

**- Strictly Confidential : (For Internal and Restricted Use Only)**  
**Senior School Certificate Examination**  
**March -2018 - 19**  
**Marking Scheme – Accountancy 67/5/1, 67/5/2, 67/5/3**

**General Instructions:-**

1. You are aware that evaluation is the most important process in the actual and correct assessment of the candidates. 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 desired from you to give your best 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 may be assessed and marks be awarded to them.
3. The Head-Examiner has to go through the first five answer scripts evaluated by each evaluator 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. 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.
5. If a question does not have any parts, marks must be awarded in the left hand margin and encircled.
6. If a student has attempted an extra question, answer of the question deserving more marks should be retained and other answer scored out.
7. No marks to be deducted for the cumulative effect of an error. It should be penalized only once.
8. 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.
9. A full scale of marks 1-80 has to be used. Please do not hesitate to award full marks if the answer deserves it.
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. Every Examiner should stay full working hours i.e 8 hours every day and evaluate 25 answer books.
13. 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.
  - Half or a part of answer marked correct and the rest as wrong but no marks awarded.
- 14.** 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.
  - 15.** 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.
  - 16.** The Examiners should acquaint themselves with the guidelines given in the Guidelines for Spot Evaluation before starting the actual evaluation.
  - 17.** Every Examiner shall also ensure that all the answers are evaluated, marks carried over to the title page, correctly totalled and written in figures and words.
  - 18.** As per orders of the Hon'ble Supreme Court, the candidates would now be permitted to obtain photocopy of the Answer Book on request on payment of the prescribed fee. All examiners/Head Examiners are once again reminded that they must ensure that evaluation is carried out strictly as per value points for each answer as give in the Marking Scheme.



			<p><b>Q. State the basis of preparing “Income and expenditure account”.</b></p> <p><b>Ans.</b> Accrual Basis.</p>	1																					
-	-	6	<p><b>Q. State the ‘Liability..... partnership firm.</b></p> <p><b>Ans.</b> Liability of partners is Unlimited and Several (i.e personal assets can be utilized to pay off the debts of the firm)</p>	½ +½																					
-	-	7	<p><b>Q. The goodwill of a firm..... Last five years were:- Calculate the amount of the goodwill.</b></p> <p><b>Ans.</b></p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Year</th> <th>Normal Profits</th> <th>Amount (Rs.)</th> </tr> </thead> <tbody> <tr> <td>2013-14</td> <td>2,00,000</td> <td>2,00,000</td> </tr> <tr> <td>2014-15</td> <td>3,00,000</td> <td>3,00,000</td> </tr> <tr> <td>2015-16</td> <td>4,50,000-50,000 (abnormal gain)</td> <td>4,00,000</td> </tr> <tr> <td>2016-17</td> <td>3,50,000+90,000 (abnormal loss)</td> <td>4,40,000</td> </tr> <tr> <td>2017-18</td> <td>2,60,000</td> <td>2,60,000</td> </tr> <tr> <td colspan="2" style="text-align: center;">Total Normal Profits</td> <td>16,00,000</td> </tr> </tbody> </table> <p style="margin-left: 40px;">Average Normal profits = 16,00,000/5 = Rs.3,20,000</p> <p style="margin-left: 40px;">Goodwill = Average Profits x Years of purchase</p> <p style="margin-left: 80px;">= 3,20,000 x 4 =12,80,000</p>	Year	Normal Profits	Amount (Rs.)	2013-14	2,00,000	2,00,000	2014-15	3,00,000	3,00,000	2015-16	4,50,000-50,000 (abnormal gain)	4,00,000	2016-17	3,50,000+90,000 (abnormal loss)	4,40,000	2017-18	2,60,000	2,60,000	Total Normal Profits		16,00,000	<p>1 ½</p> <p>½</p> <p>1</p>
Year	Normal Profits	Amount (Rs.)																							
2013-14	2,00,000	2,00,000																							
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Total Normal Profits		16,00,000																							
-	-	8	<p><b>Q. On 1 april,2012, Samir Ltd. Issued..... journal entries for redemption of debentures on 31<sup>st</sup> March,2018.</b></p> <p><b>Ans.</b></p> <table border="1" style="margin-left: 40px;"> <tbody> <tr> <td>Subscription Received during the year</td> <td style="text-align: right;">Rs.2,20,000</td> </tr> <tr> <td>Add: Advance subscription (for the year ending 31-03-18)</td> <td style="text-align: right;">Rs.21,600</td> </tr> <tr> <td>Add: Subscription Outstanding ( for the year ending 31-03-18)</td> <td style="text-align: right;">Rs.25,200</td> </tr> <tr> <td>Less: Subscription received for year ending 31-03-17</td> <td style="text-align: right;">Rs.(2,800)</td> </tr> <tr> <td><b>Amount transferred to Income and Expenditure A/c</b></td> <td style="text-align: right;"><b>Rs.2,64,000</b></td> </tr> </tbody> </table> <p><b>Note: In Case the candidate has calculated the amount using any other method, full credit be given.</b></p> <p><b>For Hindi version:</b> Calculation of Subscriptions to be credited to Income and Expenditure A/c</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th></th> <th style="text-align: center;">₹</th> </tr> </thead> <tbody> <tr> <td>Subscriptions received during the year</td> <td style="text-align: right;">2,20,000</td> </tr> <tr> <td>Add outstanding subscription (for year ending 31-3-18)</td> <td style="text-align: right;">20,200</td> </tr> </tbody> </table>	Subscription Received during the year	Rs.2,20,000	Add: Advance subscription (for the year ending 31-03-18)	Rs.21,600	Add: Subscription Outstanding ( for the year ending 31-03-18)	Rs.25,200	Less: Subscription received for year ending 31-03-17	Rs.(2,800)	<b>Amount transferred to Income and Expenditure A/c</b>	<b>Rs.2,64,000</b>		₹	Subscriptions received during the year	2,20,000	Add outstanding subscription (for year ending 31-3-18)	20,200	<p>1 ½</p> <p>1</p> <p>½</p> <p>=3 marks</p> <p>½</p> <p>½</p>					
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Add Advance Subscription (for the year ending 31-3-18)	15,500	½	
	2,55,700		
Less. Received (for year ending 31-3-17)	(2,800)		½
Less Advance received for the next year	(21,600)		½
Amount to be credited to Income and Expenditure A/c	2,31,300	½	

