

			Marking Scheme 2019-20 Accountancy (055) 67/2/3 Expected Answers/ Value Points	Marks
3	10	1	Q. Nominal share capital..... Ans. (D)/ The maximum amount of share capital that a company is authorized to issue.	1 mark
-	-	2	Q. Swati and Aman..... Ans. (C) / ₹45,000	1 mark
-	-	3	Q. Distinguish between..... Ans. Closing balance of Income and Expenditure Account represents surplus/ deficit while the closing balance of Receipts and Payments Account is cash in hand at end, bank or bank overdraft.	1 mark
-	-	4	Q. Manu and Kanu..... Ans. (A)/ ₹20,000	1 mark
7	1	5	Q. At the time of admission..... Ans. Premium for goodwill/ Premium/ Goodwill	1 mark
-	-	6	Q. V.F. Ltd..... Ans. (A)/ ₹5,60,000	1 mark

9	3	7	<p>Q. What is meant by.....</p> <p>Ans. Issue of debentures as a collateral security means debentures issued as secondary security when the company obtains a loan.</p>	1 mark
-	-	8	<p>Q. Priya Ltd. decided.....</p> <p>Ans. (B)/ ₹2,50,000</p>	1 mark
11	5	9	<p>Q. Interest paid.....</p> <p>Ans. Yes.</p> <p>Reason: Interest on debentures has to be paid whether the company earns profit or not.</p>	<p>½ mark + ½ mark = 1 mark</p>
12	6	10	<p>Q. From the given extracts.....</p> <p>Ans. ₹6,000</p>	1 mark
-	-	11	<p>Q. The directors of</p> <p>Ans. (D)/ ₹3,15,000</p>	1 mark
-	-	12	<p>Q. Nidhi, Kunal and Kabir.....</p> <p>Ans. (B)/ 3:5</p>	1 mark
-	-	13	<p>Q. Which of the following.....</p> <p>Ans. (B)/ Government Grants</p>	1 mark
14	14	14	<p>Q. How will the following information.....</p>	

Ans.

Dr. Income and Expenditure A/c for the year ended March 31, 2019 Cr.

Expenditure	Amount (₹)	Income	Amount (₹)
To Tournament expenses	30,000		

**1
mark**

Balance Sheet of Royal Sports Cub Club as on 31st March 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Tournament Fund	5,00,000		
Add Sale of Tournament tickets	1,50,000		
Add Donations for tournament	1,20,000		
Less Tournament expenses	<u>(7,70,000)</u>	--	

**½ mark
for each
=
1/2 x 4
=
2 marks
=
1+2
=
3 marks**

OR

OR

Q. From the following particulars.....

Dr. Receipts and Payments Account for the year ended 31st March 2019 Cr.

Receipts	₹	Payments	₹
To Balance b/d	20,000	By Rent	19,000
To Subscriptions received:		By Office Expenses	23,000
2017-18 25,000		By balance c/d	2,68,000
2018-19 1,00,000			
2019-20 <u>15,000</u>	1,40,000		
To Entrance Fees	45,000		

3 marks

To Sale of old sports materials	5,000		
To Donations received for construction of building	1,00,000		
	<u>3,10,000</u>		<u>3,10,000</u>

Note: If the examinee has presented Subscriptions as total of three years, full credit be given.

15 **Q.Amit, Daksh and Surbhi.....**

Ans.

Dr.

Amit's Capital Account

Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To Drawings	40,000	By balance b/d	6,00,000
To Advertisement Expenditure A/c	35,000	By Profit and Loss A/c	2,00,000
To Amit's executors A/c	11,00,000	By P&L Suspense A/c	75,000
		By Daksh's Capital A/c	1,80,000
		By Surbhi's Capital A/c	1,20,000
	<u>11,75,000</u>		<u>11,75,000</u>

½ x 8

=

4 marks

18 15 16 **Q. From the following Receipts and Payments A/c**

Ans.

Dr.

Income and Expenditure A/c for the year ended March 31, 2019

Cr.

Expenditure	Amount (₹)	Income	Amount (₹)
To depreciation on furniture (18,000+5,000)	23,000	By Subscriptions	90,000
		By Donations	39,000

2 marks

To Salary	62,000		
Less outstanding salary at the beginning of the year (13,000)		49,000	By Interest 19,700
To Surplus- excess of income over expenditure		76,700	
		<u>1,48,700</u>	<u>1,48,700</u>

Balance Sheet of Premier Club as on 31st March 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Subscriptions received in advance	9,000	Furniture 2,80,000	
Capital Fund 2,62,900		Less depreciation <u>23,000</u>	2,57,000
Add Surplus <u>76,700</u>	3,39,600	Outstanding Subscriptions	23,000
		Cash	68,600
	<u>3,48,600</u>		<u>3,48,600</u>

1 ½ marks

Working Notes:

Balance Sheet of Premier Club as on 1st April 2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Outstanding salary	13,000	Furniture	1,80,000
Capital fund (bal. fig)	2,62,900	Outstanding Subscriptions	15,000
		Cash	80,900
	<u>2,75,900</u>		<u>2,75,900</u>

½ mark

=
2 + 1 ½ +
½
=
4 marks

Note: If an examinee has calculated the Capital Fund using accounting equation, full credit be given)

15 16 17

Q. Yash and Karan....

Ans.

