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Senior School Certificate Examination March -2020

Marking Scheme – Accountancy

SUBJECT CODE: 055 PAPER CODE: 67/4/1, 67/4/2, 67/4/3

General Instructions:

1. You are aware that evaluation is the most important process in the actual and correct assessment of the candidates. A small mistake in evaluation may lead to serious problems which may affect the future of the candidates, education system and teaching profession. To avoid mistakes, it is requested that before starting evaluation, you must read and understand the spot evaluation guidelines carefully. **Evaluation is a 10-12 days mission for all of us. Hence, it is necessary that you put in your best efforts in this process.**
2. Evaluation is to be done as per instructions provided in the Marking Scheme. It should not be done according to one's own interpretation or any other consideration. Marking scheme should be strictly adhered to and religiously followed. **However, while evaluating, answers which are based on latest information or knowledge and innovative, they may be assessed and marks be awarded to them.**
3. The Head-Examiner must go through the first five answer books evaluated by each evaluator on the first day to ensure that evaluation has been carried out as per the instructions given in the Marking Scheme. The remaining answer scripts meant for evaluation shall be given only after ensuring that there is no significant variation in the marking of individual evaluators.
4. Evaluators will mark (√) wherever the answer is correct . for wrong answers (×) be marked .Evaluators will not put right mark (√) while evaluating which gives an impression that answer is correct but no mark is awarded. **This is most common mistake which evaluators are committing.**
5. If a question has parts, please award marks on the right hand side for each part. Marks awarded for different parts of the question should then be totalled up and written in the left hand margin and encircled. This may be followed strictly.
6. If a question does not have any parts, marks must be awarded in the left hand margin and encircled. This may be followed strictly.
7. If a student has attempted an extra question, answer of the question deserving more marks should be retained and other answer scored out.
8. No marks to be deducted for the cumulative effect of an error. It should be penalized only once.
9. Deductions up to 25% of the marks must be made if the student has not drawn formats of the Journal and Ledger and has not given the narrations.

10. No marks are to be deducted or awarded for writing / not writing 'TO and BY' while preparing Journal and Ledger accounts.
11. In theory questions, credit is to be given for the content and not for the format.
12. A full scale of marks 0-80 has to be used. Please do not hesitate to award full marks if the answer deserves it.
13. Every examiner has to necessarily do evaluation work for full working hours i.e. 8 hours everyday and evaluate 20 answer books per day.
14. Avoid the following common types of errors committed by the Examiners in the past.
 - Leaving answer or part thereof unassessed in an answer script
 - Giving more marks for an answer than assigned to it or deviation from the marking scheme.
 - Wrong transference of marks from the inside pages of the answer book to the title page.
 - Wrong question wise totaling on the title page.
 - Wrong totaling of marks of the two columns on the title page
 - Wrong grand total
 - Marks in words and figures not tallying
 - Wrong transference to marks from the answer book to award list
 - Answers marked as correct but marks not awarded
15. Half or a part of answer marked correct and the rest as wrong but no marks awarded.
16. While evaluating the answer scripts if the answer is found to be totally incorrect, it should be marked as (x) and awarded zero(0) Marks.
17. Any unassessed portion, non-carrying over of marks to the title page or totalling error detected by the candidate shall damage the prestige of all the personnel engaged in the evaluation work as also of the Board. Hence in order to uphold the prestige of all concerned, It is again reiterated that the instructions be followed meticulously and judiciously.
18. The Examiners should acquaint themselves with the guidelines given in the Guidelines for Spot Evaluation before starting the actual evaluation.
19. Every Examiner shall also ensure that all the answers are evaluated, marks carried over to the title page, correctly totaled and written in figures and words.
20. The board permits candidates to obtain photocopy of the Answer Book on request in an RTI application and also separately as a part of the re- evaluation process on payment of the processing charges.

			Marking Scheme 2019-20 Accountancy (055) 67/4/1 Expected Answers/ Value Points	Marks
1	13	13	Q. When a company plans to redeem..... Ans. 25	1 mark
2	12	12	Q. _____ capital accounts always..... Ans. Fixed Capital accounts always show a credit balance.	1 mark
3	11	11	Q. In the case of retirement..... Ans. (d)/ Have a choice to get either (i) or (ii)	1 mark
4	10	10	Q. The following information has been..... Ans. (d)/ Both (b) and (c)	1 mark
5	9	9	Q. Anita and Babita were partners..... Ans. (a)/ 41:7:12	1 mark
6	7	8	Q. Amla, Bimla and Kavita..... Ans. (c)/ 6:5	1 mark
7	8	1	Q. Capital Reserve is created out of Ans. Capital Reserve is created out of capital profits	1 mark
8	6	2	Q. Avya, Divya and Kavya..... Ans. (d)/ Avya's Capital A/c 10,000 To Kavya's capital A/c 10,000	1 mark

