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Senior School Certificate Examination

March -2018 - 19

Marking Scheme – Accountancy 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. 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.

SET 3

Q. Set No.			Marking Scheme 2018-19 Accountancy (055) 67/4/3 Expected Answers / Value points	Distribution of marks						
67/4 /1	67/4 /2	67/4 /3								
3	4	1	<p>Q. A and B.....A, B, C, D. Ans. Old ratio =3:2 A's Sacrifice(in favour of C)=$1/4 \times 3/5 = 3/20$ B's Sacrifice(in favour of D)=$1/2 \times 2/5 = 2/10$</p> <p>A's New Share=$3/5 - 3/20 = 9/20$ B's New Share=$2/5 - 2/10 = 2/10$</p> <p>New Profit Sharing Ratio=9:4:3:4</p>	<p>½</p> <p>½</p> <p>=1 Mark</p>						
4	2	2	<p>Q. Distinguish between 'Closure of Books'. Ans.</p> <table border="1"> <thead> <tr> <th>Basis</th> <th>Reconstitution of Partnership</th> <th>Dissolution of Partnership Firm</th> </tr> </thead> <tbody> <tr> <td>Closure of Books</td> <td>Does not require because the business is not terminated.</td> <td>The books of accounts are closed.</td> </tr> </tbody> </table> <p align="center">OR</p> <p>Q. State the basis.....year of Death. Ans. Profit may be estimated (a) On the basis of Last year's profit/ Average profits of last given no. of years (b) On the basis of Turnover/ Sales.</p>	Basis	Reconstitution of Partnership	Dissolution of Partnership Firm	Closure of Books	Does not require because the business is not terminated.	The books of accounts are closed.	<p>=1 mark</p> <p>½</p> <p>½</p> <p>=1 Mark</p>
Basis	Reconstitution of Partnership	Dissolution of Partnership Firm								
Closure of Books	Does not require because the business is not terminated.	The books of accounts are closed.								
5	1	3	<p>Q. What is meant..... Collateral Security? Ans. Debentures issued as secondary security/additional security over and above the primary security is known as Issue of Debentures as Collateral Security.</p> <p align="center">OR</p> <p>Q. State the Provision.....Debenture Redemption Reserve. Ans. Where a company has issued Debentures, it shall create a DRR equivalent to at least 25% of the nominal value of debentures outstanding for the redemption of such debentures.</p>	<p>=1 Mark</p>						
1	5	4	<p>Q. Differentiate between.....of 'Period'. Ans.</p> <table border="1"> <thead> <tr> <th>Basis</th> <th>Receipts & Payments A/c</th> <th>Income & Expenditure A/c</th> </tr> </thead> <tbody> <tr> <td>Period</td> <td>May relate to preceeding and succeeding periods</td> <td>Relate to current period.</td> </tr> </tbody> </table>	Basis	Receipts & Payments A/c	Income & Expenditure A/c	Period	May relate to preceeding and succeeding periods	Relate to current period.	<p>=1 Mark</p>
Basis	Receipts & Payments A/c	Income & Expenditure A/c								
Period	May relate to preceeding and succeeding periods	Relate to current period.								