Goodwill = Capitalised value of the firm – Capital employed.....**1**

Capitalised value of the firm = $\frac{\text{Average Profits} \times 100}{\text{Normal rate of return}}$

$$= \frac{\text{₹}5,00,000 \times 100}{10}$$

$$= \text{₹}50,00,000.....**1**$$

Capital employed = Yash’s Capital + Karan’s capital + Yash’s Current Account + Karan’s Current Account + General reserve

$$= \text{₹}6,00,000 + \text{₹}4,00,000 + \text{₹}4,00,000 + \text{₹}5,00,000 + \text{₹}1,00,000$$

$$= \text{₹}20,00,000.....**1**$$

Goodwill= ₹50,00,000 - ₹20,00,000

$$= \text{₹}30,00,000.....**1**$$

OR

Q. Samiksha, Ash and Divya.....

Ans.

JOURNAL

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)
	Samiksha’s Capital A/c	Dr. 25,000	
	Ash’s Capital A/c	Dr. 15,000	
	Divya’s Capital A/c	Dr. 10,000	
	To Profit and Loss A/c		50,000
	(Undistributed loss transferred to Partners’ Capital Accounts)		

1+1+1+1

=

4 marks

OR

1 mark

			Investment Fluctuation Fund A/c	Dr.	40,000		
			To Investments A/c			20,000	
			To Samiksha's Capital A/c			10,000	
			To Ash's Capital A/c			6,000	
			To Divya's Capital A/c			4,000	
			(Investments Fluctuation Fund distributed to Partners' Capital Accounts after meeting the decrease in the value of investments)				1 ½ marks
			Ash's Capital A/c	Dr.	60,000		
			Divya's Capital A/c	Dr.	30,000		
			To Samiksha's Capital A/c			90,000	
			(Adjustment entry made for goodwill)				1 ½ mark
			<u>Calculation of sacrifice/ gain:</u>				=
			Samiksha = $5/10 - 2/10 = 3/10$ (sacrifice)				1+1 ½ +
			Ash = $3/10 - 5/10 = 2/10$ (gain)				1 ½
			Divya = $2/10 - 3/10 = 1/10$ (gain)				=
							4 marks
16	17	18	Q. The capital accounts of Alka and Archana...				
			Ans. Calculation of Interest on capital:				
			Calculation of Opening Capitals:				
				Alka(₹)	Archana(₹)		
			Closing Capitals	4,00,000	3,00,000		
			Add Drawings	40,000	20,000		
			Less Profits	(1,00,000)	(1,00,000)		
			Opening Capitals	$\frac{1}{2}$3,40,000	$\frac{1}{2}$2,20,000	1 mark	
							1 mark

Interest on Capital@10% p.a.

1/234,000

1/222,000

Alka's Interest on Drawings = $6/100 \times ₹40,000 \times 4.5/12$

= ₹900..... 1

1 mark

Archana's Interest on Drawings

Date	Amount (₹)	No. of months	Product (₹)
31.5.18	8,000	10	80,000
1.11.18	7,000	5	35,000
1.2.19	5,000	2	10,000
			1,25,000

1 mark

Interest on Drawings = $6/100 \times ₹1,25,000 \times 1/12$

= ₹625..... 1

Alternatively, Interest on drawings can be calculated as:

$(₹8,000 \times 6/100 \times 10/12) + (₹7,000 \times 6/100 \times 5/12) + (₹5,000 \times 6/100 \times 2/12) = ₹625$

=
1+1+1+1
=
4 marks

19 Q. Prateek, Neeraj and Umang

Ans. Journal

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)
(i)	Bank/ Cash A/c To Realisation A/c (furniture realised)	64,000	64,000

			(ii) No entry					1 x 6 =	
			(iii) Umang's loan A/c To Bank/ Cash A/c To Realisation A/c (Umang's loan settled)	Dr.	1,09,000		1,00,000 9,000	6 marks	
			or						
			Umang's loan A/c To Bank/ Cash A/c (Umang's loan settled)	Dr.	1,00,000		1,00,000		
			Umang's loan A/c To Realisation A/c (Umang's loan settled at a profit)	Dr.	9,000		9,000		
			(iv) Neeraj's Capital A/c Cash/ Bank A/c To Realisation A/c (investments taken over by Neeraj and remaining sold)	Dr. Dr.	25,000 35,000		60,000		
			(v) Realisation A/c To Prateek's capital A/c A/c (dissolution expenses paid by Prateek)	Dr.	21,000		21,000		
			(vi) Prateek's Capital A/c Neeraj's Capital A/c Umang's Capital A/c To Realisation A/c (loss on dissolution debited to partners capital accounts)	Dr. Dr. Dr.	28,000 8,000 4,000		40,000		
20	20	20	Q. (i) Kati Ltd. issued.....						

Ans. (i)

Journal of Kati Ltd.

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)
	Bank A/c Dr. To Debenture Application and Allotment A/c (Application money received on 9,000 debentures)	8,10,000	8,10,000
	Debenture Application and Allotment A/c Dr. Discount/Loss on issue of Debentures A/c Dr. To 9% Debentures To Bank A/c (Debentures allotted and excess application money refunded)	8,10,000 80,000	8,00,000 90,000

1 ½ x 2
=
3 marks

(ii) Pivot Ltd. issued.....

Journal of Pivot Ltd.