2019 Mar.31	Bank A/c To Debenture Redemption Investments A/c (Debenture Redemption Investments realised)	Dr.	7,50,000	7,50,000
”	10% Debentures A/c To Debenture holders A/c (Amount payable to Debenture holders on redemption)	Dr.	50,00,000	50,00,000
”	Debenture holders A/c To Bank A/c (Payment made to Debenture holders)	Dr.	50,00,000	50,00,000
”	Debenture Redemption Reserve A/c To General Reserve A/c (Proportionate amount of Debenture Redemption Reserve transferred to General Reserve)	Dr.	12,50,000	12,50,000

½ mark

½ mark

½ mark

-
=
3 marks

(No marks have been allotted for the transfer of Debenture redemption Reserve to General Reserve)

OR

OR

Q. X Ltd. has 4,000 12% debentures.....

**X Ltd.
Journal**

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)
2018 Sep 30	Debenture Interest A/c To Debenture holders A/c To TDS Payable A/c (Debenture Interest due to debenture holders, TDS deducted @10%)	Dr. 24,000	21,600 2,400
”	Debenture holders A/c TDS Payable A/c	Dr. Dr. 21,600 2,400	

1 mark

½

			To Bank A/c (Payment made to Debenture holders and tax deposited) (Note: If an examinee has passed separate entries for payment to Debenture holders and tax deposited, full credit be given)		24,000	mark
		2019 Mar 31	Debenture Interest A/c Dr. To Debenture holders A/c To TDS Payable A/c (Debenture Interest due to debenture holders, TDS @10%)	24,000	21,600 2,400	$\frac{1}{2}$ mark
		”	Debenture holders A/c Dr. TDS Payable A/c Dr. To Bank A/c (Payment made to Debenture holders and tax deposited) (Note: If an examinee has passed separate entries for payment to Debenture holders and tax deposited, full credit be given)	21,600 2,400	24,000	$\frac{1}{2}$ mark
		”	Statement of Profit and Loss Dr. To Debenture Interest A/c (Debenture Interest account transferred to Statement of Profit and Loss)	48,000	48,000	$\frac{1}{2}$ mark = 3 marks
15	-	-	Q. From the following information, calculate.....			
			Ans.			

Dr.		Stock of Sports Materials A/c		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
To balance b/d	1,10,000	By Income and			
To Cash	2,50,000	Expenditure A/c- Sports			
To Creditors –credit purchases	1,40,000	Materials consumed		3,50,000	
		By balance c/d		1,50,000	
	<u>5,00,000</u>			<u>5,00,000</u>	

2 marks

Dr.		Creditors for Sports Materials A/c		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
To balance b/d (advance)	25,000	By balance b/d (creditors)	25,000		
To Cash	1,50,000	By Purchases	1,40,000		
To balance c/d (creditors)	60,000	By balance c/d (Advance)	70,000		
	<u>2,35,000</u>		<u>2,35,000</u>		

2 marks

Alternatively:

Credit Purchases= Payment made to creditors+ closing Creditors – Opening Creditors – Closing advance + Opening advance
= ₹1,50,000 + ₹60,000 – ₹25,000 - ₹70,000 + ₹25,000
= ₹1,40,000..... **2 marks**

=

Sports Materials consumed = Opening stock of Sports Materials + Purchases – Closing Stock of Sports Materials
= ₹1,10,000 + (₹2,50,000 + ₹1,40,000) – ₹1,50,000
= ₹3,50,000..... **2 marks**

4 marks

16 17 16

Q. A and B are partners sharing profits and losses.....

Ans.

JOURNAL

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)
	A's capital A/c Dr. To B's capital A/c (Omission of interest on capital, now rectified)	140	140

1 mark

Working Notes:

Table showing adjustments

Partners	Interest on capital Cr. (₹)	Interest on drawings Cr. (₹)	Profits Dr. (₹)	Net Effect	
				Dr. (₹)	Cr. (₹)
A	10,000	4,500	14,640	140	-
B	7,500	2,400	9,760	-	140
	17,500	6,900	24,400	140	140

2 marks

Note: if an examinee has calculated Net effect by any other method, full credit be given.