			OR											
			Q. What is.....'Life Membership Fees'? Ans. Membership fee paid in lump sum to become a life member of a not- for- profit organisation.											
2	3	5	Q. Dev withdrew.....on Dev's Drawings. Ans. Interest On Drawings= $1,20,000 \times 12 / 100 \times 6 / 12 = 7,200$	=1 Mark										
-	-	6	Q. State any two.....dissolved. Ans. A firm is dissolved compulsorily in the following cases: (any two) (a) When all the partners or all but one partner, becomes insolvent, rendering them incompetent to sign a contract. (b) When the business of the firm becomes illegal; or (c) When some event has taken place which makes it unlawful for the partners to carry on the business of the firm in partnership, e.g. when a partner who is a citizen of a country becomes an alien enemy because of the declaration of war with his country and India.	½ x2 =1 mark										
7	7	7	Q. What is meant Over-subscription. Ans. When the no. of shares applied is more than the no. of shares offered by the co., it is said to be a case of over-subscription. For Example: A company invited applications for 1,00,000 shares and received applications for 4,00,000 shares. Three alternatives are available for allotment of shares: (a) To allot 1,00,000 shares in full to selected applicants and the remaining 3,00,000 applications were rejected outright. (b) To make pro-rata allotment to all applicants. (c) Totally reject applications for 2,00,000 shares, accept full applications for 80,000 shares and make pro-rata allotment of 20,000 shares to remaining 1,20,000 applicants. (or any other correct example)	1 ½										
			OR											
			Q. What is meant.....Capital Reserve? Ans. Cancellation of shares for the non payment of called up amount is termed as Forfeiture of shares. Gain on Forfeited shares arises on reissue. It is transferred immediately on the reissue of forfeited shares.	OR 1 1 =3 marks										
-	-	8	Q. Devi, Dayal and Daya.....Divya's admission. Ans. Journal											
			<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Date</th> <th style="width: 45%;">Particulars</th> <th style="width: 5%;">LF</th> <th style="width: 15%;">Dr. Amt. (₹)</th> <th style="width: 20%;">Cr. Amt. (₹)</th> </tr> </thead> <tbody> <tr> <td></td> <td>Cash/ Bank A/cDr. To Divya's Capital A/c To Premium for Goodwill A/c [Divya brings his share of capital and premium]</td> <td></td> <td style="text-align: center;">5,50,000</td> <td style="text-align: center;">5,00,000 50,000</td> </tr> </tbody> </table>	Date	Particulars	LF	Dr. Amt. (₹)	Cr. Amt. (₹)		Cash/ Bank A/cDr. To Divya's Capital A/c To Premium for Goodwill A/c [Divya brings his share of capital and premium]		5,50,000	5,00,000 50,000	1 ½
Date	Particulars	LF	Dr. Amt. (₹)	Cr. Amt. (₹)										
	Cash/ Bank A/cDr. To Divya's Capital A/c To Premium for Goodwill A/c [Divya brings his share of capital and premium]		5,50,000	5,00,000 50,000										

-	-	10	Q. On 1st April, 2018 9% Debentures Account. Ans.						
			Journal						
			Date	Particulars	LF	Dr (₹)	Cr (₹)		
			2018 Apr 1	Bank A/c.....Dr. To Debenture Application & Allotment A/c [Applications received for 10,000, 9% debentures issued at 10% discount]		9,00,000	9,00,000	1	
			Apr 1	Debenture Application & Allotment A/c.....Dr. Discount on issue of Debentures A/c.....Dr. Loss on issue of Debentures A/c.....Dr. To 9% Debentures A/c To Premium on redemption of Deb. A/c [Allotment of 10,000, 9% debentures issued at 10% discount redeemable at 5% premium]		9,00,000 1,00,000 50,000	10,00,000 50,000	1	
			9% Debentures A/c						
			Date	Particulars	Amt (₹)	Date	Particulars	Amt (₹)	
			2019 Mar 31	To Balance c/d	10,00,000	2018 Apr 1	By Debenture Application & Allotment A/c	9,00,000	1
						Apr 1	By Discount on issue of Deb.A/c	1,00,000	=3
					<u>10,00,000</u>			<u>10,00,000</u>	Marks
			OR						
			Date	Particulars	LF	Dr (₹)	Cr (₹)		
			2018 Apr 1	Bank A/c.....Dr. To Debenture Application & Allotment A/c [Applications received for 10,000, 9% debentures issued at 10% discount]		9,00,000	9,00,000	1	
			Apr 1	Debenture Application & Allotment A/c.Dr. Loss on issue of Debentures A/c.....Dr. To 9% Debentures A/c To Premium on redemption of Deb. A/c [Allotment of 10,000, 9% debentures issued at 10 discount redeemable at 5% premium]		9,00,000 1,50,000	10,00,000 50,000	1	
			9% Debentures A/c						
			Date	Particulars	Amt (₹)	Date	Particulars	Amt (₹)	
			2019 Mar 31	To Balance c/d	10,00,000	2018 Apr 1	By Debenture Application & Allotment A/c	9,00,000	1
						Apr 1	By Loss on issue of Deb.	1,00,000	=
								3	marks