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)
2018 Mar 31	Surplus i.e. balance in Statement of Profit and Loss Dr To Debenture Redemption Reserve A/c (Debenture Redemption Reserve created out of profits)	10,00,000	10,00,000
Apr 30	Debenture Redemption Investments A/c Dr. To Bank A/c (Debenture Redemption Investments purchased)	3,00,000	3,00,000
2019 Mar.31	Bank A/c Dr. To Debenture Redemption Investments A/c (Debenture Redemption Investments realised)	3,00,000	3,00,000
“	9% Debentures A/c Dr.	20,00,000	

1 mark

½ mark

½ mark

	To Debenture holders A/c (Amount payable to Debenture holders on redemption)		20,00,000
“	Debenture holders A/c To Bank A/c (Payment made to Debenture holders)	Dr.	20,00,000 20,00,000
	Debenture Redemption Reserve A/c To General Reserve A/c (Proportionate amount of Debenture Redemption Reserve transferred to General Reserve)	Dr.	5,00,000 5,00,000

½ mark

½ mark

=

3 marks

=

3+3

=

6 marks

Note: No marks have been allotted for transfer of Debenture Redemption Reserve to General Reserve

OR

OR

Q. (i) Rama Ltd.....

Ans. (i)

Rama Ltd.

Journal

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)
	Land and Building A/c Furniture A/c Stock A/c Goodwill A/c To Creditors A/c To Krishna Ltd. (Assets and liabilities taken over)	Dr. Dr. Dr. Dr. 	50,00,000 10,00,000 5,00,000 2,00,000 7,00,000 60,00,000
	Krishna Ltd.	Dr.	60,00,000

1 mark

To 12% Debentures A/c	50,00,000
To Securities Premium Reserve A/c	10,00,000
(Purchase consideration discharged by issuing 12% Debentures at a premium)	

1 mark

(ii) On 1st April 2018, Sakshi Ltd.....

Journal of Sakshi Ltd.

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)
	Bank A/c Dr. To Debenture Application and Allotment A/c (Application money received on 1,000 11% Debentures)	94,000	94,000
	Debenture Application and Allotment A/c Dr. Loss on issue of Debentures A/c Dr. To 11% Debentures A/c To Premium on redemption of debentures A/c (Allotment of 11% debentures at a discount, redeemable at a premium)	94,000 11,000	1,00,000 5,000
	or		
	Debenture Application and Allotment A/c Dr. Discount on issue of Debentures A/c Dr. Loss on issue of Debentures A/c Dr. To 11% Debentures A/c To Premium on redemption of Debentures A/c (Allotment of 11% debentures at a discount, redeemable at a premium)	94,000 6,000 5,000	1,00,000 5,000

1 mark

1 mark

(iii) On 1st April 2016, Canara Bank Issued.....

Journal of Canara Bank

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)
	9% Debentures A/c Dr. Premium on redemption of debentures A/c Dr. To Debenture holders A/c (Amount payable to Debenture holders at a premium)	5,00,000 50,000	5,50,000
	Debenture holders A/c Dr. To Bank A/c (Payment made to Debenture holders)	5,50,000	5,50,000

1 mark

1 mark

**=
6 marks**

21 22 21 Q. V.D Ltd. invited.....

Ans.

Journal of VD Ltd.

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)
	Bank A/c Dr. To Equity Share Application A/c (Application money received on 2,50,000 shares)	7,50,000	7,50,000

½ mark

	Equity Share Application A/c	Dr.	7,50,000		1 mark	
	To Equity Share Capital A/c			4,00,000		
	To Securities Premium Reserve A/c			2,00,000		
	To Equity Share Allotment A/c			1,20,000		
	To Bank A/c			30,000		
	(Equity shares allotted and excess application money transferred to equity share allotment)					
	Equity Share Allotment A/c	Dr.	14,00,000		½ mark	
	To Equity Share Capital A/c			4,00,000		
	To Securities Premium Reserve A/c			10,00,000		
	(Allotment money due)					
	Bank A/c	Dr.	12,73,600		1 mark	
	To Equity Share Allotment A/c			12,73,600		
	(Allotment money received)					
	or					
	Bank A/c	Dr.	12,73,600		1 mark	
	Calls in arrears A/c	Dr.	6,400			
	To Equity Share Allotment A/c			12,80,000		
	(Allotment money received)					
	Equity Share Capital A/c	Dr.	4,000		1 mark	
	Securities Premium Reserve A/c	Dr.	5,000			
	To Share Forfeiture A/c			2,600		
	To Share Allotment A/c			6,400		
	(Agam’s shares forfeited)					
	or					
	Equity Share Capital A/c	Dr.	4,000		1 mark	
	Securities Premium Reserve A/c	Dr.	5,000			
	To Share Forfeiture A/c			2,600		
	To Calls in arrears A/c			6,400		
	(Agam’s shares forfeited)					

	Equity Share First and Final call A/c To Equity Share Capital A/c (Equity Share First and final call money due)	Dr.	11,94,000	11,94,000	½ mark
	Bank A/c To Equity Share First and Final call A/c (First and final call money received)	Dr.	11,82,000	11,82,000	1 mark
	or				
	Bank A/c Calls in arrears A/c To Equity Share First and Final call A/c (First and final call money received)	Dr. Dr.	11,82,000 12,000	11,94,000	
	Equity Share Capital A/c To Share Forfeiture A/c To Equity Share First and Final Call A/c (Seema's shares forfeited)	Dr.	20,000	8,000 12,000	1 mark
	or				
	Equity Share Capital A/c To Share Forfeiture A/c To Calls in arrears A/c (Seema's shares forfeited)	Dr.	20,000	8,000 12,000	
	Bank A/c To Equity Share Capital A/c To Securities Premium Reserve A/c (shares reissued for ₹16 per share)	Dr.	24,000	15,000 9,000	1/2 mark
	Share Forfeiture A/c To Capital Reserve A/c (Gain on reissue of forfeited shares transferred to capital reserve)	Dr.	5,300	5,300	1 mark
					=
					8 marks

OR

OR

Q. Konark Ltd.....

Ans.