Calculation of Interest on capital:

Calculation of Opening Capitals:

	A (₹)	B (₹)
Closing Capitals	1,65,500	1,27,600
Add Drawings	60,000	40,000
Add Interest on drawings	4,500	2,400
Less Profits	(30,000)	(20,000)
Opening Capitals	<u>2,00,000</u>	<u>1,50,000</u>
Interest on Capital@5% p.a.	10,000	7,500

1 mark

=

Interest on Drawings:

A: $12/100 \times ₹60,000 \times 7.5/12 = ₹4,500$

B: $12/100 \times ₹40,000 \times 6/12 = ₹2,400$

4 marks

OR

Q. Arun, Shobha and Yuvraj were

Ans.

Journal

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)
	Profit and Loss A/c Dr. To Profit and Loss Appropriation A/c (Profit transferred from Profit and Loss A/c to Profit and Loss Appropriation A/c)	90,000	90,000
	Partner's Salary A/c Dr. To Arun's Current A/c To Shobha's Current A/c To Yuvraj's Current A/c (Salary credited to Partner's Current Accounts)	60,000	20,000 20,000 20,000
	Profit and Loss Appropriation A/c Dr. To Partner's Salary A/c (Partner's Salary transferred to Profit and Loss Appropriation A/c)	60,000	60,000
	Interest on Capital A/c Dr. To Arun's Current A/c To Shobha's Current A/c To Yuvraj's Current A/c (Interest on Capital credited to Partner's Current Accounts)	20,000	10,000 5,000 5,000
	Profit and Loss Appropriation A/c Dr. To Interest on Capital A/c (Interest on Capital transferred to Profit and Loss Appropriation A/c)	20,000	20,000

OR

1 mark

½ mark

½ mark

½ mark

½ mark

			<table border="1"> <tr> <td>Profit and Loss Appropriation A/c</td> <td>Dr.</td> <td>10,000</td> <td></td> </tr> <tr> <td>To Arun's Current A/c</td> <td></td> <td></td> <td>6,000</td> </tr> <tr> <td>To Shobha's Current A/c</td> <td></td> <td></td> <td>2,000</td> </tr> <tr> <td>To Yuvraj's Current A/c</td> <td></td> <td></td> <td>2,000</td> </tr> <tr> <td colspan="4">(Divisible profit credited to Partner's Current Accounts)</td> </tr> </table>	Profit and Loss Appropriation A/c	Dr.	10,000		To Arun's Current A/c			6,000	To Shobha's Current A/c			2,000	To Yuvraj's Current A/c			2,000	(Divisible profit credited to Partner's Current Accounts)				1 mark = 4 marks				
Profit and Loss Appropriation A/c	Dr.	10,000																										
To Arun's Current A/c			6,000																									
To Shobha's Current A/c			2,000																									
To Yuvraj's Current A/c			2,000																									
(Divisible profit credited to Partner's Current Accounts)																												
17	-	-	<p>Q. From the following Receipts and Payments Account.....</p> <p>Ans.</p> <p style="text-align: center;">Shyam Music Club</p> <p>Dr. Income and Expenditure A/c for the year ended March 31, 2019 Cr.</p> <table border="1"> <thead> <tr> <th>Expenditure</th> <th>Amount (₹)</th> <th>Income</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>To Depreciation on Musical Instruments</td> <td>3,000</td> <td>By Subscriptions 2,00,000 Add subscriptions outstanding <u>25,000</u></td> <td>2,25,000</td> </tr> <tr> <td>To Honorarium</td> <td>71,000</td> <td>By Locker rent</td> <td>8,000</td> </tr> <tr> <td>To Electricity bill</td> <td>31,000</td> <td>By Gain on sale of old furniture</td> <td>5,000</td> </tr> <tr> <td>To excess of income over expenditure (surplus)</td> <td>1,38,000</td> <td>By Admission Fee</td> <td>5,000</td> </tr> <tr> <td></td> <td><u>2,43,000</u></td> <td></td> <td><u>2,43,000</u></td> </tr> </tbody> </table>	Expenditure	Amount (₹)	Income	Amount (₹)	To Depreciation on Musical Instruments	3,000	By Subscriptions 2,00,000 Add subscriptions outstanding <u>25,000</u>	2,25,000	To Honorarium	71,000	By Locker rent	8,000	To Electricity bill	31,000	By Gain on sale of old furniture	5,000	To excess of income over expenditure (surplus)	1,38,000	By Admission Fee	5,000		<u>2,43,000</u>		<u>2,43,000</u>	$\frac{1}{2} \times 8$ = 4 marks
Expenditure	Amount (₹)	Income	Amount (₹)																									
To Depreciation on Musical Instruments	3,000	By Subscriptions 2,00,000 Add subscriptions outstanding <u>25,000</u>	2,25,000																									
To Honorarium	71,000	By Locker rent	8,000																									
To Electricity bill	31,000	By Gain on sale of old furniture	5,000																									
To excess of income over expenditure (surplus)	1,38,000	By Admission Fee	5,000																									
	<u>2,43,000</u>		<u>2,43,000</u>																									
18	-	-	<p>Q. X, Y and Z were partners in a firm.....</p> <p>Ans.</p>																									