	To Fixed Assets A/c To Stock A/c To Debtors A/c (Assets transferred to realisation A/c)		7,10,000 3,00,000 1,95,000		1
b)	Sundry Creditors A/c.....Dr. Provision for Doubtful Debts A/c.....Dr. To Realisation A/c (liabilities transferred to Realisation A/c)		2,00,000 5,000	2,05,000	1
c)	Bank A/cDr. To Realisation A/c (Assets realised)		11,49,000	11,49,000	1
d)	Realisation A/c.....Dr. To Bank A/c (Realisation Exp.& Creditors paid in full settlement) OR Realisation A/c.....Dr. To Bank A/c (Creditors paid in full settlement) Realisation A/c.....Dr. To Bank A/c (Realisation Exp. Paid)		2,04,000 1,85,000 19,000	2,04,000 1,85,000 19,000	1
e)	A's Capital A/cDr. B's Capital A/cDr. C's Capital A/cDr. To Realisation A/c (Loss on realisation debited to Partners' Capital A/c)		22,000 22,000 11,000	55,000	1
f)	A's Capital A/cDr. B's Capital A/cDr. C's Capital A/cDr. To Bank A/c (Partners' A/c settled on dissolution)		7,28,000 2,78,000 2,39,000	12,45,000	1 =6 Marks
OR					
Ques. P, Q and R.....reconstitution of the firm.					
Ans. Journal					
Date	Particulars	LF	Dr (₹)	Cr (₹)	
a)	Bad Debts A/c.....Dr. To Debtors A/c (bad debts written off)		6,000	6,000	½
b)	Revaluation A/c..Dr. To Bad Debts A/c		9,000	6,000	

			To Provision For Doubtful Debts A/c (Bad Debts and Provision transferred to Revaluation A/c)			3,000	½
			c) P's Capital A/cDr. Q's Capital A/cDr. R's Capital A/cDr. To Revaluation A/c (loss on revaluation transferred to Partners' capital A/c)		4,500 3,000 1,500	9,000	1
			d) General Reserve A/c.....Dr. To P's Capital A/c To Q's Capital A/c To R's Capital A/c (general reserve credited to partners' Capital A/c)	60,000		30,000 20,000 10,000	1
			e) P's Current A/cDr. To P's Capital A/c (Capital A/c adjusted)		1,14,900	1,14,900	1
			f) Q's Current A/cDr. To Q's Capital A/c (Capital A/c adjusted)		23,400	23,400	1
			g) R's Capital A/cDr. To R's Current A/c (Capital A/c adjusted)		1,38,300	1,38,300	1 =6 marks

