c Dr To Equity Share Allotment A/c (Being allotment money received on 199,600 shares)		7,98,400 1,600	8,00,000
	Equity Share First and Final Call A/c Dr To Equity Share Capital A/c (Being share 1 <sup>st</sup> call due on 2,00,000 shares)		2,00,000	2,00,000
	Bank A/c Dr Calls in Arrears A/c Dr To Equity Share First and Final Call A/c (Being first call received on 199,400 shares)		1,99,400 600	2,00,000

Equity Share Capital A/c	Dr	6,000				
Securities Premium Reserve A/c	Dr	800				
To Calls in Arrears A/c					2,200	
To Share Forfeited A/c					4,600	
( Being forfeiture of 600 shares executed)						
Bank A/c	Dr	3,200				
Equity Share Forfeited A/c	Dr	800				
To Equity Share Capital A/c					4,000	
( Being 400 shares reissued @ Rs 8, as fully called up)						
Equity Share Forfeited A/c	Dr	2,400				
To Capital Reserve A/c					2,400	
(Being gain on reissue of forfeited shares transferred to Capital Reserve)						

Or

Date	Particulars	L.F.	Amount (₹)	Amount (₹)
	Bank A/c	Dr	2,40,000	
	To Equity Share Application A/c			2,40,000
	(Being application money received on 1,20,000 shares)			
	Equity Share Application A/c	Dr	2,40,000	
	To Equity Share Capital A/c			1,60,000
	To Equity Share Allotment A/c			50,000
	To Bank A/c			30,000
	(being 80,000 shares allotted and excess amount transferred to allotment and then refunded )			
	Equity Share Allotment A/c	Dr	2,40,000	
	To Equity Share Capital A/c			2,40,000
	(Being share allotment due on 80,000 shares)			
	Bank A/c	Dr	1,84,800	
	Calls in Arrears A/c	Dr	5,200	
	To Share Allotment A/c			1,90,000
	(Being allotment money received)			
	Equity Share Capital A/c	Dr	10,000	
	To Equity Share Forfeited A/c			4,800
	To Calls in Arrears A/c			5,200
	( Being forfeiture of 2000 shares executed)			
	Equity Share First Call A/c	Dr	1,56,000	
	To Equity Share Capital A/c			1,56,000
	(Being share first call due on 78,000 shares)			
	Bank A/c	Dr	1,55,000	
	Call in arrear A/c	Dr	1,000	
	To Equity Share First Call A/c			1,56,000
	(Being first call received on 77,500 shares)			
	Bank A/c	Dr	9,000	
	To Equity Share Capital A/c			7,000
	To Security Premium Reserve A/c			2,000
	( Being 200 shares reissued @ Rs 7 paid up, for Rs 9 )			
	Equity Share Forfeited A/c	Dr.	2,400	



	To Capital Reserve A/c (Being gain on reissue of forfeited shares transferred to Capital Reserve)			2,400	1																																																																																
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To Aditya's Capital A/c	4,50,000		
To Premium for Goodwill A/c	2,00,000		
To Yasmin's Capital A/c	50,000		
	8,59,000		8,59,000

1

OR

## JOURNAL

Date	Particulars	L.F.	Amount (₹)	Amount (₹)
	Revaluation A/c Dr		3,400	
	To Motor Car A/c			900
	To Stock a/c			2,500
	(Being assets revalued at the time of retirement)			
	Adil's Capital A/c Dr		1,700	
	Bhavya's Capital A/c Dr		1,020	
	Cris Capital A/c Dr		680	
	To revaluation A/c			3,400
	(Being loss on revaluation transferred to all partner's capital A/c)			
	General Reserve A/c Dr		10,000	
	To Provision for bad debts A/c			2,000
	To Adil's Capital A/c			4,000
	To Bhavya's Capital A/c			2,400
	To Cris Capital A/c			1,600
	(Being 20% of general reserve provided as provision for bad and doubtful debts and remaining distributed among old partners)			
	Investment Fluctuation Reserve A/c Dr		7,000	
	To Investments A/c			2,000
	To Adil's Capital A/c			2,500
	To Bhavya's Capital A/c			1,500
	To Cris's Capital A/c			1,000
	(Being Investment Fluctuation Reserve amount distributed among the partners after adjusting the fluctuation in Investment's Value)			
	Adil's Capital A/c Dr		6,000	
	Bhavya's Capital A/c Dr		3,600	
	To Cris's Capital A/c			9,600
	( Being adjustment of goodwill between partners made due to retirement of a partner)			
	Bank A/c Dr		19,520	
	To Bank Loan A/c			19,520
	( Being amount borrowed from the Bank on the security of Building to pay off retiring partner)			
	Cris's Capital A/c Dr		31,520	
	To Bank A/c			31,520
	( Being retiring partner paid off the necessary amount)			