Journal

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)
2018 Jun.24	X's Capital A/c Dr. Z's Capital A/c To Y's Capital A/c (Deceased partner's share of goodwill transferred to his capital A/c)	32,000 16,000	48,000
“	Profit and Loss Suspense A/c Dr. To Y's Capital A/c (Share of Profit till date of death credited to Y's Capital A/c)	16,000	16,000
“	Y's Capital A/c Dr. To Y's Executors A/c (Y's capital A/c transferred to her Executors A/c)	1,75,000	1,75,000
Jul.15	Y's Executors A/c Dr. To Bank A/c (Paid the amount due to Y's Executors)	1,75,000	1,75,000

**1 x 4
=
4 marks**

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

Note 2: No marks are to be deducted if the dates are not mentioned.

19 **19** **19** **Q. Harish and Gopal were partners.....**

Ans.

Dr.		Realisation A/c		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
To Debtors	76,000	By Creditors	36,000		
To Stock	2,00,000	By O/s expenses	10,000		
To Furniture	20,000	By Gopal's wife's loan	50,000		
To Leasehold premises	1,00,000				
<u>To Gopal's capital A/c</u>		<u>By Bank A/c</u>			
Gopal's wife's loan	50,000	Leasehold premises	1,50,000		
Realisation expenses	<u>10,000</u>	Debtors	64,000		
	60,000 [1]	Stock	<u>1,84,000</u>	3,98,000 [1]	
<u>To Bank A/c</u>					
Creditors	16,200				
Outstanding expenses	<u>10,000</u>				
	26,200 [1]				
<u>To profit transferred to:</u>					
Harish's Capital A/c	7,080				
Gopal's capital A/c	<u>4,720</u>				
	11,800 [1]				
	<u>4,94,000</u>			<u>4,94,000</u>	

1 mark
for
transfer
of
assets
+
1 mark
for
transfer
of
liabilities
+
(1 x 4)
=

6 marks

OR

OR

Q. Sudha, Naresh and Geeta were partners.....

Ans.

Dr. Profit and Loss Appropriation A/c for the year ended 31st March 2019 Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
<u>To Interest on capital:</u> Sudha's Current A/c 54,000 Naresh's Current A/c 36,000 Geeta's Current A/c <u>18,000</u>	1,08,000 [1]	By Net Profit	7,00,000 [1]
<u>To Partner's Salary:</u> Sudha's Current A/c 3,60,000 Naresh's Current A/c <u>1,60,000</u>	5,20,000 [1]	<u>By Interest on Drawings</u> Sudha's Current A/c 9,000 Naresh's Current A/c 9,000 Geeta's Current A/c <u>4,200</u>	22,200 [2]
<u>To Profit transferred to:</u> Sudha's Current A/c 47,100 Naresh's Current A/c 28,260 Geeta's Current A/c <u>18,840</u>	94,200 [1]		
	<u>7,22,200</u>		<u>7,22,200</u>

6 marks

Net Profit	7,06,750
Less Interest on Geeta's Loan	<u>6,750</u>
	<u>7,00,000</u>

20

Q. Pass journal entries in the books of X Ltd.....

Ans.

Journal of X Ltd.

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)
(i)	Bank A/c Dr. To Bank Loan A/c (Loan taken from SBI)	1,60,000	1,60,000
	Debenture Suspense A/c Dr. To 12% Debentures A/c (12% Debentures issued in favour of SBI as a collateral security)	2,00,000	2,00,000

	Equity Share Application A/c	Dr.	24,00,000		1 mark
	To Equity Share Capital A/c			6,80,000	
	To Securities Premium Reserve A/c			6,80,000	
	To Equity Share Allotment A/c			3,20,000	
	To Bank A/c			7,20,000	
	(Application money adjusted towards capital, share allotment, premium and excess refunded)				
	Equity Share Allotment A/c	Dr.	17,00,000		½ mark
	To Equity Share Capital A/c			10,20,000	
	To Securities Premium Reserve A/c			6,80,000	
	(Allotment money due including premium)				
	Bank A/c	Dr.	14,20,800		1 mark
	To Equity Share Allotment A/c			13,80,000	
	To Calls in Advance			40,800	
	(Allotment money received except on 1,700 shares and advance received of first and final call)				
	or				
	Bank A/c	Dr.	14,13,900		1 mark
	Calls in arrears A/c	Dr.	6,900		
	To Equity Share Allotment A/c			13,80,000	
	To Calls in Advance A/c			40,800	
	(Allotment money received except on 1,700 shares)				
	<u>Alternate entry:</u>				
	Bank A/c	Dr.	13,73,100		1 mark
	Calls in arrears A/c	Dr.	6,900		
	To Equity Share Allotment A/c			13,80,000	
	(Allotment money received)				
	Equity Share Capital A/c	Dr.	8,500		
	Securities Premium Reserve A/c	Dr.	3,400		
	To Share Forfeiture A/c			5,000	
	To Equity Share Allotment A/c			6,900	