Journal of Konark Ltd.

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)
	Bank A/c To Share Application A/c (Application money received on 4,00,000 shares)	Dr. 12,00,000	12,00,000
	Share Application A/c To Share Capital A/c To Share Allotment A/c (Shares allotted and excess application money transferred to equity share allotment)	Dr. 12,00,000	9,00,000 3,00,000
	Share Allotment A/c To Share Capital A/c (Allotment money due)	Dr. 9,00,000	9,00,000
	Bank A/c Calls in arrears A/c To Share Allotment A/c To Calls in advance A/c (Allotment money received)	Dr. Dr. 6,34,000 6,000	6,00,000 40,000

or

½ mark

1 mark

½ mark

1 mark

	Bank A/c To Share Allotment A/c To Calls in advance A/c (Allotment money received)	Dr.	6,34,000	5,94,000 40,000	½ mark
	Share First and final call A/c To Share Capital A/c (First call money due)	Dr.	12,00,000	12,00,000	
	Bank A/c Calls in arrears A/c Calls in advance A/c To Share First and final call A/c (First call money received)	Dr. Dr. Dr.	11,44,000 16,000 40,000	12,00,000	1 ½ marks
	or Bank A/c Calls in advance A/c To Share First and final call A/c (First call money received)	Dr. Dr.	11,44,000 40,000	11,84,000	
	Share Capital A/c To Share Forfeiture A/c To Calls in Arrears A/c (Divij's shares forfeited for non payment of allotment and first call)	Dr.	40,000	18,000 22,000	1 mark
	or Share Capital A/c To Share Forfeiture A/c To Share Allotment A/c To Share first and Final Call A/c (Divij's shares forfeited for non payment of allotment and first call)	Dr.	40,000	18,000 6,000 16,000	
	Bank A/c	Dr.	20,000		

			To Share Capital A/c (Half of Divij's shares reissued for ₹10 per share fully paid)		20,000	1 mark	
			Share Forfeiture A/c To Capital Reserve A/c (Gain on reissue of forfeited shares transferred to capital reserve)	Dr. 9,000	9,000		1 mark
							=
							8 marks

22	21	22	Q. Madhuri and Arsh...																																													
			Ans.																																													
			<table border="0" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:20%; text-align: left;">Dr.</td> <td colspan="3" style="text-align: center;">Revaluation A/c</td> <td colspan="2" style="text-align: right;">Cr.</td> </tr> <tr> <td style="border: 1px solid black;">Particulars</td> <td style="border: 1px solid black;">Amount (₹)</td> <td style="border: 1px solid black;">Particulars</td> <td colspan="3" style="border: 1px solid black;">Amount (₹)</td> </tr> <tr> <td style="border: 1px solid black;">To Provision for doubtful debts</td> <td style="border: 1px solid black;">2,000</td> <td style="border: 1px solid black;">By Stock</td> <td colspan="3" style="border: 1px solid black;">10,000</td> </tr> <tr> <td style="border: 1px solid black;">To Workmen's compensation claim</td> <td style="border: 1px solid black;">10,000</td> <td style="border: 1px solid black;">By Cash/ Bad Debts Recovered</td> <td colspan="3" style="border: 1px solid black;">15,000</td> </tr> <tr> <td style="border: 1px solid black;">To Profit transferred to: Madhuri's Capital A/c 30,000 Arsh's Capital A/c <u>10,000</u></td> <td style="border: 1px solid black;">40,000</td> <td style="border: 1px solid black;">By Creditors</td> <td colspan="3" style="border: 1px solid black;">27,000</td> </tr> <tr> <td style="border: 1px solid black;"></td> <td style="border: 1px solid black;"><u>52,000</u></td> <td style="border: 1px solid black;"></td> <td colspan="3" style="border: 1px solid black;"><u>52,000</u></td> </tr> </table>					Dr.	Revaluation A/c			Cr.		Particulars	Amount (₹)	Particulars	Amount (₹)			To Provision for doubtful debts	2,000	By Stock	10,000			To Workmen's compensation claim	10,000	By Cash/ Bad Debts Recovered	15,000			To Profit transferred to: Madhuri's Capital A/c 30,000 Arsh's Capital A/c <u>10,000</u>	40,000	By Creditors	27,000				<u>52,000</u>		<u>52,000</u>			2 marks				
Dr.	Revaluation A/c			Cr.																																												
Particulars	Amount (₹)	Particulars	Amount (₹)																																													
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Dr.	Partners Capital Accounts						Cr.																																									
Particulars	Madhuri (₹)	Arsh (₹)	Jyoti (₹)	Particulars	Madhuri (₹)	Arsh (₹)	Jyoti (₹)																																									
To Investments A/c	-	22,000	-	By Balance b/d	3,00,000	2,00,000	-																																									
To Balance	3,60,000	1,98,000	1,86,000	By Cash A/c	-	-	1,86,000																																									
				By Premium for goodwill																																												

c/d				A/c	30,000	10,000	-
				By Revaluation A/c	30,000	10,000	-
	<u>3,60,000</u>	<u>2,20,000</u>	<u>1,86,000</u>		<u>3,60,000</u>	<u>2,20,000</u>	<u>1,86,000</u>

