

Marking Scheme

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Senior School Certificate Examination, 2023

ACCOUNTANCY (055)

PAPER CODE: 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.
2	“Evaluation policy is a confidential policy as it is related to the confidentiality of the examinations conducted, Evaluation done and several other aspects. Its’ leakage to public in any manner could lead to derailment of the examination system and affect the life and future of millions of candidates. Sharing this policy/document to anyone, publishing in any magazine and printing in News Paper/Website etc may invite action under various rules of the Board and IPC.”
3	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/or are innovative, they may be assessed for their correctness otherwise and due marks be awarded to them.
4	The Marking scheme carries only suggested value points for the answers. These are in the nature of Guidelines only and do not constitute the complete answer. The students can have their own expression and if the expression is correct, the due marks should be awarded accordingly.
5	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. If there is any variation, the same should be zero after deliberation and discussion. The remaining answer books meant for evaluation shall be given only after ensuring that there is no significant variation in the marking of individual evaluators.
6	Evaluators will mark(√) wherever answer is correct. For wrong answer CROSS ‘X’ be marked. Evaluators will not put right (✓) while evaluating which gives an impression that answer is correct and no marks are awarded. This is most common mistake which evaluators are committing.
7	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.
8	If a question does not have any parts, marks must be awarded in the left-hand margin and encircled.

	This may also be followed strictly.
9	If a student has attempted an extra question, answer of the question deserving more marks should be retained and the other answer scored out with a note “ Extra Question ”.
10	No marks to be deducted for the cumulative effect of an error. It should be penalized only once.
11	A full scale of 80 marks has to be used. Please do not hesitate to award full marks if the answer deserves it.
12	Every examiner has to necessarily do evaluation work for full working hours i.e., 8 hours every day and evaluate 20 answer books per day in main subjects and 25 answer books per day in other subjects (Details are given in Spot Guidelines).
13	<p>Ensure that you do not make the following common types of errors committed by the Examiner in the past:-</p> <ul style="list-style-type: none"> ● Leaving answer or part thereof unassessed in an answer book. ● Giving more marks for an answer than assigned to it. ● Wrong totalling of marks awarded on an answer. ● Wrong transfer of marks from the inside pages of the answer book to the title page. ● Wrong question wise totalling on the title page. ● Wrong totalling of marks of the two columns on the title page. ● Wrong grand total. ● Marks in words and figures not tallying/not same. ● Wrong transfer of marks from the answer book to online award list. ● Answers marked as correct, but marks not awarded. (Ensure that the right tick mark is correctly and clearly indicated. It should merely be a line. Same is with the X for incorrect answer.) ● Half or a part of answer marked correct and the rest as wrong, but no marks awarded.
14	While evaluating the answer books if the answer is found to be totally incorrect, it should be marked as cross (X) and awarded zero (0)Marks.
15	Any un assessed portion, non-carrying over of marks to the title page, or totaling 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 totaled and written in figures and words.
18	The candidates are entitled to obtain photocopy of the Answer Book on request on payment of the prescribed processing fee. All Examiners/Additional Head 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 given in the Marking Scheme.

MARKING SCHEME
Senior Secondary School Examination 2023
ACCOUNTANCY (Subject Code–055)
[Paper Code: 67/4/3]

Maximum Marks: 80

PART -A (ACCOUNTING FOR PARTNERSHIP FIRMS AND COMPANIES)		
Q. No.	EXPECTED ANSWER / VALUE POINTS	Marks
1	Q. Sujata Ltd. issued 5000, 7% Debentures..... Ans. (c) ₹2,00,000 and ₹3,50,000	1 mark
2	Q. (i) Ria and Surbhi were partners in a firm..... Ans. (a) Debiting Surbhi's account by ₹30,000 and crediting Ria's account by ₹30,000 OR Q. (ii) Naman, Suman and Mohit were partners..... Ans. (b) Naman's sacrifice 3/16, Suman's gain 1/16, Mohit's gain 2/16	1 mark OR 1 mark
3	Q. Part of uncalled share capital that..... Ans. (c) Reserve capital	1 mark
4	Q. On dissolution of a partnership firm..... Ans. (b) ₹80,000	1 mark
5	Q. Chavi Ltd. forfeited 5,000 equity shares..... Ans. (b) ₹30,000	1 mark
	Read the following hypothetical situation.....	