14	15	15	Q. From the following..... Capital Fund ₹ 1,28,000. Ans: Income & Expenditure A/c For the year ending 31st March, 2018																																								
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			Balance Sheet As at 31st March, 2018																																								
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16	17	16	Q. S Ltd. invited books of the company. Ans. Dr. Cash Book			Cr																																	
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			(Being shares forfeited)																																																
			(v) Shares Forfeited A/c To Capital Reserve A/c (Gain on reissue of forfeited shares transferred to Capital Reserve)	Dr.		4,100		4,100	=8 Marks																																										
16 OR	17 OR	16 OR	Ques. Jain Ltd.....in the books of Jain Ltd. Ans. <p style="text-align: center;">Books of the Jain Ltd. Journal</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>LF</th> <th>Dr (₹)</th> <th>Cr (₹)</th> <th></th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Bank A/cDr. To Equity Share Application A/c [Application money received on 1,00,000 shares]</td> <td></td> <td>1,00,000</td> <td>1,00,000</td> <td>½</td> </tr> <tr> <td>(ii)</td> <td>Equity Share Application A/c.....Dr. To Equity Share Capital A/c [Application money transferred to share capital A/c]</td> <td></td> <td>1,00,000</td> <td>1,00,000</td> <td>½</td> </tr> <tr> <td>(iii)</td> <td>Equity Share Allotment A/c.....Dr. To Equity Share Capital A/c [Allotment money due on 1,00,000shares]</td> <td></td> <td>2,00,000</td> <td>2,00,000</td> <td>½</td> </tr> <tr> <td>(iv)</td> <td>Bank A/c.....Dr. To Share Allotment A/c [Allotment money received except on 1,000 shares] OR Bank A/c.....Dr. Calls in Arrear A/c.....Dr. To Share Allotment A/c [Allotment money received except on 1,000 shares]</td> <td></td> <td>1,98,000 1,98,000 2,000</td> <td>1,98,000 2,00,000</td> <td>1</td> </tr> <tr> <td>(v)</td> <td>Equity Share Capital A/c.....Dr. To Forfeited Shares A/c To Equity Share Allotment A/c [Forfeiture of 1,000 shares for non payment of allotment money] OR Equity Share Capital A/c.....Dr. To Forfeited Shares A/c To Calls – in – Arrear A/c [Forfeiture of 4,000 shares for non payment of call money]</td> <td></td> <td>3,000</td> <td>1,000 2,000</td> <td>1½</td> </tr> <tr> <td>(vi)</td> <td>Equity Share First Call A/cDr. To Equity Share Capital A/c [First call money due on 99,000 shares]</td> <td></td> <td>2,97,000</td> <td>2,97,000</td> <td>½</td> </tr> </tbody> </table>							Date	Particulars	LF	Dr (₹)	Cr (₹)		(i)	Bank A/cDr. To Equity Share Application A/c [Application money received on 1,00,000 shares]		1,00,000	1,00,000	½	(ii)	Equity Share Application A/c.....Dr. To Equity Share Capital A/c [Application money transferred to share capital A/c]		1,00,000	1,00,000	½	(iii)	Equity Share Allotment A/c.....Dr. To Equity Share Capital A/c [Allotment money due on 1,00,000shares]		2,00,000	2,00,000	½	(iv)	Bank A/c.....Dr. To Share Allotment A/c [Allotment money received except on 1,000 shares] OR Bank A/c.....Dr. Calls in Arrear A/c.....Dr. To Share Allotment A/c [Allotment money received except on 1,000 shares]		1,98,000 1,98,000 2,000	1,98,000 2,00,000	1	(v)	Equity Share Capital A/c.....Dr. To Forfeited Shares A/c To Equity Share Allotment A/c [Forfeiture of 1,000 shares for non payment of allotment money] OR Equity Share Capital A/c.....Dr. To Forfeited Shares A/c To Calls – in – Arrear A/c [Forfeiture of 4,000 shares for non payment of call money]		3,000	1,000 2,000	1½	(vi)	Equity Share First Call A/cDr. To Equity Share Capital A/c [First call money due on 99,000 shares]		2,97,000	2,97,000	½
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			(vii)	Bank A/cDr. To Equity Share First Call A/c [First Call money received except on 500 shares] OR Bank A/cDr. Calls in arrear A/c Dr. To Equity Share First Call A/c [First Call money received except on 500 shares]	2,95,500	2,95,500	2,97,000	½
			(viii)	Equity Share Capital A/c.....Dr. To Forfeited Shares A/c To Equity Share first call A/c [Forfeiture of 500 shares for non payment of first call money] OR Equity Share Capital A/c.....Dr. To Forfeited Shares A/c To Calls – in – Arrear A/c [Forfeiture of 500 shares for non payment of first call money]	3,000	1,500 1,500	3,000 1,500 1,500	1
			(ix)	Bank A/cDr. Forfeited Shares A/c.....Dr. To Equity Share Capital A/c [1,500 of the forfeited shares reissued as fully paid up]	13,500 1,500	15,000		½
			(x)	Forfeited Shares A/cDr. To Capital Reserve A/c [Gain on 1,500 reissued shares transferred to capital reserve A/c]	1,000	1,000		½
			(xi)	Equity Share second & final Call A/cDr. To Equity Share Capital A/c [Second & Final call money due on 98,500 shares]	3,94,000	3,94,000		½
			(xii)	Bank A/cDr. To Equity Share second & final Call A/c [Second and final Call money received]	3,94,000	3,94,000		½
								=8 marks