Balance Sheet of Madhuri, Arsh and Jyoti as at 31st March 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Capitals:		Machinery	4,70,000
Madhuri 3,60,000		Investments	88,000
Arsh 1,98,000		Debtors 1,20,000	
Jyoti <u>1,86,000</u>	7,44,000	Less Provision for	
Workmen's compensation claim	70,000	doubtful debts <u>12,000</u>	1,08,000
Creditors	1,63,000	Stock	1,50,000
Employees Provident Fund	1,10,000	Cash	2,71,000
	<u>10,87,000</u>		<u>10,87,000</u>

Note 1: if an examinee has raised and written off the goodwill, full credit be given.

Note 2: No marks are to be deducted for cumulative effect of an error

OR

Q. Anita, Gaurav and Sonu.....

Dr.	Revaluation A/c	Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)
To Bad debts	10,000	By Land and Building	1,00,000
To Provision for doubtful debts	13,000		

=
1 x 3
=
3 marks

+
1 ½ mark
for correct
assets side

+
1 ½ mark
for correct
liability
side
=
3 marks
=
2+3+3
=
8 marks

OR

To Profit transferred to:		
Anita's Capital A/c 30,800		
Gaurav's Capital A/c 30,800		
Sonu's Capital A/c <u>15,400</u>	77,000	
	<u>1,00,000</u>	<u>1,00,000</u>

2 marks

Note: If an examinee has debited Provision for doubtful debts with ₹23,000 (bad debts ₹10,000 + provision ₹13,000), full credit be given.

Dr. **Partners Capital Accounts** Cr.

Particulars	Anita (₹)	Gaurav (₹)	Sonu (₹)	Particulars	Anita (₹)	Gaurav (₹)	Sonu (₹)
To Anita's Capital A/c	-	80,000	40,000	By balance b/d	2,00,000	2,00,000	1,00,000
To Bank A/c	1,00,000	-	-	By General Reserve	12,000	12,000	6,000
To Anita's loan	2,74,800	-	-	By Revaluation A/c	30,800	30,800	15,400
To balance c/d	-	1,74,800	87,400	By Gaurav's Capital A/c	80,000	-	-
				By Sonu's Capital A/c	40,000	-	-
				By Investment Fluctuation Fund	12,000	12,000	6,000
	<u>3,74,800</u>	<u>2,54,800</u>	<u>1,27,400</u>		<u>3,74,800</u>	<u>2,54,800</u>	<u>1,27,400</u>

1 mark for each capital A/c

=

1 x 3

=

3 marks

1 ½ marks for correct asset side

+

1 ½ marks for correct

Balance Sheet of the reconstituted firm as at 31st March 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Capitals		Land and Building	6,00,000

Gaurav	1,74,800		Investments	1,10,000	liabilities side = 3 marks = 8 marks
Sonu	<u>87,400</u>	2,62,200	Debtors	1,30,000	
Anita's Loan		2,74,800	Less Provision for		
Sundry Creditors		4,60,000	doubtful debts	<u>13,000</u>	
			Stock	1,00,000	
		<u>9,97,000</u>	Cash	70,000	
				<u>9,97,000</u>	

Note 1: if an examinee has raised and written off the goodwill, full credit be given.

Note 2: No marks are to be deducted for cumulative effect of an error

PART B					
OPTION 1					
Analysis of Financial Statements					

-	-	23	<p>Q. While preparing Cash Flow Statement.....</p> <p>Ans. While preparing Cash Flow Statement, cash comprises Cash in hand and demand deposits with bank.</p>	<p>½ mark</p> <p>+</p> <p>½ mark</p> <p>=</p> <p>1 mark</p>
-	-	24	<p>Q. 'Forfeited Shares Account.....</p> <p>Ans. (C)/ Share Capital</p>	<p>1 mark</p>
-	-	25	<p>Q. Which of the following.....</p> <p>Ans. (B)/ Deferred Tax Liabilities</p>	<p>1 mark</p>
-	-	26	<p>Q. 'Sale of goods.....</p> <p>Ans. No.</p> <p>Reason: Sale of goods on credit will not affect the Gross profit ratio, as the sales and gross profit will increase by the same percentage.</p> <p style="text-align: center;">(or any other correct reason)</p>	<p>½ mark</p> <p>+</p> <p>½ mark</p> <p>=</p> <p>1 mark</p>