12	<p>Q. On dissolution of the firm of Ramesh.....</p> <p>Ans. (c) ₹14,500</p>	1 mark										
13	<p>Q. (i) On 1st October 2020, Amit.....</p> <p>Ans. (i) (a) ₹3600</p> <p style="text-align: center;">OR</p> <p>Q.(ii) Vijay, Ajay and Sanjay are partners.....</p> <p>Ans. (ii) (a) Profit and Loss Suspense Account</p>	1 mark OR 1 mark										
14	<p>Q. Assertion(A): Increase in the value.....</p> <p>Ans. (c) Both Assertion (A) and Reason (R) are correct and Reason (R) is correct explanation of Assertion (A)</p>	1 mark										
15	<p>Q. The goodwill of a firm was valued.....</p> <p>Ans. (b) ₹37,950</p>	1 mark										
16	<p>Q. Niva, Naman and Nityam were partners.....</p> <p>Ans. (d) 3:2:4</p>	1 mark										
17	<p>Q. Mahesh and Suresh were partners in a firm.....</p> <p>Ans.</p> <p style="text-align: center;"><i>Books of Mahesh and Suresh</i> <i>Journal</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 45%;">Particulars</th> <th style="width: 5%;">L.F</th> <th style="width: 15%;">Dr. Amount ₹</th> <th style="width: 25%;">Cr. Amount ₹</th> </tr> </thead> <tbody> <tr> <td></td> <td>Cash/Bank A/c Dr. To Nita's Capital A/c To Premium for Goodwill A/c (Share of premium for goodwill brought by Nita)</td> <td></td> <td style="text-align: center;">5,00,000</td> <td style="text-align: center;">2,00,000 3,00,000</td> </tr> </tbody> </table>	Date	Particulars	L.F	Dr. Amount ₹	Cr. Amount ₹		Cash/Bank A/c Dr. To Nita's Capital A/c To Premium for Goodwill A/c (Share of premium for goodwill brought by Nita)		5,00,000	2,00,000 3,00,000	1
Date	Particulars	L.F	Dr. Amount ₹	Cr. Amount ₹								
	Cash/Bank A/c Dr. To Nita's Capital A/c To Premium for Goodwill A/c (Share of premium for goodwill brought by Nita)		5,00,000	2,00,000 3,00,000								

	Premium for Goodwill A/c Dr. To Mahesh's Capital A/c To Suresh's Capital A/c (Premium for goodwill adjusted to Partners' account in sacrificing ratio 2:1)		3,00,000	2,00,000 1,00,000	1
	Mahesh's Capital A/c Dr. Suresh's Capital A/c Dr. To Cash A/c (Share of goodwill withdrawn by partners)		2,00,000 1,00,000	3,00,000	1 = 3 marks

18

Q. (a) On 1st April, 2021, Hitesh ltd. took over.....

Ans.

Books of Hitesh Ltd.

Journal

<i>Date</i>	<i>Particulars</i>	<i>L.F</i>	<i>Dr. Amount</i> ₹	<i>Cr. Amount</i> ₹
2021 April 1	Sundry Assets A/c Dr. Goodwill A/c Dr. To Sundry Liabilities A/c To Pranjal Ltd. (Assets acquired and Liabilities taken over, from Pranjal Ltd.)		8,00,000 70,000	40,000 8,30,000
2021 April 1	Pranjal Ltd. Dr. To Bills Payable A/c (Bills Payable accepted for part payment of purchase consideration)		2,00,000	2,00,000
2021 April 1	Pranjal Ltd. Dr. Discount on issue of debentures A/c Dr. To 10% Debentures A/c (Balance amount of purchase consideration settled through issue of 7,000, 10% debentures at a discount of 10%)		6,30,000 70,000	7,00,000

Working note:

No. of debentures issued= $6,30,000/90 = 7,000$ debentures

OR

OR

1x3
=3
marks

Q. (b) Disha Ltd. forfeited 500 shares of.....

Ans.

Books of Disha Ltd.