	(Yamini's shares forfeited for non payment of allotment money) <i>Alternatively:</i> Equity Share Capital A/c Dr. 8,500 Securities Premium Reserve A/c Dr. 3,400 To Share Forfeiture A/c 5,000 To Calls in arrears A/c 6,000 (Yamini's shares forfeited for non payment of allotment money)			1 mark
	Equity Share First and Final call A/c Dr. 20,29,800 To Equity Share Capital A/c 16,91,500 To Securities Premium Reserve A/c 3,38,300 (Share First and final call due)			1 mark
	Bank A/c Dr. 19,89,000 Calls in advance A/c Dr. 40,800 To Equity Share First and Final call A/c 20,29,800 (First and final call money received except on 6,800 shares) Alternate entry: Bank A/c Dr. 20,29,800 To Equity Share First and Final call A/c 20,29,800 (First and final call money received except on 6,800 shares)			1 mark
	Bank A/c Dr. 6,800 Share Forfeiture A/c Dr. 1,700 To Equity Share Capital A/c 8,500 (Shares reissued for ₹8 per share fully paid)			1 mark
	Share Forfeiture A/c Dr. 800 To Capital Reserve A/c 800 (Gain on reissue of forfeited shares transferred to capital reserve)			1 mark
				8 marks
				OR
				OR

Q. K.N. Ltd. invited.....

**K.N. Ltd.
Journal**

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)
	Bank A/c Dr. To Equity Share Application and Allotment A/c (Application money received on 8,00,000 shares)	24,00,000	24,00,000
	Equity Share Application and Allotment A/c Dr. To Equity Share Capital A/c To Calls in Advance A/c To Bank A/c (Shares allotted and excess application money adjusted on call, balance refunded)	24,00,000	18,00,000 4,50,000 1,50,000
	Equity Share First Call A/c Dr. To Equity Share Capital A/c (Share first call money due)	24,00,000	24,00,000
	Bank A/c Dr. Calls in Advance A/c Dr. Calls in arrears A/c Dr. To Equity Share First Call A/c (Share first call money received)	19,32,000 4,50,000 18,000	24,00,000
	Equity Share Capital A/c Dr. To Share Forfeiture A/c To Equity Share First Call A/c (Rakesh's shares forfeited for non payment of first call)	42,000	24,000 18,000

or

½ mark

1 mark

1 mark

1 mark

1 mark

			Equity Share Capital A/c To Share Forfeiture A/c To Calls in arrears A/c (Rakesh's shares forfeited for non payment of first call)	Dr.	42,000	24,000 18,000	1 mark 1 mark ½ mark 1 mark = 8 marks	
			Bank A/c To Equity Share Capital A/c To Securities premium Reserve A/c (Shares reissued for ₹13 per share fully paid)	Dr.	78,000	60,000 18,000		
			Share Forfeiture A/c To Capital Reserve A/c (Gain on reissue of forfeited shares transferred to capital reserve)	Dr.	24,000	24,000		
			Equity Share Second and Final Call A/c To Equity Share Capital A/c To Securities premium Reserve A/c (Share Second and Final call money due including premium)	Dr.	35,64,000	17,82,000 17,82,000		
			Bank A/c To Equity Share Second and Final Call A/c (Share second and final call money received)	Dr.	35,64,000	35,64,000		
22	21	22	Q. Raman and Aman.....					1 mark
			Ans.					
			Journal					
			Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)		
				Bank A/c To Suman's Capital A/c To Premium for goodwill A/c (Capital and premium for goodwill brought in by Suman)	Dr. 2,20,000	2,00,000 20,000		