-	-	27	<p>Q. An investment normally qualifies.....</p> <p>Ans. False.</p> <p>Reason: An investment qualifies as a cash equivalent only when it has a maturity of three months or less from the date of acquisition.</p>	<p>½ mark + ½ mark = 1 mark</p>
-	-	28	<p>Q. Z Ltd. purchased.....</p> <p>Ans. (D)/ Cash used in investing activities ₹30,00,000</p>	<p>1 mark</p>
25	27	29	<p>Q. Which of the following.....</p> <p>Ans. (B)/ Inter firm comparative study possible</p>	<p>1 mark</p>
30	30	30	<p>Q. From the following information.....</p> <p>Ans.</p> <p>Return on Investment = Net profit before interest and tax/ Capital Employed x 100.....1/2</p> <p>Net profit before interest and tax = Net profit after interest and tax + tax + interest</p> <p style="text-align: center;">= ₹6,00,000 + ₹4,00,000 + ₹60,000</p> <p style="text-align: center;">= ₹10,60,000.....1/2</p> <p>Capital Employed = ₹20,00,000</p> <p>Return on Investment=₹10,60,000/₹20,00,000 x100</p> <p style="text-align: center;">=53%.....1/2</p> <p>Debt Equity Ratio = Debt/ Equity1/2</p> <p>Equity = Capital Employed – Debt</p>	<p>1½ marks</p> <p style="text-align: center;">+</p> <p>1½ marks</p>

$$= ₹20,00,000 - ₹10,00,000$$

$$= ₹10,00,000 \dots\dots\dots \boxed{1/2}$$

Debt Equity Ratio = ₹10,00,000/ ₹10,00,000

=

$$= 1:1 \dots\dots\dots \boxed{1/2}$$

3 marks

OR

OR

Q. (i) Current Liabilities ₹1,50,000.....

(i) Quick Ratio= Quick Assets/ Current Liabilities $\boxed{1/2}$

Quick assets= Current assets – Inventories – Advance Tax – Prepaid rent

$$= ₹2,80,000 - ₹40,000 - ₹30,000 - ₹10,000$$

$$= ₹2,00,000$$

$$\dots\dots\dots \boxed{1/2}$$

1½ marks

Quick Ratio= ₹2,00,000/₹1,50,000

Quick Ratio

$$= 1.33:1 \dots\dots\dots \boxed{1/2}$$

+

Q. (ii) Average Inventory ₹60,000.....

(ii) Inventory Turnover ratio= Cost of Revenue from operations / Average Inventor... $\boxed{1/2}$

Cost of Revenue from operations = Revenue from operations + Gross Loss

		<p>Gross Loss= $10/100 \times ₹6,00,000 = ₹60,000$</p> <p>Cost of Revenue from operations = ₹6,60,000.....1/2</p> <p>Average Inventory= ₹60,000</p> <p>Inventory Turnover ratio = ₹6,60,000/ ₹60,000</p> <p style="text-align: center;">=11 times.....1/2</p>	<p>1½ marks</p> <p style="text-align: center;">=</p> <p>3 marks</p>																																																		
31	31	<p>31 Q. From the following particulars.....</p> <p style="text-align: center;">Mark Ltd.</p> <p style="text-align: center;">Comparative Statement of Profit and Loss</p> <p style="text-align: center;">for the years ended 31st March 2017 and 31st March 2018</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: center;">2016-17 (₹)</th> <th style="text-align: center;">2017-18 (₹)</th> <th style="text-align: center;">Absolute Increase/ Decrease (₹)</th> <th style="text-align: center;">Percentage Increase/ Decrease (%)</th> </tr> </thead> <tbody> <tr> <td>Revenue from operations</td> <td style="text-align: right;">40,00,000</td> <td style="text-align: right;">50,00,000</td> <td style="text-align: right;">10,00,000</td> <td style="text-align: right;">25</td> </tr> <tr> <td>Add Other income</td> <td style="text-align: right;">2,00,000</td> <td style="text-align: right;">2,50,000</td> <td style="text-align: right;">50,000</td> <td style="text-align: right;">25</td> </tr> <tr> <td>Total Revenue</td> <td style="text-align: right;">42,00,000</td> <td style="text-align: right;">52,50,000</td> <td style="text-align: right;">10,50,000</td> <td style="text-align: right;">25</td> </tr> <tr> <td>Less Expenses</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Purchase of stock in trade</td> <td style="text-align: right;">30,00,000</td> <td style="text-align: right;">40,00,000</td> <td style="text-align: right;">10,00,000</td> <td style="text-align: right;">33.3</td> </tr> <tr> <td>Changes in inventory</td> <td style="text-align: right;">8,00,000</td> <td style="text-align: right;">10,00,000</td> <td style="text-align: right;">2,00,000</td> <td style="text-align: right;">25</td> </tr> <tr> <td>Other expenses</td> <td style="text-align: right;">4,00,000</td> <td style="text-align: right;">5,00,000</td> <td style="text-align: right;">1,00,000</td> <td style="text-align: right;">25</td> </tr> <tr> <td>Total expenses</td> <td style="text-align: right;">42,00,000</td> <td style="text-align: right;">55,00,000</td> <td style="text-align: right;">13,00,000</td> <td style="text-align: right;">30.95</td> </tr> <tr> <td>Profit after Tax</td> <td style="text-align: center;">-</td> <td style="text-align: right;">(2,50,000)</td> <td style="text-align: right;">(2,50,000)</td> <td style="text-align: center;">-</td> </tr> </tbody> </table>	Particulars	2016-17 (₹)	2017-18 (₹)	Absolute Increase/ Decrease (₹)	Percentage Increase/ Decrease (%)	Revenue from operations	40,00,000	50,00,000	10,00,000	25	Add Other income	2,00,000	2,50,000	50,000	25	Total Revenue	42,00,000	52,50,000	10,50,000	25	Less Expenses					Purchase of stock in trade	30,00,000	40,00,000	10,00,000	33.3	Changes in inventory	8,00,000	10,00,000	2,00,000	25	Other expenses	4,00,000	5,00,000	1,00,000	25	Total expenses	42,00,000	55,00,000	13,00,000	30.95	Profit after Tax	-	(2,50,000)	(2,50,000)	-	<p>½ mark</p> <p>½ mark</p> <p>½ mark</p> <p>½ mark</p> <p>½ mark</p> <p>½ mark</p> <p>½ mark</p> <p style="text-align: center;">=</p> <p>4 marks</p>
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OR