Journal

<i>Date</i>	<i>Particulars</i>	<i>L.F</i>	<i>Dr. Amount</i> ₹	<i>Cr. Amount</i> ₹
	(i) Share Capital A/c Dr. Securities Premium / Securities Premium Reserve A/c Dr. To Share Forfeiture A/c To Calls in arrears A/c (500 shares forfeited for non payment of allotment and 1 st call)		45,000 5,000	 25,000 25,000
	<i>Alternatively,</i>			
	Share Capital A/c Dr. Securities Premium / Securities Premium Reserve A/c Dr. To Share Forfeiture A/c To Share Allotment A/c To Share First call A/c (500 shares forfeited for non payment of allotment and 1 st call)		45,000 5,000	 25,000 15,000 10,000
	(ii) Bank A/c Dr. Share Forfeiture A/c Dr. To Share capital A/c (300 shares reissued @ ₹80, fully paid up)		24,000 6,000	 30,000
	(iii) Share Forfeiture A/c Dr. To Capital Reserve A/c (Gain on reissue of 300 shares transferred to capital reserve)		9,000	9,000

**1x3=3
marks**

19

Q.(a) Monika, Bhoomika and Kamolika are partners.....

Ans. Dr. Profit & Loss Appropriation A/c Cr.
for the year ended 31st March 2022

Particulars	Amount ₹	Particulars	Amount ₹
To Profit transferred to Partners' Capital A/c:		By P & L A/c (Net Profit) (1/2) ←	22,00,000
Monika 12,00,000			
Less: Guarantee to Kamolika			
<u>60,000</u>	11,40,000	→ (1/2)	
Bhoomika 8,00,000			
Less: Guarantee to Kamolika			
<u>40,000</u>	7,60,000	→ (1/2)	
Kamolika 2,00,000			
Add: Guarantee from Monika			
60,000			
Add: Guarantee from Bhoomika			
<u>40,000</u>	3,00,000	→ (1½)	
	22,00,000		22,00,000

3
marks

OR

OR

Q.(b) Ananya, Bhavi and Chandni were partners.....

Ans. Books of Ananya, Bhavi and Chandni

Journal

Date	Particulars	L.F	Dr. Amount ₹	Cr. Amount ₹
2022 March 31	Bhavi's Capital A/c Dr. To Ananya's Capital A/c To Chandani's Capital A/c (Adjustment entry passed for omission of salary to partners)		11,000	3,000 8,000

1

Table Showing Adjustments

Particulars	Ananya(₹)	Bhavi(₹)	Chandni(₹)	Firm(₹)
Salary to be credited	18,000	4,000	18,000	40,000
₹40,000 to be debited in 3:3:2	15,000	15,000	10,000	40,000
Difference	3,000	11,000	8,000	-
	Cr.	Dr.	Cr.	-

2

Note: Full credit to be given to the examinees if the working has been done in some other format or through P & L Adjustment A/c.

1+2=3
marks

21

Q. Prakash, Aakash and Vikas were partners.....

Ans.

Books of Prakash, Aakash and Vikas

Dr.

Vikas's Capital A/c

Cr.

<i>Particulars</i>	<i>Amount</i> ₹	<i>Particulars</i>	<i>Amount</i> ₹
To Drawings A/c	20,000	By Balance b/d	80,000
To Vikas's Executors A/c	1,50,800	By General Reserve A/c	20,000
		By Prakash's Capital A/c (G/W)	30,000
		By Aakash's Capital A/c (G/W)	30,000
		By Interest on Capital A/c	4,800
		By P& L Suspense A/c	6,000
	1,70,800		1,70,800

Working Note:

1. Calculation of Goodwill:

Average profits = $4,00,000/4 = 1,00,000$

Firm's Goodwill = $3 \times 1,00,000 = 3,00,000$

Vikas share of Goodwill = $3,00,000/5 = ₹60,000$

2. Calculation of Profit:

Vikas share of Profit = $60,000 \times 6/12 \times 1/5 = ₹6,000$

Note: No marks for working notes.

½ X 8
=4
marks

22

Q. Sunstar Ltd. has an authorised capital of.....

Ans.