	Premium for goodwill A/c To Raman's Capital A/c To Aman's Capital A/c (Premium for goodwill credited to the capital accounts of old partners in the sacrificing ratio)	Dr. Dr.	20,000	15,000 5,000	1 mark
	Outstanding Expenses A/c To Bank A/c (Outstanding expenses paid off)	Dr.	18,000	18,000	1 mark
	Bad debts A/c To Debtors A/c (Bad debts written off)	Dr.	5,000	5,000	½ mark
	Provision for bad debts A/c To Bad Debts A/c (Bad debts adjusted from the provision)	Dr	5,000	5,000	½ mark
	Revaluation A/c Dr. To Provision for bad debts A/c (Provision for bad debts created)		2,500	2,500	1 mark
	Workmen's Compensation Reserve A/c Dr. Revaluation A/c Dr. To Workmen's Compensation claim A/c (Workmen's compensation claim recorded)		55,000 5,000	60,000	1 mark
	Revaluation A/c Dr. To Machinery A/c To Land and Building A/c (Machinery and Land and building depreciated)		72,000	18,000 54,000	1 mark
	Raman's Capital A/c Dr. Aman's Capital A/c Dr. To Revaluation A/c (Loss on Revaluation debited to old partners in the old ratio)		59,625 19,875	79,500	1 mark = 8 marks

Note 1: In case an examinee has given a combined entry for bad debts and provision, full credit be given.

Note 2: if an examinee has raised and written off the goodwill, full credit be given.

OR

OR

Q. A, B and C were partners in a firm.....

Dr.		Revaluation A/c		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
To Provision for doubtful debts	3,100	By Land and Building	12,000		
To Furniture	8,000				
To Profit transferred to:					
A's Capital A/c 300					
B's Capital A/c 300					
C's Capital A/c <u>300</u>	900				
	<u>12,000</u>				<u>12,000</u>

3 marks

Dr.				Partners Capital Accounts				Cr.			
Particulars	A (₹)	B (₹)	C (₹)	Particulars	A (₹)	B (₹)	C (₹)				
To B's Capital A/c	10,000	-	-	By balance b/d	60,000	40,000	32,000				
To Bank A/c	-	20,000	-	By General Reserve	10,000	10,000	10,000				
To B's loan	-	41,800	-	By A Capital A/c (goodwill)	-	10,000	-				
To balance c/d	61,800	-	43,800	By Workmen's Compensation Reserve	1,500	1,500	1,500				
				By Revaluation A/c	300	300	300				
	<u>71,800</u>	<u>61,800</u>	<u>43,800</u>		<u>71,800</u>	<u>61,800</u>	<u>43,800</u>				

**1 mark
for each
capital
A/c
=
1 x 3
=
3 marks**

			<p style="text-align: center;">Bank A/c</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: left;">Dr.</th> <th style="width: 25%;"></th> <th style="width: 50%; text-align: right;">Cr.</th> <th style="width: 25%;"></th> </tr> <tr> <th>Particulars</th> <th>Amount (₹)</th> <th>Particulars</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>To Balance b/d</td> <td style="text-align: right;">20,000</td> <td>By B's Capital A/c</td> <td style="text-align: right;">20,000</td> </tr> <tr> <td>To Furniture</td> <td style="text-align: right;">20,000</td> <td>By Balance c/d</td> <td style="text-align: right;">20,000</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>40,000</u></td> <td></td> <td style="text-align: right;"><u>40,000</u></td> </tr> </tbody> </table> <p>(No marks are to be deducted for the cumulative effect of any transaction)</p>	Dr.		Cr.		Particulars	Amount (₹)	Particulars	Amount (₹)	To Balance b/d	20,000	By B's Capital A/c	20,000	To Furniture	20,000	By Balance c/d	20,000		<u>40,000</u>		<u>40,000</u>	<p>2 marks</p> <p>=</p> <p>3+3+2</p> <p>=</p> <p>8 marks</p>
Dr.		Cr.																						
Particulars	Amount (₹)	Particulars	Amount (₹)																					
To Balance b/d	20,000	By B's Capital A/c	20,000																					
To Furniture	20,000	By Balance c/d	20,000																					
	<u>40,000</u>		<u>40,000</u>																					
			<p>PART B</p> <p>OPTION 1</p> <p>Analysis of Financial Statements</p>																					
23	-	-	<p>Q. The quick ratio of a</p> <p>Ans. Increase</p> <p>Reason: Quick assets (cash) with no change in Current Liabilities</p>	<p>½ mark</p> <p>+</p> <p>½ mark</p> <p>=</p> <p>1 mark</p>																				
24	24	24	<p>Q. Employee benefit expenses.....</p> <p>Ans. Bonus</p>	<p>1 mark</p>																				
25	-	25	<p>Q. Which of the following is not a limitation.....</p> <p>Ans. (d)/ Intra firm comparison possible</p>	<p>1 mark</p>																				
26	27	-	<p>Q. Under which of the following.....</p> <p>Ans. (a)/ Current Liabilities</p>	<p>1 mark</p>																				
27	26	27	<p>Q. Interest received in cash.....</p> <p>Ans. Investing</p>	<p>1 mark</p>																				