OR

Q. From the following Balance Sheet.....

Swaraj Ltd.
Common Size Balance Sheet
As at 31st March 2018 and 31st March 2019

Particulars	Note No.	31.3.2018 (₹)	31.3.2019 (₹)	% of Total 31.3.2018	% of Total 31.3.2019
EQUITY AND LIABILITIES					
(1) Shareholders Funds					
(a) Share capital		30,00,000	34,00,000	60	68
(b) Reserves and Surplus		10,00,000	10,00,000	20	20
(2) Non Current Liabilities					
Long Term Borrowings		3,00,000	5,00,000	6	10
(3) Current Liabilities					
Trade Payables		7,00,000	1,00,000	14	2
Total		50,00,000	50,00,000	100	100
ASSETS					
(1) Non Current Assets					
(a) Fixed assets					
(i) Tangible assets		28,00,000	36,00,000	56	72
(2) Current Assets					
(a) Inventories		20,00,000	13,00,000	40	26

½ mark

½ mark

½ mark

½ mark

½ mark

½ mark

½ mark

		(b) Cash and Cash equivalents		2,00,000	1,00,000	4	2	½ mark = 4 marks
		Total		50,00,000	50,00,000	100	100	

32	32	32	Q. Cash flow from the operating																																																																												
<p>Ans. Cash Flow Statement of Pinnacle Ltd. for the year ended 31st March 2019</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Details(₹)</th> <th>Amount (₹)</th> <th></th> </tr> </thead> <tbody> <tr> <td colspan="4"><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></td> </tr> <tr> <td>Cash Inflows from Operating activities</td> <td></td> <td>28,000</td> <td>1½ marks</td> </tr> <tr> <td colspan="4"><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></td> </tr> <tr> <td>Purchase of Plant and Machinery</td> <td>(3,95,000)</td> <td></td> <td></td> </tr> <tr> <td>Sale of Plant and Machinery</td> <td><u>1,02,000</u></td> <td></td> <td>1½ marks</td> </tr> <tr> <td>Cash used in Investing activities</td> <td></td> <td>(2,93,000)</td> <td></td> </tr> <tr> <td colspan="4"><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></td> </tr> <tr> <td>Issue of Share Capital</td> <td>4,00,000</td> <td></td> <td></td> </tr> <tr> <td>Issue of 9% Debentures</td> <td>1,00,000</td> <td></td> <td>1½ marks</td> </tr> <tr> <td>Interest paid on 9% Debentures</td> <td><u>(27,000)</u></td> <td></td> <td></td> </tr> <tr> <td>Cash Inflows from Financing activities</td> <td></td> <td><u>4,73,000</u></td> <td></td> </tr> <tr> <td>Net increase in Cash and Cash equivalents</td> <td></td> <td>2,08,000</td> <td>-</td> </tr> <tr> <td colspan="4"><i>Add Opening balance of Cash and Cash equivalents</i></td> </tr> <tr> <td> Current Investments</td> <td>20,000</td> <td></td> <td></td> </tr> <tr> <td> Cash and Cash equivalents</td> <td><u>1,40,000</u></td> <td><u>1,60,000</u></td> <td>½ mark</td> </tr> <tr> <td colspan="4"><i>Closing balance of Cash and Cash equivalents</i></td> </tr> <tr> <td> Current Investments</td> <td>1,30,000</td> <td></td> <td></td> </tr> </tbody> </table>								Particulars	Details(₹)	Amount (₹)		<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				Cash Inflows from Operating activities		28,000	1½ marks	<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				Purchase of Plant and Machinery	(3,95,000)			Sale of Plant and Machinery	<u>1,02,000</u>		1½ marks	Cash used in Investing activities		(2,93,000)		<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				Issue of Share Capital	4,00,000			Issue of 9% Debentures	1,00,000		1½ marks	Interest paid on 9% Debentures	<u>(27,000)</u>			Cash Inflows from Financing activities		<u>4,73,000</u>		Net increase in Cash and Cash equivalents		2,08,000	-	<i>Add Opening balance of Cash and Cash equivalents</i>				Current Investments	20,000			Cash and Cash equivalents	<u>1,40,000</u>	<u>1,60,000</u>	½ mark	<i>Closing balance of Cash and Cash equivalents</i>				Current Investments	1,30,000		
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			Cash and Cash equivalents	2,38,000	3,68,000		
			Working Notes:				
			Dr. Plant and Machinery A/c Cr.				
			Particulars	Amount (₹)	Particulars	Amount (₹)	
			To Balance b/d	6,04,000	By Accumulated Dep. A/c	23,000	
			To Statement of profit and Loss (gain on sale)	12,000	By Cash A/c	1,02,000	
			To Cash A/c (bal. fig.)	3,95,000	By Balance c/d	8,86,000	
				<u>10,11,000</u>		<u>10,11,000</u>	
			Dr. Accumulated Depreciation A/c Cr.				
			Particulars	Amount (₹)	Particulars	Amount (₹)	
			To Plant and Machinery A/c	23,000	By Balance b/d	80,000	
			To Balance c/d	1,40,000	By Depreciation/ Statement of P&L	83,000	
				<u>1,63,000</u>		<u>1,63,000</u>	
			PART B				
			OPTION II				
			Computerised Accounting				
29	26	23	Q. A _____ voucher is used for adjustment of				1 mark
			Ans. A Journal voucher is used for adjustment of non cash transactions in the ledger.				
28	25	24	Q. A code which consists of				1 mark
			Ans. A code which consists of alphabet or abbreviation as symbol to codify a piece of				