Balance Sheet of Sunstar Ltd. (An Extract)

as at -----

<i>Particulars</i>	<i>Note no.</i>	<i>Amount (₹)</i>
Equity and Liabilities		
Shareholders' Funds		
Share Capital	1	5,74,000

1

Notes to Accounts :-

Particulars	Amount (₹)
1. Share Capital :	
<u>Authorised Capital</u> 2,00,000 shares @ ₹ 10 each	20,00,000
<u>Issued capital</u> 60,000 Equity share @ ₹ 10 each	6,00,000
<u>Subscribed Capital</u> Subscribed and fully paid up 56,000 Shares of ₹ 10 each	5,60,000
Add: Share Forfeiture A/c	14,000
	5,74,000

1

1

½

½

=4
marks

23

Q. Pass necessary journal entries for the following.....

Ans.

*Books of Aman and Bimal***JOURNAL**

<i>Date</i>	<i>Particulars</i>	<i>L.F</i>	<i>Dr. Amount</i> ₹	<i>Cr. Amount</i> ₹
	(i) Realisation A/c Dr. To Aman's Capital A/c (Realisation expenses paid by Aman)		2,600	2,600
	(ii) No Entry		----	----
	(iii) Cash/ Bank A/c Dr. To Realisation A/c (Unrecorded asset realised)		3,500	3,500
	(iv) Realisation A/c Dr. To Cash/ Bank A/c (Remaining Creditors paid at a discount of 5%)		19,000	19,000
	(v) Bimal's Capital A/c Dr. To Realisation A/c (Remaining stock taken over by Bimal)		24,000	24,000
	(vi) Cash/ Bank A/c Dr. To Realisation A/c (Investments realised at 40% of the face value)		4,000	4,000

1x6
=6
marks

24

Q. Pass the necessary journal entries for the issue.....

Ans.

*Books of Amrit Ltd.***JOURNAL**

<i>Date</i>	<i>Particulars</i>	<i>L.F</i>	<i>Dr. Amount</i> ₹	<i>Cr. Amount</i> ₹
	(i)a Bank A/c Dr. To Debenture Application and Allotment A/c (Receipt of application money on 10,000, 9% debentures of ₹100 each at a discount of 10%)		9,00,000	9,00,000

25

Q.(a) Bhumi and Chavi were partners in a firm.....

Ans.

Dr.		Revaluation A/c		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)	Particulars	Amount (₹)
To Profit transferred to Partners' Capital Accounts : $\frac{1}{2}$		By Machinery A/c $\frac{1}{2}$	80,000		
Bhumi	50,000				
Chavi	<u>30,000</u>				
	80,000				
					80,000

Dr.		Partners' Capital A/c				Cr.	
Particulars	Bhumi ₹	Chavi ₹	Aditi ₹	Particulars	Bhumi ₹	Chavi ₹	Aditi ₹
				By Balance b/d $\frac{1}{2}$	3,20,000	3,40,000	
				By Cash A/c $\frac{1}{2}$			3,00,000
				By Revaluation A/c (Profit) $\frac{1}{2}$	50,000	30,000	
				By General Reserve A/c $\frac{1}{2}$	50,000	30,000	
				By Premium for Goodwill A/c $\frac{1}{2}$	25,000	15,000	
To Balance c/d	4,45,000	4,15,000	3,00,000				
	4,45,000	4,15,000	3,00,000		4,45,000	4,15,000	3,00,000
To Current A/c $\frac{1}{2}$	70,000	1,90,000	---	By Balance b/d	4,45,000	4,15,000	3,00,000
To Balance c/d $\frac{1}{2}$	3,75,000	2,25,000	3,00,000				
	4,45,000	4,15,000	3,00,000		4,45,000	4,15,000	3,00,000

Working note:

Calculation of New Capitals:

Capital of New Firm based on Aditi's capital = 3,00,000 X 3 = 9,00,000

New ratio 5:3:4

New Capitals in 5:3:4 :-

- Bhumi = $\frac{5}{12} \times 9,00,000 = ₹3,75,000$
- Chhavi = $\frac{3}{12} \times 9,00,000 = ₹2,25,000$
- Aditi = $\frac{4}{12} \times 9,00,000 = ₹3,00,000$

Note: No marks for working notes.

1

5

1+5=6
marks

OR

OR

Q.(b) Anna, Bina and teena were partners.....

Ans.