**Note: In case the candidate has calculated using any other correct method full credit be given.**

**=3 marks**

9

**Q. On 1<sup>st</sup> April,2012, Samir Ltd. Issued ..... Redemption of debentures on 31<sup>st</sup> March,2018.**

3

**Journal**

Date	Particulars	L.F.	Debit	Credit
March 31 <sup>st</sup> 2017	Surplus i.e. balance in Statement of P&L ..Dr. To Debenture Redemption Reserve A/c (Being Debenture redemption reserve created)		1,25,000	1,25,000
April 2017	Debenture Redemption Reserve Investment A/c...Dr. To Bank A/c (Being specified securities purchased)		75,000	75,000
March 31 <sup>st</sup> 2018	Bank A/c .....Dr. To Debenture Redemption Reserve Investment A/c (Being Investments realized)		75,000	75,000
March 31 <sup>st</sup> 2018	9% Debentures A/c.....Dr. Premium on Redemption of Debentures A/c .....Dr. To Debenture holders A/c (Being debentures and premium on redemption due for redemption)		5,00,000 50,000	5,50,000
March 31 <sup>st</sup> 2018	Debenture holders A/c.....Dr. To Bank A/c (Being payment made to debenture holders)		5,50,000	5,50,000
March 31 <sup>st</sup> 2018	Debenture Redemption Reserve A/c     Dr. To General Reserve A/c (Being Debenture Redemption Reserve transferred to general reserve)		1,25,000	1,25,000

(1/2x6)

7 | 9 | 10

**Q. State any three purposes other than.....Securities Premium Reserve can be utilised.**

**3**

- Ans :** (i) Issue of Fully paid bonus shares  
(ii) To pay premium for redemption of debentures or preference shares.  
(iii) To write off expenses of, or commission paid or, discount allowed on shares/ debentures.  
(iv) For buy back of shares.

(1x3)

**(Any Three)**

**Or**

**OR**

**Q. Using imaginary..... Companies Act,2013.**

**Ans.**

**Balance Sheet**  
**(Of .....Ltd. as per Schedule III Of Companies Act 2013)**

Particulars	Note No.	Current Year (Rs.)	Previous Year (Rs.)
<u>Equity and Liabilities</u>			
Shareholders Funds	1	15,00,000	15,00,000

1

**Note No.**

Particulars	Current Year (Rs.)	Previous Year (Rs.)
<u>Authorised Capital:</u>		
2,00,000 Equity Shares of Rs.10 each	20,00,000	20,00,000
<u>Issued Capital:</u>		
1,50,000 Equity Shares of Rs. 10 Each	15,00,000	15,00,000
<u>Subscribed Capital:</u>		
Subscribed and Fully paid		
1,50,000 Equity Shares of Rs.10 each	15,00,000	15,00,000

2

**Note:**

- (i) The figures provided are imaginary. If the candidate has provided other correct figures full credit be given.  
(ii) In the Balance Sheet, previous year column may be ignored  
(iii) If an examinee has presented the Balance Sheet with 'Subscribed and not fully paid' capital with calls in arrears or shown share forfeiture account, full credit is to be given.

11 Q. Kanu and Manu were partners..... in the books of the firm.

Ans.

**Journal**

Date	Particulars	L.F.	Debit	Credit
	Bank A/c ..... Dr. To Tarun's Capital A/c To Premium for Goodwill A/c (Being capital and premium brought by new partner Tarun)		3,40,000	3,00,000 40,000
	Premium for Goodwill A/c..... Dr. To Manu's Capital A/c (Being premium for goodwill transferred to sacrificing partners)		40,000	40,000

4

2

2

12 Q. Anita, Babita and Chamanpreet were partners..... journal entries for the above transactions in the books of the firm..... executor was paid to her immediately.