28	-	-	<p>Q. List any two items.....</p> <p>Ans. Any two of the following:</p> <p>(i) Balance with banks (ii) Bank drafts in hand (iii) Current Investments (iv) Treasury Bills (v) Commercial Paper (vi) Preference Shares redeemable within three months from the date of purchase</p> <p style="text-align: center;">(Or any other correct item)</p>	<p>½ mark + ½ mark = 1 mark</p>
29	29	29	<p>Q. While preparing cash flow statement.....</p> <p>Ans. No Flow</p> <p>Reason: There is no change in cash and cash equivalents</p>	<p>½ mark + ½ mark = 1 mark</p>
30	-	-	<p>Q. The Revenue from operations.....</p> <p>Ans. Revenue from Operations= ₹6,00,000</p> <p>Gross profit = $25/100 \times ₹6,00,000 = ₹1,50,000$.....1/2</p> <p>Cost of Revenue from Operations = ₹6,00,000 – ₹1,50,000</p> <p style="text-align: right;">= ₹4,50,000.....1/2</p> <p>Inventory turnover Ratio = Cost of Revenue from Operations/ Average Inventory.... 1/2</p> <p>⇒ $3 = ₹4,50,000 / \text{Average Inventory}$</p> <p>⇒ Average Inventory = ₹1,50,000.....1/2</p> <p>Average Inventory = (Opening Inventory + Closing Inventory)/2= ₹1,50,000</p>	<p>3 marks</p>

$$\Rightarrow (1/4 \text{ Closing inventory} + \text{Closing Inventory})/2 = ₹1,50,000$$

$$\Rightarrow \text{Closing Inventory} = ₹2,40,000 \dots\dots\dots \boxed{1/2}$$

$$\Rightarrow \text{Opening Inventory} = 1/4 \times ₹2,40,000 = ₹60,000 \dots\dots\dots \boxed{1/2}$$

OR

OR

Q. From the following information.....

$$\text{Interest Coverage Ratio} = \text{Profit before Interest and Tax} / \text{Capital employed} \times 100 \dots\dots \boxed{1}$$

$$\text{Profit after Interest and Tax} = ₹6,00,000$$

$$\text{Profit before Interest and Tax} = ₹6,00,000 + ₹80,000 + ₹4,00,000 \dots\dots\dots \boxed{1}$$

3 marks

$$\text{Interest Coverage Ratio} = ₹10,80,000 / ₹80,000$$

$$= 13.5 \text{ times} \dots\dots\dots \boxed{1}$$

31 31 31 Q. Fill in the amounts.....

Ans.

Common Size Statement of Profit and Loss
For the year ended 31st March 2019

Particulars	Absolute Change		% of Revenue from Operations	
	2017-18 (₹)	2018-19 (₹)	2017-18	2018-19
I. Revenue from Operations	20,00,000	25,00,000	<u>100</u>	100
II. Other Income	1,00,000	2,50,000	<u>5</u>	10
III. Total Revenue	21,00,000	27,50,000	105	110
IV. Expenses				
(a) Cost of materials consumed	<u>6,00,000</u>	8,00,000	30	32
(b) Change in Inventory	1,00,000	2,00,000	<u>5</u>	8
(c) Employee benefit expenses	<u>3,00,000</u>	4,50,000	15	18
(d) Other Expenses	<u>2,00,000</u>	2,25,000	10	9
Total Expenses	12,00,000	16,75,000	<u>60</u>	67
V. Profit before Tax (III-IV)	9,00,000	10,75,000	45	43
Less: Tax	2,00,000	2,50,000	10	<u>10</u>
	7,00,000	8,25,000	35	33

(Note: ½ mark has been allotted for each missing figure)

½ mark

½ mark

½ mark

½ mark

½ mark

½ mark

½ mark

½ mark

=

4 marks

OR

OR

Q. From the following Statement.....

Comparative Statement of Profit and Loss
for the years ended 31st March 2018 and 31st March 2019

Particulars	2017-18 (₹)	2018-19 (₹)	Absolute Increase/ Decrease (₹)	Percentage Increase/ Decrease (%)
I. Revenue from operations	20,00,000	45,00,000	25,00,000	25
II. Total Revenue	20,00,000	45,00,000	25,00,000	25
III. Expenses				
Employee benefit expenses	8,00,000	10,00,000	2,00,000	25
Other expenses	2,00,000	5,00,000	3,00,000	150
IV. Total expenses	10,00,000	15,00,000	5,00,000	50
V. Profit before Tax	10,00,000	30,00,000	20,00,000	200
VI. Less Tax	3,00,000	9,00,000	6,00,000	200
VII. Profit after Tax	7,00,000	21,00,000	14,00,000	200

½ mark

½ mark

½ mark

½ mark

½ mark

½ mark

½ mark

½ mark

=
4 marks

32 32 32

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

Ans.