<i>Dr.</i>		<i>Revaluation A/c</i>		<i>Cr.</i>	
<i>Particulars</i>	<i>Amount (₹)</i>	<i>Particulars</i>	<i>Amount (₹)</i>		
To Furniture A/c $\frac{1}{2}$	10,000	By Loss transferred to Partners' Capital Accounts : $\frac{1}{2}$			
		Anna	5,000		
		Bina	3,000		
		Teena	<u>2,000</u>	10,000	
	10,000			10,000	

1

<i>Dr.</i>				<i>Partners' Capital A/c</i>				<i>Cr.</i>			
<i>Particulars</i>	<i>Anna ₹</i>	<i>Bina ₹</i>	<i>Teena ₹</i>	<i>Particulars</i>	<i>Anna ₹</i>	<i>Bina ₹</i>	<i>Teena ₹</i>				
To Revaluation A/c (Loss) $\frac{1}{2}$	5,000	3,000	2,000	By Balance b/d $\frac{1}{2}$	2,00,000	2,00,000	1,00,000				
To Anna's Capital A/c $\frac{1}{2}$		12,000	18,000	By Bina's Capital A/c	12,000						
To Balance c/d	2,25,000	1,85,000	80,000	By Teena's Capital A/c $\frac{1}{2}$	18,000						
	2,30,000	2,00,000	1,00,000		2,30,000	2,00,000	1,00,000				
To Cash A/c/ Bank A/c $\frac{1}{2}$	2,25,000			By Balance b/d	2,25,000	1,85,000	80,000				
To Balance c/d $\frac{1}{2}$	---	2,45,000	2,45,000	By Cash A/c/ Bank A/c $\frac{1}{2}$	---	60,000	1,65,000				
	2,25,000	2,45,000	2,45,000		2,25,000	2,45,000	2,45,000				

5

Working note:

1. Gaining Ratio of Bina and Teena= 2:3

2. Calculation of new capitals of remaining partners:

Adjusted Capital of Bina	1,85,000
+ Adjusted Capital of Teena	80,000
+ Amount payable to Anna	<u>2,25,000</u>
Total Capital of new firm	<u>4,90,000</u>
New Capital of Bina	2,45,000
New Capital of Teena	2,45,000

Note: No marks for working notes.

**1+5=6
marks**

26

Q.(a) Yash Ltd. invited applications for.....

Ans.

*Books of Yash Ltd.**Journal*

<i>Date</i>	<i>Particulars</i>	<i>L.F</i>	<i>Dr. Amount</i> ₹	<i>Cr. Amount</i> ₹	
	Bank A/c Dr. To Equity Share Application A/c (Application money received on 1,20,000 shares)		3,60,000	3,60,000	½
	Equity Share Application A/c Dr. To Equity Share Capital A/c To Equity Share Allotment A/c To Bank A/c (Application money transferred to share capital A/c , to share allotment A/c and refunded)		3,60,000	1,50,000 1,50,000 60,000	1
	Equity Share Allotment A/c Dr. To Equity Share Capital A/c To Securities Premium / Securities Premium Reserve A/c (Amount due on allotment)		1,50,000	1,00,000 50,000	1
	Bank A/c Dr. To Equity Share allotment A/c		Nil	Nil	No marks
	Equity Share First and final call A/c Dr. To Equity Share Capital A/c (Amount due on First call)		2,50,000	2,50,000	½
	Bank A/c Dr. Calls in arrears A/c Dr. To Equity Share First call A/c (First call money received , except on 2500 shares)		2,37,500 12,500	2,50,000	1
	Equity Share Capital Dr. To Share forfeiture A/c To Calls in arrears A/c (2500 shares forfeited for non payment of first and final call)		25,000	12,500 12,500	1

Alternatively,				
Equity Share Capital	Dr.	25,000		
To Equity Share forfeiture A/c			12,500	
To Equity Share First and Final Call A/c (2500 shares forfeited for non payment of first and final call)			12,500	
Bank A/c	Dr.	60,000		
To Equity Share Capital A/c			25,000	
To Securities Premium /Securities Premium Reserve A/c (Forfeited shares reissued for ₹60,000, fully paid up)			35,000	½
Share forfeiture A/c	Dr.	12,500		
To Capital reserve A/c (Gain on reissue of forfeited shares transferred to capital reserve A/c)			12,500	½

=6 marks

OR

OR

Q.(b) Ajanta ltd. issued prospectus inviting.....