Ans12:

**Journal**

Date	Particulars	L.F.	Debit	Credit
	Revaluation A/c.....Dr. To Furniture A/c To Plant and Machinery A/c To Claim for Workmen Compensation A/c (Being assets revalued claim for workmen compensation recorded)		63,000	36,000 12,000 15,000
	Anita Capital A/c ..... Dr. Babita Capital A/c..... Dr. Chamanpreet Capital A/c..... Dr. To Revaluation A/c (Being loss on revaluation distributed among partners)		21,000 21,000 21,000	63,000
	General Reserve A/c Dr. To Anita's Capital A/c To Babita's Capital A/c To Chamanpreet's Capital A/c (Being General Reserve distributed among		63,000	21,000 21,000 21,000

4

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½

1

partners)			
Anita's Capital A/c.....Dr. To Anita's Executor's A/c (Being balance in Anita's capital transferred to executor's account)		2,00,000	2,00,000
Anita's Executors A/c ..... Dr. To Bank A/c (Being Half of the outstanding amount paid to executors)		1,00,000	1,00,000

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1

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**Q. A, B and C were partners in a firm..... Prepare Profit and Loss Appropriation Account..... the Current Accounts of the partners.**

**ANS. P&L APPROPRIATION A/C**  
**Dr. (OF A,B AND C FOR THE YEAR ENDING 31-3-18) Cr.**

Particulars	Amount	Particulars	Amount
To Interest on Capital A's current A/c 40,500 B's current A/c 45,000 C's current A/c 54,000	1,39,500	By Net Profits (4,00,000-12,000)	3,88,000
To Salary to Partner A's current A/c	2,00,000		
To Profits A's current A/c 14,550 B's current A/c 14,550 C's current A/c 19,400	48,500		
	<u>3,88,000</u>		<u>3,88,000</u>

**Dr. Partner's Current A/C Cr.**

PARTICULARS	A	B	C	PARTICULARS	A	B	C
To balance B/d	20,000	10,000	15,000	By Int. On Cap	40,500	45,000	54,000
To Drawings	40,000	75,000	55,000	By salary	2,00,000	--	---
To Balance c/d	1,95,050	--	3,400	By Profits (app.)	14,550	14,550	19,400
	<u>2,55,050</u>	<u>85,000</u>	<u>73,400</u>	By Balance c/d		25,450	
					<u>2,55,050</u>	<u>85,000</u>	<u>73,400</u>

(3)  
(3)

15  
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14

**Q. Following is the summary of cash transactions..... summary prepare Receipts and Payments Account of Good Health Club for the year ending 31.3.2018.**

**Ans. Receipts and Payments A/c**  
**Dr. (of Good Health Club for the year ending 31-3-18) Cr.**

Receipts	Amount(Rs.)	Payments	Amount(Rs.)

6

To Opening balance cash bank	70,000 3,00,000	By wages and salary By Investment in 9% deb of XYZ Ltd.	55,000 2,40,000	½ mark for two correct posting + 1 for calculating closing bank bal.
To Subscription received 2016-17 40,000 2017-18 3,75,000 2018-19 <u>20,000</u>	4,35,000	By health journals By stationary	5,000 12,500	
To donations for gym	1,64,000	By insurance premium By courier charges	6760 800	
To Admission Fees	14,000	By Municipal taxes By Machine purchased	9570 38,000	
To Life Member fees	45,000	By Balance C/d Cash in hand	43000	
To lockers rent	11,000	Bank (Balancing Figure)	6,30,410	
To sale for old paper	300			
To interest on bank balance	1740			
	<u>10,41,040</u>		<u>10,41,040</u>	

13 14 15

**Q. A, B and C were partners. Their fixed capitals were ..... workings clearly, pass the necessary adjustment entry.**

**ANS**

	Interest on capital	Salary	Commission	Profits Payable	Total Payable	Profits Distributed	Excess/ (Deficiency)
A	3,000	-	-	20,920	23,920	40,000	16080
B	2,000	18,000	-	20,920	40,920	26,667	(14253)
C	1,000	-	3,700	10,460	15,160	13,333	(1827)

(4)

Date	Particulars	L.F	Debit (Rs.)	Credit (Rs.)
	A's Current A/c Dr. To B's current A/c To C's current A/c (Being adjustment entry passed through current's A/c of partners)		16,080	14,253 1,827

(2)

**Note: In case the working notes have been prepared in a different format or through profit and loss adjustment account full credit may be given.**

**OR**

**Q. T and N were partners in a..... Prepare Revaluation account, Partner's Capital Accounts and Opening Balance Sheet of the new firm.**

**Ans.**

Dr.		REVALUATION A/C		Cr.	
Particulars	Amount	Particulars	Amount		
To Provision For Doubtful Debts	2,000	By Partner's capital A/c			
To Furniture A/c	150	T	1,575		
To Stock A/c	<u>1000</u>	N	<u>1,575</u>		<u>3,150</u>

(2)

3150

3,150

Dr.				Cr.			
PARTNER'S CAPITAL A/C							
Particulars	T	N	M	Particulars	T	N	M
To Revaluation A/c	1,575	1,575	-	By Balance b/d	30,000	15,000	-
To Balance C/d	31,675	16,675	15,500	By General Reserve A/c	1,000	1,000	-
				By Bank A/c	-	-	15,500
				By Premium for Goodwill A/c	2,250	2,250	-
	<u>33,250</u>	<u>18,250</u>	<u>15,500</u>		<u>33,250</u>	<u>18,250</u>	<u>15,500</u>