Cash Flow Statement of Gopal Ltd. for the year ended 31st March 2019

Particulars	Details(₹)	Amount (₹)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net Profit before Tax	6,75,000	
Adjustment for non cash and non operating items		
Add		
Interest on debentures	1,08,000	
Depreciation	2,00,000	
Goodwill written off	<u>12,000</u>	
Operating profit before Working capital changes	9,95,000	
Less Increase in Inventory	<u>(1,24,000)</u>	
Cash from operations	8,71,000	
Less Tax paid	<u>(1,50,000)</u>	
Cash Inflows from Operating activities		7,21,000
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Plant and Machinery	(7,58,000)	
Purchase of Investments	<u>(55,000)</u>	
Cash used in Investing activities		(8,13,000)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Cash Inflows from Financing activities		<u>2,32,000</u>
Net increase in Cash and Cash equivalents		1,40,000
<i>Add Opening balance of Cash and Cash equivalents</i>		
Current Investments	1,20,000	
Cash and Cash equivalents	<u>1,20,000</u>	<u>2,40,000</u>
<i>Closing balance of Cash and Cash equivalents</i>		
Current Investments	2,00,000	
Cash and Cash equivalents	<u>1,80,000</u>	<u>3,80,000</u>

2 ½
marks

1 mark

1 mark

½ mark

Working Notes:

27	29	25	<p>Q. _____ prompts the user.....</p> <p>Ans. Parameter query</p>	1 mark
28	27	24	<p>Q. Hardware refers to.....</p> <p>Ans. (b)/ Computer associated peripherals and their network</p>	1 mark
29	-	23	<p>Q. Rows are referred by.....</p> <p>Ans. False.</p>	1 mark
30	30	30	<p>Q. State any three features.....</p> <p>Ans. Following are the features of good accounting software (Any three):</p> <p>(a) Do all basic accounting functions (b) Manage your stored data and stores (c) Do the job for costing (d) Manage payroll (e) Get many MIS (Management information system) (f) File tax return (g) Maintain budget etc (h) Calculate interest pending amounts (i) Manage data over different locations and synchronize it and many more other features.</p> <p style="text-align: center;">OR</p> <p>Q. Name the function of excel.....</p> <p>Ans. The name of the function is 'TEXT'</p> <p>Its syntax is TEXT (value, format _ text) Value - numeric value which, evaluates a numeric value or referenced cell containing numeric value. Formal Text – is a numeric format as a text string enclosed in quotation mark.</p>	<p>1 x 3 = 3 marks</p> <p style="text-align: center;">OR</p> <p>3 marks</p>
31	-	-	<p>Q. Why is it necessary to have.....security.</p>	

		<p>Ans. It is necessary to have safety features in accounting software to maintain the secrecy of accounting data.</p> <p><u>Tools which provide data security: (Any two)</u></p> <p>1) Password Security: Password is widely accepted security control to access the data. Only the authorized person can access the data. Any user who does not know the password cannot retrieve information from the system. It ensures data integrity. It was a binary according format of storage and offers access to the data base.</p> <p>2) Data audit: Audit feature of accounting software provides the user with administrator right in order to keep track of unauthorized access to the database. It audits for the correctness of entries. Once entries are audited with adulteration, if any, the software displays all along with the name of the auditor user and date and – lime of attention.</p> <p>3) Data Vault : Software provides additional security for the imputed data and this feature is referred as data vault. Data vault ensures that original information is presented and is not tempered. Data vault password cannot be broken. Some software’s even use data encryption method.</p> <p style="text-align: center;">OR</p> <p>Q. What is meant by #DIV/O!Error?</p> <p>Ans. This means an error where the number is divided by zero (0).</p> <p><u>Reasons</u></p> <p>(i) Entering a formula that contains explicit division by zero (0) e.g. = 5/0</p> <p>(ii) Using the cell reference to a blank cell or to a cell that contains zero as a division to correct this. Either your need to change the cell reference or put a value in the cell used as a divisor.</p>	<p>1 mark</p> <p>1 ½ x 2 = 3 marks = 1+3 = 4 marks</p> <p>OR</p> <p>1 mark</p> <p>1 ½ x 2 = 3 marks = 1+3 = 4 marks</p>
32	32	32	<p>Q. A Ltd. wants to enter their sales.....</p> <p>Ans. The basic steps to prepare a presentation to present sales related data are:</p>