Ans.

**Books of Ajanta Ltd.
Journal**

Date	Particulars	L.F	Dr. Amount ₹	Cr. Amount ₹
	Bank A/c	Dr.	18,00,000	
	To Equity Share Application A/c (Application money received on 6,00,000 shares)			18,00,000
	Equity share application A/c	Dr.	18,00,000	
	To Equity Share Capital A/c			15,00,000
	To Equity Share Allotment A/c (Application money transferred to share capital A/c , excess money received adjusted towards allotment)			3,00,000

½

1

	Equity share Allotment A/c To Equity Share Capital To Securities Premium / Securities Premium Reserve A/c (Amount due on allotment)	Dr.	25,00,000	20,00,000 5,00,000	1
	Bank A/c Calls in arrears A/c To Equity Share allotment A/c (Allotment money received, except on 1000 shares)	Dr. Dr.	21,95,600 4,400	22,00,000	1
	Equity Share First and Final call A/c To Equity share Capital A/C (Amount due on First and final call)	Dr.	15,00,000	15,00,000	½
	Bank A/c Calls in arrears A/c To Equity Share First call A/c (First call money received, except on 1000 shares)	Dr. Dr.	14,97,000 3,000	15,00,000	1
	Equity share capital Securities Premium / Securities Premium Reserve A/c To Share forfeiture A/c To Calls in arrears A/c (1000 shares forfeited for non-payment of allotment and first call)	Dr. Dr.	10,000 1,000	3,600 7,400	1
					=6 marks

PART-B
OPTION-I
(ANALYSIS OF FINANCIAL STATEMENTS)

27	<p>Q. (i) Which of the following will result.....</p> <p>Ans.</p> <p>(c) ₹30,000 received from debtors</p> <p style="text-align: center;">OR</p> <p>Q. (ii) An investment normally qualifies as</p> <p>Ans.</p> <p>(d) Three months or less</p>	<p>1 mark</p> <p style="text-align: center;">OR</p> <p>1 mark</p>
----	--	--

b) Any two of the following:

1. Gross Profit Ratio

- Gross profit ratio as a percentage of revenue from operations is computed to have an idea about gross margin.
- $\text{Gross Profit Ratio} = \frac{\text{Gross Profit}}{\text{Net Revenue of Operations}} \times 100$

2. Operating Ratio

- Operating ratio is computed to express cost of operations excluding financial charges in relation to revenue from operations.
- $\text{Operating Ratio} = \frac{\text{Operating Cost}}{\text{Revenue from Operations}} \times 100$

3. Operating Profit Ratio

- It is calculated to reveal operating margin and throws light on the operational efficiency of the business.
- It may be computed directly or as a residual of operating ratio.
 - $\text{Operating Profit Ratio} = 100 - \text{Operating Ratio}$
 - $\text{Operating Profit Ratio} = \frac{\text{Operating Profit}}{\text{Revenue from Operations}} \times 100$

4. Net Profit Ratio

- It is a measure of net profit margin in relation to revenue from operations.
- $\text{Net Profit Ratio} = \frac{\text{Net profit}}{\text{Revenue from Operations}} \times 100$

5. Return on Capital Employed or Investment

- It reveals the efficiency of the business in utilisation of funds entrusted to it by shareholders, debenture-holders and long-term loans.
- Return on Investment (or Capital Employed)
 - = $\frac{\text{Profit before Interest and Tax}}{\text{Capital Employed}} \times 100$

Note: If the examinee has given the meaning in any other way, Full credit is to be given.

(1/2 mark for naming and 1/2 mark for explanation)

1x2=2

1+2=3 marks

33

Q. (i)(a) Y Ltd. has a Current Ratio of 3.5:1.....

Ans.