(2)

**BALANCE SHEET**  
(of T,N and M as at 31-3-2018)

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Creditors	18,000	Cash at bank	21,000
Capitals		Debtors	40,000
T – 31,675		(-) Provision	<u>(2,000)</u>
N- 16,675		Stock	5,000
M- <u>15,500</u>	63,850	Furniture	2,850
		Freehold Property	<u>15,000</u>
	<u>81,850</u>		<u>81,850</u>

(2)

17

17

16

**Q. Royal Ltd. Invited applications for issuing 2,00,000 equity shares of Rs. 10 each..... All the forfeited shares were reissued at Rs.11.50 fully paid up to Meeta.**

**Pass necessary journal entries..... in the books of Royal Ltd.**

**Ans. Journal**

Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
	Bank A/c Dr. To Equity share application A/c (Being amount received on application of 4,50,000 shares at a premium of rs.2.50)		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 To Bank A/c (Being the amount transferred to share capital, share allotment, securities premium reserve and bank)		18,00,000	3,00,000 5,00,000 6,00,000 4,00,000
	Equity share allotment A/c Dr. To Equity share capital A/c (Being share allotment made due)		7,00,000	7,00,000

½

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½

8

Bank A/c Calls in arrears A/c To Equity share allotment A/c (Being share allotment received.)	Dr. Dr.	98,000 2,000	1,00,000
Equity share capital A/c To Share forfeited A/c To Calls in arrears A/c (Being shares forfeited.)	Dr.	20,000	18,000 2,000
Equity share 1 <sup>st</sup> and final call A/c To equity share capital A/c (Being shares 1 <sup>st</sup> and final call made due.)	Dr.	9,80,000	9,80,000
Bank A/c Calls in arrears A/c To Equity share 1 <sup>st</sup> and final call A/c (Being first and final call received)	Dr. Dr.	9,50,000 30,000	9,80,000
Equity share capital A/c To Share forfeiture A/c To Calls in arrears A/c (Being shares forfeited.)	Dr.	60,000	30,000 30,000
Bank A/c To Equity share capital A/c To Securities premium reserve A/c (Being shares re-issued.)	Dr.	1,15,000	1,00,000 15,000
Share Forfeiture A/c To Capital Reserve A/c (Being amount transferred to capital A/c)	Dr.	48,000	48,000

1

1

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½

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½

**Note: In case the candidate has given the solution without opening calls in arrears account full credit may be given.**

**Working notes:**

Shares Applied =  $3,50,000 / 2,00,000 \times 4000 = 7,000$  shares

Money Sent on Application =  $7,000 \times 4 = \text{Rs.}28,000$

Money used on application =  $4,000 \times 4 = \text{Rs.}16,000$

Excess received on Application =  $\text{Rs.}4,000$

Money Due on allotment =  $\text{Rs.}7,00,000$

Less Adjustment on Application =  $\text{Rs.}6,00,000$

Money Receivable =  $\text{Rs.}1,00,000$

Less: Not received =  $\text{Rs.}2,000$

( $\text{Rs.}14,000 - 12,000$  (excess))

Amount Received on Allotment =  $\text{Rs.}98,000$

OR

OR

**Q. Saral Ltd. Invited applications for issuing 25,000 equity shares ..... The forfeited shares were reissued at Rs. 95 per share fully paid up.**

**Pass necessary journal entries for the above transaction in the books of the company.**

Ans.		Journal			
Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)	
	Bank A/c Dr. To Equity share application A/c (Being amount received on application)		4,80,000	4,80,000	½
	Equity share application A/c Dr. To Equity share capital A/c (Being amount transferred to share capital.)		4,80,000	4,80,000	½
	Equity share allotment A/c Dr. To Equity share capital A/c (Being share allotment made due.)		7,20,000	7,20,000	½
	Bank A/c Dr. Calls in arrears A/c Dr. To Equity share allotment A/c (Being share allotment received.)		6,75,000 45,000	7,20,000	1
	Equity share 1 <sup>st</sup> call A/c Dr. To Equity share capital A/c (Being 1 <sup>st</sup> call due.)		6,00,000	6,00,000	1
	Bank A/c Dr. Calls in arrears A/c Dr. To Equity share 1 <sup>st</sup> call A/c (Being 1 <sup>st</sup> call received.)		5,00,000 1,00,000	6,00,000	1
	Equity share 2 <sup>nd</sup> call A/c Dr. To Equity share capital A/c (Being second call due.)		6,00,000	6,00,000	½
	Bank A/c Dr. Calls in arrears A/c Dr. To Equity share 2 <sup>nd</sup> call A/c (Being second call received.)		4,50,000 1,50,000	6,00,000	1
	Equity share capital A/c Dr. To Share forfeiture A/c To Calls in arrear A/c (Being shares forfeited.)		4,00,000	1,55,000 2,45,000	1
	Bank A/c Dr. Share Forfeiture A/c Dr. To Equity share capital A/c (Being forfeited shares re-issued.)		3,80,000 20,000	4,00,000	½
	Share Forfeiture A/c Dr. To capital reserve A/c (Being amount transferred to capital reserve.)		1,35,000	1,35,000	½