1

1.5

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1.5

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**Part B: Analysis of Financial Statements**  
**Option-I**

18	Rent received is inflow of cash from Investing Activities			1																				
19	<p>An advantage of preparing Cash Flow Statement is:-</p> <ol style="list-style-type: none"> <li>i. Cash flow statement when used along with other financial statements provides information that enable users to evaluate changes in net assets of the enterprises, its financial structure and its ability to affect the amount and the timings of cash flows in order to adapt to changing circumstances and opportunities.</li> <li>ii. Cash flow information is useful in assessing the ability of enterprise to generate cash and cash equivalents and enable users to develop models to assess and compare the present value of the future cash flows of different enterprises</li> <li>iii. It also enhances the comparability of the reporting of operating performance by different enterprises because it eliminates the effects of using different accounting treatments for the same transactions and events.</li> <li>iv. It also helps in balancing the cash inflow and cash outflow, keeping in response to changing conditions. It is also helpful in checking the accuracy of the past assessment of future cash flows and in examining the relationship between profitability and net cash flow and impact of changing prices.</li> </ol> <p>(any one)</p>			1																				
20		<table border="1"> <thead> <tr> <th data-bbox="292 954 292 1025"></th> <th data-bbox="292 1025 655 1025">Items</th> <th data-bbox="655 954 999 1025">Major Head of Balance Sheet</th> <th data-bbox="999 954 1374 1025">Sub Head of Balance Sheet</th> </tr> </thead> <tbody> <tr> <td data-bbox="292 1025 292 1066">i)</td> <td data-bbox="292 1066 655 1066">Loose Tools</td> <td data-bbox="655 1025 999 1066">Current Assets</td> <td data-bbox="999 1025 1374 1066">Inventories</td> </tr> <tr> <td data-bbox="292 1066 292 1140">ii)</td> <td data-bbox="292 1140 655 1140">Retirement Benefits Payable to employees</td> <td data-bbox="655 1066 999 1140">Non-Current Liabilities</td> <td data-bbox="999 1066 1374 1140">Long Term Provisions</td> </tr> <tr> <td data-bbox="292 1140 292 1180">iii)</td> <td data-bbox="292 1180 655 1180">Patents</td> <td data-bbox="655 1140 999 1180">Non-Current Assets</td> <td data-bbox="999 1140 1374 1180">Fixed Asset (Intangible)</td> </tr> <tr> <td data-bbox="292 1180 292 1220">iv)</td> <td data-bbox="292 1220 655 1220">Interest on Calls in Advance</td> <td data-bbox="655 1180 999 1220">Current Liabilities</td> <td data-bbox="999 1180 1374 1220">Other current Liabilities</td> </tr> </tbody> </table>		Items	Major Head of Balance Sheet	Sub Head of Balance Sheet	i)	Loose Tools	Current Assets	Inventories	ii)	Retirement Benefits Payable to employees	Non-Current Liabilities	Long Term Provisions	iii)	Patents	Non-Current Assets	Fixed Asset (Intangible)	iv)	Interest on Calls in Advance	Current Liabilities	Other current Liabilities		1/2X8 =4
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iv)	Interest on Calls in Advance	Current Liabilities	Other current Liabilities																					