Current Ratio= Current Assets/ Current Liabilities

Current Ratio= 3.5:1

Current Assets/ Current Liabilities= 3.5:1

Current Assets(CA)= 3.5 Current Liabilities(CL)..... $\frac{1}{2}$

Quick Ratio= Quick Assets/ Current Liabilities

Quick Ratio = 2:1

Quick Assets/ Current Liabilities= 2:1

Quick Assets(QA) = 2 Current Liabilities(CL)..... $\frac{1}{2}$

Inventory= CA- QA

48,000= 3.5 CL- 2 CL

48,000= 1.5 CL

Current Liabilities (CL)= ₹32000 $\frac{1}{2}$

Current Assets(CA)= 3.5x 32000= ₹1,12,000 $\frac{1}{2}$

2 marks

Q. (i)(b) Calculate Debt to Equity Ratio.....

Ans.

Debt Equity Ratio= Debt/ Equity..... $\frac{1}{2}$

Debt= Total Debt- Current Liabilities= 4,00,000-1,00,000= 3,00,000 $\frac{1}{2}$

Equity= Shareholder's funds= 2,00,000 $\frac{1}{2}$

Debt Equity Ratio= 3,00,000/ 2,00,000= 1.5:1..... $\frac{1}{2}$

} 2 marks

2+2=4 marks

OR

OR

Q. (ii) The Current ratio of a company.....

Ans.

S. No.	Effect on Ratio	Reason
a	No change	No change in both current assets and current liabilities.
b	Decline	Current assets decrease with no change in current liabilities.
c	Improve	Current assets increase with no change in current liabilities
d	Improve	Current assets increase with no change in current liabilities

$\frac{1}{2}$ mark for effect & $\frac{1}{2}$ mark for reason

1X4 =4 marks

34

Q. Read the following hypothetical text.....

Madhav is a young entrepreneur.....

Ans.

Cash flows from Investing activities

Particulars	Details ₹	Amount ₹
Sale of machinery $\frac{1}{2}$	45,000	
Purchase of machinery $\frac{1}{2}$	(20,25,000)	
Cash used in investing activities $\frac{1}{2}$		(19,80,000)

2

Cash flows from Financing activities

Particulars	Details ₹	Amount ₹
Issue of shares $\frac{1}{2}$	10,00,000	
10% Debentures issued $\frac{1}{2}$	9,00,000	
Interest on debentures paid $\frac{1}{2}$	(1,25,000)	
Payment of Bank Overdraft $\frac{1}{2}$	(25,000)	
Cash flows from Financing activities $\frac{1}{2}$		17,50,000

2 $\frac{1}{2}$

Working notes:

<i>Dr.</i>		<i>Plant & Machinery A/c</i>		<i>Cr.</i>	
<i>Particulars</i>	<i>₹</i>	<i>Particulars</i>	<i>₹</i>		
To Balance b/d	25,00,000	By Accumulated			
To Bank A/c	20,25,000	Depreciation A/c	50,000		
(Purchase-Bal.Fig)		By Bank A/c	45,000		
		By Statement of P & L	30,000		
		(Loss on sale A/c)			
		By Balance c/d	44,00,000		
	45,25,000				
			45,25,000		

<i>Dr.</i>		<i>Accumulated Depreciation A/c</i>		<i>Cr.</i>	
<i>Particulars</i>	<i>₹</i>	<i>Particulars</i>	<i>₹</i>		
To Machinery A/c	50,000	By Balance b/d	2,50,000		
To Balance c/d	4,00,000	By Depreciation A/c	2,00,000		
	4,50,000				
			4,50,000		

1 ½

2+2½
+1 ½
=6
marks

**PART-B
OPTION-II
(COMPUTERIZED ACCOUNTING)**

27	<p>Q. Which type of software package is suitable..... Ans. (a) Generic</p>	1 mark
28	<p>Q.(i)The need of codification..... Ans. (i) (b) The encryption of data</p> <p align="center">OR</p> <p>Q.(ii)Where are the amounts owed by customers..... Ans. (ii) (c) Accounts Receivable Subsidiary Ledger</p>	1 Mark 1 mark
29	<p>Q.(i) To safeguard assets and optimise the..... Ans. (i) (b) Keeps internal controls</p> <p align="center">OR</p> <p>Q.(ii)Correct # # # # # error appears..... Ans. (ii) (c) When column is not wide enough</p>	1 mark OR 1 mark