**Note: In case the candidate has given the solution without opening calls in arrears account full credit may be given.**

16 16 17

**Q. Michael, Jackson and John were..... Prepare Realisation account, Bank Account and Partner's Capital Accounts.**

8

**Ans.**

Dr.		REALISATION A/C		Cr.	
Particulars	Amount	Particulars	Amount		
To Debtors	48,400	By Provision for Doubtful Debts	2,400		
To Stock In hand	16000	By Creditors	11,500		
To Furniture	2000	By Loan	3,500		
To Sundry assets	34000	By Michael's Capital A/c			
To Michael's Capital A/c (creditors)	10,000	Furniture	2,600		
To John's Capital A/c		Debtors	<u>34,400</u>	37,000	
Loan	3,500	By Jackson's capital A/c			
Expenses	<u>600</u>	Stock in trade	14,000		
To Bank(creditors)	1,500	sundry assets	<u>28800</u>	42,800	
		By John's Capital A/c			
		Sundry assets		1,800	
		By Bank(Debtors)		4,200	
		By Partner's Capital A/c			
		Michael	7680		
		Jackson	2560		
		John	<u>2560</u>	<u>12800</u>	
	<u>1,16,000</u>			<u>1,16,000</u>	

(4)

Dr.		PARTNERS CAPITAL A/C			Cr.		
Particulars	Michael	Jackson	John	Particulars	Michael	Jackson	John
To Realisation A/c	37000	42800	1800	By Balance b/d	50,000	25,000	14,000
To Realisation A/c (loss)	7680	2560	2560	By Realisation A/c	10,000	-	4100
To Bank A/c	<u>15320</u>	-	<u>13740</u>	By Bank A/c	-	<u>20,360</u>	-
	<u>60,000</u>	<u>45,360</u>	<u>18100</u>		<u>60,000</u>	<u>45,360</u>	<u>18,100</u>

(2)

Dr.		BANK A/C		Cr.	
PARTICULARS	AMOUNT	PARTICULARS	AMOUNT		
To Balance b/d	6,000	By Realisation A/c	1500		
To Realisation A/c	4,200	By Michael's Capital A/c	15320		
To Jackson's Capital A/c	<u>20,360</u>	By John's Capital A/c	<u>13740</u>		
	<u>30,560</u>		<u>30,560</u>		

(2)

**OR**

**Q. N, S and B were partners in a firm..... Prepare Revaluation account,**

**Partner's Capital Accounts and the Balance Sheet of the reconstituted firm.**

Ans-

Dr.		REVALUATION A/C		Cr.	
PARTICULARS		AMOUNT	PARTICULARS	AMOUNT	
To Machinery A/c		3000	By Freehold	8,000	
To Furniture A/c		840	premises A/c		
To Provision for doubtful debts		1500	By Stock A/c	3,300	
To partner's capital A/c					
N-	2980				
S-	993				
B-	<u>1987</u>	5960			
		<u>11,300</u>		<u>11,300</u>	

(2 ½)

Dr.				PARTNER'S CAPITAL A/C				Cr.					
PARTICULARS				N	S	B	PARTICULARS				N	S	B
To B's A/c				5250	1750	-	By Balance B/d				30,000	30,000	28,000
To B's Loan A/c				-	-	40,987	By N's A/c				-	-	5250
To Balance c/d				33,730	31,243	-	By S's A/c				-	-	1750
							By General Reserve				6,000	2,000	4,000
							By Revaluation A/c				<u>2980</u>	<u>993</u>	<u>1987</u>
				<u>38980</u>	<u>32993</u>	<u>40987</u>					<u>38980</u>	<u>32993</u>	<u>40987</u>
To Current A/c				-	15000	-	By Balance b/d				33,730	31,243	-
To Balance C/d				<u>48,730</u>	<u>16,243</u>	-	By current A/c				15000	-	-
				<u>48730</u>	<u>31243</u>	-					<u>48,730</u>	<u>31,243</u>	-

(3 ½)

**BALANCE SHEET  
(of N & S as at 31-3-17)**

Liabilities	Amount	Assets	Amount
Capital's A/C		Freehold premises	48,000
N	48,730	Machinery A/c	27,000
S	<u>16,243</u>	Furniture A/c	11,160
Bills Payable	12,000	Stock A/c	25,300
Sundry Creditors	18,000	Sundry Debtors	20,000
N's Current A/c	15,000	-Provision for debtors	<u>(2,500)</u>
B's Loan A/c	<u>40987</u>	Cash	7,000
	<u>1,50,960</u>	S's Current A/c	<u>15,000</u>
			<u>1,50,960</u>

(2)

**ALTERNATE SOLUTION**

**Note: An examinee should have prepared Revaluation Account as per the given question. But if an examinee has prepared Realisation Account instead of Revaluation Account, the marking will be as follows:**