Common Size Balance Sheet of R Ltd.  
As at 31<sup>st</sup> March, 2017 and 2018

Particulars	Note no.	Absolute Amounts		Percentage of Balance sheet Total	
		31.3.2017 (₹)	31.3.2018 (₹)	31.3.2017 (%)	31.3.2018 (%)
<b>I EQUITY AND LIABILITIES</b>					
1. Shareholder's Funds:					
a. Share Capital		2,00,000	2,50,000	66.7	62.5
b. Reserve and Surplus		60,000	80,000	20	20
2. Current Liabilities:					
a. Trade Payable		40,000	70,000	13.3	17.5
<b>Total</b>		<b>3,00,000</b>	<b>4,00,000</b>	<b>100</b>	<b>100</b>
<b>II ASSETS</b>					
1. Non-Current Assets:					
a. Fixed Assets:					
i. Tangible Assets		1,20,000	1,60,000	40	40
ii. Intangible Assets		30,000	20,000	10	5
2. Current Assets					
a. Inventories		30,000	80,000	10	20
b. Trade Receivables		1,00,000	1,20,000	33.3	30
c. Cash and Cash Equivalents		20,000	20,000	6.7	5
<b>Total</b>		<b>3,00,000</b>	<b>4,00,000</b>	<b>100</b>	<b>100</b>

Or

**Comparative Statement of Profit and Loss of Sakhi Ltd.**  
For the year ending 31<sup>st</sup> March 2017 and 2018

Particulars	Note No.	Absolute amounts		Absolute change	Percentage change
		31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2018		
Revenue from operations		20,00,000	25,00,000	5,00,000	25%
Less: Expenses Employee Benefit Expenses					
Other Expenses		7,00,000	10,00,000	3,00,000	42.85%
		3,00,000	2,00,000	1,00,000	33.33%
<b>Total Expenses</b>		<b>10,00,000</b>	<b>12,00,000</b>	<b>2,00,000</b>	<b>20%</b>
<b>Profit before Tax</b>		<b>10,00,000</b>	<b>13,00,000</b>	<b>3,00,000</b>	<b>30%</b>
<b>Less Tax@40%</b>		<b>4,00,000</b>	<b>5,20,000</b>	<b>1,20,000</b>	<b>30%</b>
<b>Profit after Tax</b>		<b>6,00,000</b>	<b>7,80,000</b>	<b>1,80,000</b>	<b>30%</b>

## Vishva Ltd

Cash Flow Statement for the year ended on 31<sup>st</sup> March, 2018

Particulars	Details	Amount (₹)
<b><u>I. Cash Flow from Operating Activities</u></b>		
Net profit before tax and Extraordinary Items (W.N. 1) <sup>1</sup>		26,640
Adjustment for Non cash and non-operating Expenses		
Add: Interest on Debentures	4,800	
Depreciation on Land and Building	1,200	
Depreciation on Plant and Machinery <sup>1</sup>	14,400	20,400
Operating Profit before Working Capital changes		47,040
Add: Increase in Current Liability and decrease in Current Assets		
Debtors	4,800	4,800
Less: Decrease in Current Liability and increase in Current Assets		
Trade Payables	(7,200)	
Inventories	(16,200)	
Bills Receivables	(10,800)	(34,200)
Cash Flow from Operating Activities before payment of Tax		17,640
Less : Tax paid		(14,400)
Cash Flow from Operating Activities <sup>1</sup>		3,240
<b><u>II Cash Flow from Investing Activities</u></b>		
Purchase of Plant and Machinery		(2,400)
Cash used in Investing Activity <sup>1</sup>		(2,400)
<b><u>III Cash Flow from Financing Activities</u></b>		
Issue of Equity Shares	18,000	
10 % Debentures raised	12,000	
Interest on Debenture Paid	(4,800)	
Proceeds from Bank Overdraft	5,000	30,200
Cash Flow from Financing Activities <sup>1.5</sup>		
<b><u>IV Increase in Cash and Cash Equivalents (I +II+ III)</u></b>		31,040
V Opening Cash and Cash Equivalents		8,360
<b><u>Closing Cash and Cash Equivalents (IV + V) <sup>1/2</sup></u></b>		<b>39,400</b>

Working Notes:

Calculation of Net Profit before Tax and Extraordinary items:

Surplus i.e. Balance in Statement of Profit and Loss	9,840
Add: Transfer to General Reserve	3,600
Add: Provision for Tax	13,200
Net profit before tax and Extraordinary Item	26,640

Dr		Provision For Income Tax Account		Cr	
Particulars	Amount (₹)	Particulars	Amount (₹)		
To Bank A/c (Tax Paid)	14,400	By Balance b/d	18,000		
To Balance C/d	16,800	By Profit and Loss A/c	13,200		
	31,200		31,200		

Dr		Machinery Account		Cr	
Particulars	Amount (₹)	Particulars	Amount (₹)		
To Balance B/d	34,800	By depreciation A/c	14,400		
To Bank A/c	2,400	By Balance C/d	22,800		
	37,200		37,200		

**Part B: Computerised Accounting  
Option II**

18.	The function PMT is used to compute the loan repayment schedule.	1
19	Data validation is a feature to define restrictions on type of data entered into a cell. We can configure data validation rules for cells data that will not allow users to enter invalid data.	1
20	(Any four differences) 1. Application : Desktop database can be used by a single user server data base can be used by many users at the same time. 2. Additional provision for reliability: Desktop database doesn't present this but these provisions are available in server based database. 3. Cost: Desktop database tend to cost less than the server database. 4. Flexibility regarding the performance in front ends applications: It is not present in desktop database but server database provide this flexibility. 5. Suitability: Desktop database are suitable for small/home offices and server database are more suitable for large business organizations.	1X4=4
21	For installation of computerised accounting system, the following steps are required: 1. Insert CD in the system . 2. After inserting CD select the option in following steps ; a. Select any (C: or E: or D: ) from My Computer icon on the desktop. Double click on install.exe OR b. Select start > run > type the file name E:\install.exe 3. After the above process the default directories of application , data and Configuration opens in a window. In case, the user wants to change the default directories then it can be changed by providing the desired drive and file name/directory name for example : D:\software name, instead of C :\accounting software (default name) 4. Click on install and installation process begins, accounting software displays the Message of successful installation, then this CD can be removed.	1X4=4
22	Following are the salient features of computerized accounting system : (any four) 1. It is designed to automate, integrate and simplify all the business operations, such as sales, finance, purchase, inventory and manufacturing. CAS is integrated to provide accurate, up-to-date business information rapidly in a cost effective manner. 2. It provides sufficient time to plan, increases data accessibility and enhances user satisfaction. With computerised accounting, the organisation will have greater transparency for day-to-day business operations and access to the vital information. 3. It provides user -definable templates (data entry screens or forms) for fast, accurate data entry of the transactions. It also helps in generalizing desired documents and reports. 4. It enables in changing the volume of data processing in tune with the change in the size of the business. The software can be used for any size of the business and type of the organisation. 5. It makes sure that the generalised critical financial information is accurate, controlled and secured.	1x4=4
	OR	
	Limitations of Computerised accounting system : Following are the limitation of CAS software:	

	<ol style="list-style-type: none"> <li>1. Faster obsolescence of technology necessitates investment in shorter period of time.</li> <li>2. Data may be lost or corrupted due to power interruptions.</li> <li>3. Data are prone to hacking.</li> <li>4. Un-programmed and un-specified reports cannot be generated.</li> </ol>	
23	<p>Features of Tally 9.0 software are (any six)</p> <ol style="list-style-type: none"> <li>i) Gateway - Gateway is the starting of Tally. In other words we can say that gateway is the gate to enter in Tally.</li> <li>ii) Company creation - Before inputting accounting transactions, first we create a company through company creation.</li> <li>iii) Chart of accounts - Chart of accounts is the segmentation of Liabilities and Assets of Balance Sheet and preparation of Profit and Loss account.</li> <li>iv) Account master - Account master basically used for account group and ledger.</li> <li>v) Voucher entry - After creation of account user inputs accounting voucher entry in the book of accounts. In computerized accounting system all entries are inputted through a voucher entry.</li> <li>vi) Trial Balance - Trial balance is the statement of different closing balances of ledger.</li> <li>vii) Balance Sheet - The balance sheet is constructed by simply posting all items of liabilities and assets for the finalization of journal entry.</li> </ol>	1x6=6