30	<p>Q. A ‘value’ or ‘function’ or an</p> <p>Ans. (c) Cell</p>	1 mark																																
31	<p>Q. What is meant by ‘Memo Voucher’,.....</p> <p>Ans.</p> <p><u>Memo Voucher:</u> It is a non-accounting voucher. It does not affect accounts of the user. The entries contained in these vouchers are recorded/stated in a separate register, but not as a part of ledger.</p> <p><u>Post-dated Voucher:</u> Some software allows the users to enter the voucher for future transactions which are usually similar as the previous once.</p> <p><u>User defined Voucher :</u> In accounting software there are 23 pre-defined vouchers. It allows the user to define or create new accounting or inventory vouchers as per the requirement.</p>	1x3 =3 marks																																
32	<p>Q. Differentiate between ‘Generic Software’ and</p> <p>Ans.</p> <p><u>Any three</u> of the following differences:</p> <table border="1" data-bbox="229 1171 1369 1615"> <thead> <tr> <th></th> <th><i>Basis</i></th> <th><i>Generic</i></th> <th><i>Tailored</i></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Nature of business</td> <td>Small, Conventional business</td> <td>Large, typical business</td> </tr> <tr> <td>2</td> <td>Cost of installation and Maintenance</td> <td>Low</td> <td>High</td> </tr> <tr> <td>3</td> <td>Expected level of secrecy</td> <td>Low</td> <td>Relatively high</td> </tr> <tr> <td>4</td> <td>No. of users and their interface</td> <td>Limited</td> <td>Unlimited</td> </tr> <tr> <td>5</td> <td>Linkage to other information system</td> <td>Restricted</td> <td>Yes</td> </tr> <tr> <td>6</td> <td>Adaptability</td> <td>High</td> <td>Specific</td> </tr> <tr> <td>7</td> <td>Training requirements</td> <td>Low</td> <td>High</td> </tr> </tbody> </table>		<i>Basis</i>	<i>Generic</i>	<i>Tailored</i>	1	Nature of business	Small, Conventional business	Large, typical business	2	Cost of installation and Maintenance	Low	High	3	Expected level of secrecy	Low	Relatively high	4	No. of users and their interface	Limited	Unlimited	5	Linkage to other information system	Restricted	Yes	6	Adaptability	High	Specific	7	Training requirements	Low	High	1x3 =3 marks
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33	<p>Q.(a) Explain account group ‘Current Assets’.....</p> <p>Ans.</p> <p><u>Any four</u> from Current Account with appropriate explanation.</p> <ol style="list-style-type: none"> (1) Stock in Hand (2) Loans and Advances (3) Sundry Debtors (4) Bank Account (5) Cash in Hand (6) Miscellaneous Expenditure 	1x4=4 marks																																

	<p style="text-align: center;">OR</p> <p>Q.(b) Give the meaning of ‘labels’ and</p> <p>Ans.</p> <p>Labels : Text or descriptive data such as names, months, usually includes alphabetic characters. Excel aligns text to left side of the cell.</p> <p>Values : Numbers are generally raw numbers or dates.</p> <p>Whole value : If the data is a whole value, such as 34 or 5763 excel aligns the data to the right side of the cell.</p> <p>Value with a decimal: If the data is a decimal value. Excel aligns the data to the right side of the cell including decimal point – example.</p>	<p style="text-align: center;">OR</p> <p style="text-align: center;">4 marks</p>
<p>34</p>	<p>Q. Name and explain the financial function.....</p> <p>Ans.</p> <p>The name of the function is CUMIPMT.</p> <p>This function returns the cumulative interest paid between two periods.</p> <p>Its syntax is CUMIPMT (rate, nper, pv, start_period, end_period, type)</p> <p>Where</p> <p>Rate : is the interest rate</p> <p>Nper : is the total number of payment periods.</p> <p>Pv : is the present value.</p> <p>Start_Period –is the first period in the calculation. Payment periods are numbered beginning with 1.</p> <p>End_Period – is the last period in the calculation.</p> <p>Type – is the timing of the payment (which may be either 0 or 1)</p> <p>0-means payment at the end of the period.</p> <p>1-means payment at the beginning of the period.</p>	<p style="text-align: center;">1</p> <p style="text-align: center;">5</p> <p style="text-align: center;">1+5=6 marks</p>