Dr.	Realisation A/c	Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)
To Sundry Assets		By Provision for bad debts	1,000
Freehold Premises    40,000		By Bills payable	12,000
Machinery                30,000		By Sundry Creditors	18,000
Furniture                 12,000			1 ½ marks
Stock                        22,000			
Sundry Debtors <u>20,000</u>			
	1,24,000		
To Bank	18,000		2 ½ marks
Creditors                 18,000			
Creditors                 18,000			
Bills payable            12,000			1 mark 1 mark

6 marks

Dr.				PARTNER'S CAPITAL A/c	Cr.				
Particulars	N(₹)	S(₹)	B(₹)	Particulars	N(₹)	S(₹)	B(₹)		
				By Balance b/d	30,000	30,000	28,000	1 mark	
				By General Reserve	6,000	2,000	4,000	1 mark	

**18 Q. Give any two examples of financing activities of a finance company.**

**Ans.** (i) Dividend paid.  
(ii) Issue of Shares.

**Note: In Case any candidate has given any other correct answer full marks be awarded**

½ x 2=1

**19 Q. Give the meaning of..... cash flow statement.**

½  
+

			<b>Ans:</b> Cash comprises of cash in hand and demand deposits with bank and cash equivalents are short term highly liquid investments that are readily convertible into cash which are subject to insignificant risk of loss in value.	½																																				
20.	21	20	<p><b>Q. Under which major heads and sub-heads will..... Companies act, 2013?</b>  <b>Bank overdraft.....</b>  ..... <b>8) Provision of taxation</b>  <b>Ans.</b></p> <table border="1"> <thead> <tr> <th>S.No.</th> <th>Items</th> <th>Headings</th> <th>Sub-Headings</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Bank Overdraft</td> <td>Current Liabilities</td> <td>Short term borrowings</td> </tr> <tr> <td>(ii)</td> <td>Subsidy Reserve</td> <td>Shareholders' funds</td> <td>Reserves and surplus- other</td> </tr> <tr> <td>(iii)</td> <td>Capital redemption reserve</td> <td>Shareholders' funds</td> <td>Reserves and surplus</td> </tr> <tr> <td>(iv)</td> <td>Mining Rights</td> <td>Non current assets</td> <td>Fixed assets- Intangibles</td> </tr> <tr> <td>(v)</td> <td>Patents</td> <td>Non current assets</td> <td>Fixed assets- Intangibles</td> </tr> <tr> <td>(vi)</td> <td>Debit balance in Statement of P&amp;L</td> <td>Shareholders' funds</td> <td>Reserves and surplus</td> </tr> <tr> <td>(vii)</td> <td>Debenture Redemption Reserve</td> <td>Shareholders' funds</td> <td>Reserves and surplus</td> </tr> <tr> <td>(viii)</td> <td>Provision for tax</td> <td>Current Liabilities</td> <td>Short term provisions</td> </tr> </tbody> </table> <p style="text-align: center;"><b>OR</b></p> <p><b>Q. Explain briefly ..... 2) Top Management.</b>  <b>Ans. 1) Finance Manager:</b> Focuses on the facts and relationships related to managerial performance, corporate efficiency, financial strength and weakness and credit worthiness of the company. It helps in constant review of financial operation and to analyse causes of major deviations which further help in taking corrective actions.</p> <p>2) <b>Top Management-</b> Top management is interested in every aspect of the financial analyses. It is their overall responsibility to see that the resources are used most efficiently and the firm's financial condition is sound. It helps the management in measuring the success of company's operations, appraising the individual's performance and evaluating the system of internal control.</p>	S.No.	Items	Headings	Sub-Headings	(i)	Bank Overdraft	Current Liabilities	Short term borrowings	(ii)	Subsidy Reserve	Shareholders' funds	Reserves and surplus- other	(iii)	Capital redemption reserve	Shareholders' funds	Reserves and surplus	(iv)	Mining Rights	Non current assets	Fixed assets- Intangibles	(v)	Patents	Non current assets	Fixed assets- Intangibles	(vi)	Debit balance in Statement of P&L	Shareholders' funds	Reserves and surplus	(vii)	Debenture Redemption Reserve	Shareholders' funds	Reserves and surplus	(viii)	Provision for tax	Current Liabilities	Short term provisions	<p><b>4</b></p> <p>½ x 8</p> <p><b>OR</b></p> <p>2</p> <p>2</p>
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22	20	21	<p><b>Q. From the following balances..... proprietary ratio.</b></p> <p><b>Ans.</b>  Proprietary ratio= <math>\frac{\text{Shareholder's Funds}}{\text{Total Assets}}</math></p> <p><b>Total Assets</b>= Plant and machinery+ Land and Building + Motor car+ Furniture + Stock+ debtors + Cash at bank</p> <p style="padding-left: 40px;">= 10,00,000+ 6,00,000+ 8,00,000+ 1,50,000+ 4,50,000+ 90,000+ 3,40,000  = Rs. 34,30,000</p> <p>Total Assets= Shareholder's Fund's + Non Current liabilities+ Current Liabilities  34,30,000= Shareholder's Fund+ 10,00,000+ 6,20,000</p> <p>Shareholder's Fund= Rs. 18,10,000  Proprietary Ratio= <math>\frac{18,10,000}{34,30,000} = 0.527</math></p> <p style="text-align: center;"><b>OR</b></p> <p><b>Q. Assuming that debt to equity..... following cases:</b></p> <p><b>Ans .</b> (i) No change  (ii) Decrease  (iii) Decrease  (iv) Increase</p>	<p style="text-align: right;"><b>4</b></p> <p style="text-align: right;">1</p> <p style="text-align: right;">1</p> <p style="text-align: right;">1</p> <p style="text-align: right;">1</p> <p style="text-align: right;">1</p> <p style="text-align: right;">(1x4=4)</p>																																																							
-	-	22	<p><b>Q. From the following information, prepare a common size statement..... R.K. Ltd.</b></p> <p><b>Ans</b></p> <p style="text-align: center;"><b><u>Common Size Statement of Profit and loss/Common size Income Statement</u></b>  ( of R.K. Ltd. For the year ending 31-3-17 and 31-3-18)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;">Particulars</th> <th style="width: 15%;">2016-17</th> <th style="width: 15%;">2017-18</th> <th style="width: 15%;">As a % of Revenue from operation (2016-17)</th> <th style="width: 15%;">As a % of Revenue from operation (2017-18)</th> </tr> </thead> <tbody> <tr> <td>(i) Revenue from Operation</td> <td>20,00,000</td> <td>10,00,000</td> <td>100%</td> <td>100%</td> </tr> <tr> <td>(ii) Other Incomes</td> <td>3,00,000</td> <td>80,000</td> <td>15%</td> <td>8%</td> </tr> <tr> <td>(iii) Total incomes</td> <td>23,00,000</td> <td>10,80,000</td> <td>115%</td> <td>108%</td> </tr> <tr> <td>(iv) Expenses</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Cost of material Consumed</td> <td>8,00,000</td> <td>3,00,000</td> <td>40%</td> <td>30%</td> </tr> <tr> <td>Employee benefit expenses</td> <td>2,40,000</td> <td>1,80,000</td> <td>12%</td> <td>18%</td> </tr> <tr> <td>Total expenses</td> <td>10,40,000</td> <td>4,80,000</td> <td>52%</td> <td>48%</td> </tr> <tr> <td>(v) Net Profit Before Tax</td> <td>12,60,000</td> <td>6,00,000</td> <td>63%</td> <td>60%</td> </tr> <tr> <td>(vi) Tax</td> <td>5,04,000</td> <td>2,40,000</td> <td>25.2%</td> <td>24%</td> </tr> <tr> <td>(vii) Net Profit After Tax</td> <td>7,56,000</td> <td>3,60,000</td> <td>37.8%</td> <td>36%</td> </tr> </tbody> </table>	Particulars	2016-17	2017-18	As a % of Revenue from operation (2016-17)	As a % of Revenue from operation (2017-18)	(i) Revenue from Operation	20,00,000	10,00,000	100%	100%	(ii) Other Incomes	3,00,000	80,000	15%	8%	(iii) Total incomes	23,00,000	10,80,000	115%	108%	(iv) Expenses					Cost of material Consumed	8,00,000	3,00,000	40%	30%	Employee benefit expenses	2,40,000	1,80,000	12%	18%	Total expenses	10,40,000	4,80,000	52%	48%	(v) Net Profit Before Tax	12,60,000	6,00,000	63%	60%	(vi) Tax	5,04,000	2,40,000	25.2%	24%	(vii) Net Profit After Tax	7,56,000	3,60,000	37.8%	36%	<p style="text-align: right;"><b>4</b></p> <p style="text-align: right;">½</p> <p style="text-align: right;">½</p> <p style="text-align: right;">½</p> <p style="text-align: right;">½</p> <p style="text-align: right;">½</p> <p style="text-align: right;">½</p> <p style="text-align: right;">½</p> <p style="text-align: right;">½</p> <p style="text-align: right;">½</p> <p style="text-align: right;">=4 marks</p>
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23 23 23

