

## SECTION – C

Answer any three questions from the following questions. Each question carries fourteen marks. (3×14=42)

7. The Balance sheets of M/S Pavan Corporation Ltd. as at 31-12-2020 and 31-12-2021 stood as follows

Liabilities	2020		2021		
	₹	₹	₹	₹	
Share Capital	10,00,000	10,00,000	Buildings	2,00,000	3,00,000
Reserves	2,00,000	2,00,000	Plant	7,00,000	8,00,000
P and L A/c	1,00,000	1,10,000	Debtors	2,50,000	3,55,000
Debentures	4,00,000	4,00,000	Stock	5,00,000	4,00,000
Sundry Creditors	2,50,000	2,00,000	Bank	3,70,000	1,22,000
Reserve for Doubtful debts	50,000	40,000	Preliminary Expenses	10,000	8,000
Reserve for Depn. on plant	30,000	35,000			
	<b>20,30,000</b>	<b>19,85,000</b>		<b>20,30,000</b>	<b>19,85,000</b>

**Other Information :**

- 1) The following adjustments were made before arriving at the net profit during 2021.
    - a) Preliminary Expenses were written off by ₹ 2,000.
    - b) A plant worth ₹ 50,000 was sold for ₹ 30,000 and the accumulated depreciation on this plant was ₹ 30,000.
    - c) Adjustment regarding reserve for doubtful debts was also made.
  - 2) The dividend paid during the year was ₹ 50,000.
- Prepare a statement showing the source and application funds (FFS) and a statement showing charges in working capital.