			information is known as Mnemonic code.	
27	24	25	<p>Q. The _____ provides real power.....</p> <p>Ans. The Query provides real power to database in terms of its capacities to answer complex requests involving data to be taken from multiple tables.</p>	<p>½ mark + ½ mark = 1 mark</p>
23	27	26	<p>Q. Hardware refers to.....</p> <p>Ans. (b) / Computer associated peripherals their network.</p>	1 mark
24	28	27	<p>Q. To safeguard assets and optimize the use of resources.....</p> <p>Ans. (a) / Keeps internal controls.</p>	1 mark
25	29	28	<p>Q. The existence of data in a primary key.....</p> <p>Ans. (c) / Required and must be unique.</p>	1 mark
26	23	29	<p>Q. A ##### error happens when.....</p> <p>Ans. (d) / All of above.</p>	1 mark
30	30	30	<p>Q. What information is provided by a salary bill?</p> <p>Ans. The following information is provided by a salary bill:</p> <p>(i) Maintaining payroll related data such as employee number, Name, Attendance, Basic Pay, applicable Dearness and other allowances and deductions to be made.</p> <p>(ii) Periodic payroll computations: The payroll computations include the calculation of various earnings and deduction heads which are to be derived from basic values such as (basic salary, number of days under leave without pay and unauthorized absence, etc) as per the formulae.</p> <p>(iii) Preparation of salary statement and employee salary slip.</p>	3 marks

		<p>(iv) Generation of advice to bank.</p> <p style="text-align: center;">OR</p> <p>Q. List the various attributes of a payroll database.</p> <p>Ans. (i) <u>Employees personal details</u></p> <p>(a) Employee In</p> <p>(b) Name</p> <p>(c) Designation</p> <p>(d) Location</p> <p>(ii) <u>Employees pay details</u></p> <p>(a) Basic pay</p> <p>(b) DA</p> <p>(c) HRA</p> <p>(d) TA</p> <p>(e) Provident fund</p> <p>(f) Any deduction for loan etc.</p> <p>This information helps in calculating Gross and net salary.</p>	<p style="text-align: center;">OR</p> <p style="text-align: center;">1 ½ x 2</p> <p style="text-align: center;">=</p> <p style="text-align: center;">3 marks</p>
31	31	<p>31 Q. Explain ‘closing entry’ and</p> <p>Ans. <u>Closing Entry:</u></p> <p>Entries required to make trading account and profit and loss account are known as closing entries. After the Trial balance is prepared all the expenses are debited to the respective</p>	<p style="text-align: center;">1 ½ marks</p> <p style="text-align: center;">for</p> <p style="text-align: center;">explanation</p>

		<p>accounts to prepare trading and profit and loss account similarly income or expenditure for the trading period. These are the entries to record outstanding and prepaid.</p> <p><u>Adjusting Entry:</u> Adjusting entries are the figures related to income or expenditure for the trading period. These are the entries to record outstanding and prepaid.</p> <p style="text-align: center;">OR</p> <p>Q. Explain the four advantages.....</p> <p>Ans. <u>Any Four</u> of the following:</p> <p>(i) Flexibility</p> <p>(ii) Choice of front and application</p> <p>(iii) Powerful performance</p> <p>(iv) Scalability to handle rapidly expanding number of users.</p> <p>(v) Ease of handling huge amount of data.</p>	<p>of each</p> <p>+</p> <p>½ mark for</p> <p>any correct</p> <p>example of</p> <p>each</p> <p>=</p> <p>2 x 2</p> <p>=</p> <p>4</p> <p>marks</p> <p>OR</p> <p>½ mark for</p> <p>the heading</p> <p>+</p> <p>½ mark for</p> <p>its</p> <p>explanation</p> <p>=</p> <p>1 x 4</p> <p>=</p> <p>4 marks</p>
-	-	<p>32 Q. Deepshikha Ltd. has its offices in Jaipur.....</p> <p>Ans. Employee Name = A1</p> <p>HRA = B1</p> <p>Basic Pay = C1</p> <p>DA = D1</p> <p>Calculation of DA</p>	<p>6 marks</p>

		<p>= If ($C1 \geq 18,000$, 6%, 8%) * C1</p> <p>= If ($C1 \leq 10,000$, 8%, 6%) * C1</p> <p>Jagat : DA ₹1,500</p> <p>Gross = (₹15,000+ ₹8,000+ ₹25,000)</p> <p>= ₹48.000</p> <p>(No salary will be deducted as leave without pay is not mentioned)</p> <p>Reeta DA = ₹760</p> <p>Salary = ₹16,260/-</p> <p>(No salary will be deducted as leave without pay is not mentioned)</p>	
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