**Q. From the following balance sheet..... Cash Flow statement:-  
Ans.**

**Cash Flow Statement**  
of AXE Ltd. For the year ending 31-3-18(As per AS-3)

Particulars	Details(Rs.)	Amount(Rs.)
<b>1. Operating Activities:</b>		
Profit before tax and extraordinary items	1,98,000	
<u>Non Operating and Non Cash Items-</u>		
Depreciation charged during the year	6,000	
Profit on sale of assets/machinery	<u>(42,000)</u>	
Operating Profits before tax and changes in working capital	1,62,000	
<u>Changes in working Capital</u>		
Increase in trade payables	26,000	
Decrease in other current liabilities	(14,000)	
Decrease In inventories	56,000	
Increase in trade receivables	<u>(2,10,000)</u>	
Cash from Operating Activities(A)		20,000
<b>2. Investing Activities:</b>		
Purchase of machinery	<u>(1,32,000)</u>	
Sale of machinery	56,000	
Cash Used In Investing Activities (B)		(76,000)
<b>3. Financing Activity:</b>		
Issue of shares	70,000	
Cash from financing activities (C)		<u>70,000</u>
Net Cash Inflow During the year(A+ B+ C)		14,000
+ Opening Cash Equivalents		<u>70,000</u>
Closing cash equivalents		<u>84,000</u>

1  
1  
1  
1  
1/2  
1/2

Working Notes:

**Machinery A/c**

Dr.		Cr.	
Particulars	Amount	Particulars	Amount
To Balance B/d	3,60,000	By accumulated depreciation (prev. Depr)	28,000
To statement of P&L (Profit)	42,000	By Bank	56,000
To Bank A/c(Purchase) (balancing figure)	1,32,000	By Balance C/d	4,50,000
	<u>5,34,000</u>		<u>5,34,000</u>

1/2

<b>Accumulated Depreciation A/c</b>			
<b>Dr.</b>		<b>Cr.</b>	
Particulars	Amount	Particulars	Amount
To Machinery A/c (previous depreciation)	28,000	By Balance b/d	80,000
To balance c/d	<u>58,000</u>	By Depreciation (Charged)	6,000
	<u>86,000</u>		<u>86,000</u>

½

**PART B  
OPTION 2  
(Computerized Accounting )**

-	-	<b>18</b>	<p><b>Q. What is .....Attributes’.</b></p> <p><b>Ans.</b> In DBMS data is organised in tables .A table has a number of rows and columns. Each row contains a record of information. The information which is in the form of a sequence of columns is known as <b>attribute</b>.</p>	<p>= <b>1 mark</b></p>
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-	-	<b>19</b>	<p><b>Q. What.....Hardware’?</b></p> <p><b>Ans</b> Computer related peripherals and their network is known as hardware.</p>	<p>= <b>1 mark</b></p>
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-	-	<b>20</b>	<p><b>Q. Explain four.....Accounting System.</b></p> <p><b>Ans</b> Following are the limitations of computerised accounting softwares:</p> <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 granted.</li> </ol>	<p><b>1x4 =4 marks</b></p>
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<b>21</b>	<b>22</b>	<b>21</b>	<p><b>Q. Explain four.....’server database’?</b></p> <p><b>Ans.</b> (Any four)</p> <ol style="list-style-type: none"> <li>(i) Flexibility.</li> <li>(ii) Choice of front end applications.</li> <li>(iii) Powerful performance.</li> <li>(iv) Scalability to handle rapidly expanding number of users.</li> <li>(v) Ease of handling huge amount of data.(with suitable explanation)</li> </ol> <p style="text-align: center;"><b>OR</b></p>	<p><b>=4 Marks</b></p>
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			<p><b>Q. What is .....types of vouchers.</b></p> <p><b>Ans.</b> The vouchers are three types-(any two)</p> <ul style="list-style-type: none"> <li>• <b>Memo voucher:</b> Memo voucher is a non accounting voucher. It does not affect accounts of the user. These entries are stated/recorded in a separate register, but not as a part of ledger</li> <li>• <b>Post dated voucher:</b> Some accounting software allows the user to enter the voucher for future transactions which are usually similar as the previous once.</li> <li>• <b>User defined Voucher:</b> In accounting software there are 23 predefined vouchers. It allows the user to define or create new accounting or inventory vouchers as per the requirement. In the voucher entry, entry can be classified into three basic categories.</li> </ul>	
22	21	22	<p><b>Q. Explain.....'Mnemonic' codes.</b></p> <p><b>Ans. <u>Sequential Codes:</u></b> In these codes numbers and/or letters are assigned in consecutive order. These codes are applied primarily to source documents such as cheques, invoices etc. This code facilitates document searches. This process enables in either identification of missing codes (numbers) relating to a particular document or a relevant document can be traced.</p> <p><b><u>Mnemonic Codes:</u></b> These codes consist of alphabets or abbreviations as symbols to codify a piece of information. SJ for sales Journal, HQ for Head Quarters are examples of mnemonic codes.</p> <p style="text-align: center;"><b>OR</b></p> <p><b>Q. State the steps.....Tally.</b></p> <p><b>Ans.</b> The following are the steps to construct BRS in tally:</p> <ol style="list-style-type: none"> <li>1. Bring up the monthly summary of bank book.</li> <li>2. Bring your cursor to the first month and press enter. This brings up the vouchers for the month. Since this is a bank account, an additional button F5: reconcile will be visible on the right Press F5.</li> <li>3. The display now becomes an Edit screen in Reconciliation mode. The primary components are: A column for the 'Bankers Date'</li> <li>4. Amounts not reflected in banks</li> <li>5. Balance as per bank</li> </ol>	<b>=4 marks</b>
23	23	23	<p><b>Q. What is.....its benefits.</b></p> <p><b>Ans.</b> A format change, such as background cell shading or font colour that is applied to a cell when a specified condition for the data in the cell is true.</p> <p><b><u>Conditional formatting</u></b> is often applied to worksheets to find:</p> <ul style="list-style-type: none"> <li>• Data that is above or below a certain value. Duplicate data values.</li> </ul>	

		<ul style="list-style-type: none"><li>• Cells containing specific text. Data that is above or below average.</li><li>• Data that falls in the top ten or bottom ten values.</li></ul> <p><b><u>Benefits of using conditional formatting:</u></b></p> <p>i) Helps in answering questions which are important for taking decisions.</p> <p>ii) Guides with help of using visuals.</p> <p>iii) Helps in understanding distribution and variation of critical data.</p>	= <b>6 Marks</b>
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