17	16	17	<p>Q. A and B.....reconstituted firm.</p> <p>Ans. Revaluation A/c</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align:left;">Dr</td> <td colspan="2" style="text-align:right;">Cr</td> </tr> <tr> <th style="width:40%;">Particulars</th> <th style="width:15%;">Amt (₹)</th> <th style="width:40%;">Particulars</th> <th style="width:15%;">Amt (₹)</th> </tr> <tr> <td>To Stock</td> <td style="text-align:right;">3,000</td> <td>By Building</td> <td style="text-align:right;">20,000</td> </tr> <tr> <td>To Provision for D/D</td> <td style="text-align:right;">400</td> <td></td> <td></td> </tr> <tr> <td>To Furniture</td> <td style="text-align:right;">2,000</td> <td></td> <td></td> </tr> <tr> <td>To Gain transferred to:</td> <td></td> <td></td> <td></td> </tr> <tr> <td> A's Capital A/c- 8,760</td> <td style="text-align:right;">14,600</td> <td></td> <td></td> </tr> <tr> <td> B's Capital A/c- <u>5,840</u></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align:right;"><u>20,000</u></td> <td></td> <td style="text-align:right;"><u>20,000</u></td> </tr> </table> <p style="text-align:center;">Partners' Capital A/c</p> <table border="1" style="width:100%; 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Particulars	A	B	C	Particulars	A	B	C	To Balance c/d	1,60,000	96,000	64,000	By Balance b/d	1,04,000	52,000	----					By Cash A/c	-----	-----	64,000					By Revaluation A/c	8,760	5,840	----					By Workmen Compensation Fund	6,000	4,000	-----					By Contingency Reserve	6,000	4,000	-----					By Premium for Goodwill	7,500	7,500	----					By Cash A/c(B.F.)	27,740	22,660	-----		<u>1,60,000</u>	<u>96,000</u>	<u>64,000</u>		<u>1,60,000</u>	<u>96,000</u>	<u>64,000</u>	Liabilities	Amt (₹)	Assets	Amt (₹)	Capitals:		Cash	1,37,400	G- 1,60,000		Sundry Debtors- 37,600		H- 96,000		Less: Prov. for D/D- <u>2,000</u>	35,600	I- <u>64,000</u>	3,20,000	Stock	57,000	Creditors	1,54,000	Prepaid Insurance	6,000	Employees Provident Fund	16,000	Plant & Machinery	76,000			Building	1,60,000			Furniture	18,000		<u>4,90,000</u>		<u>4,90,000</u>	2
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17 OR	16 OR	17 OR	Q. G, E and F.....reconstituted firm. Ans. Revaluation A/c							
			Dr				Cr			
			Particulars	Amt (₹)	Particulars	Amt (₹)				
			To Machinery	4,000	By Land & Building	68,000				
			To Stock	4,000						
			To Prov. for Doubtful Debts	600						
			To Gain transferred to:							
			G's Capital A/c-41,580							
			E's capital A/c-11,880	59,400						
			F's Capital A/c- <u>5,940</u>							
				68,000		68,000				
			Partners' Capital A/c							
			Dr.				Cr.			
			Particulars	G	E	F	Particulars	G	E	F
			To E's Capital A/c	15,750	----	2,250	By Balance b/d	1,40,000	40,000	20,000
			To E's Loan A/c	-----	1,37,880	----	By Revaluation A/c	41,580	11,880	5,940
			To Balance c/d	2,10,000	----	30,000	By G's Capital A/c	----	15,750	----
							By F's Capital A/c	----	2,250	----
							By General Reserve	28,000	8,000	4,000
							By E's Loan A/c	-----	60,000	-----
							By current A/c	16,170	-----	2,310
				2,25,750	137,880	32,250		2,25,750	1,37,880	32,250
			Balance Sheet of the Reconstituted firm as at April1, 2018							
			Liabilities	Amt (₹)	Assets	Amt (₹)				
			Capitals:		Cash	90,000				
			G- 2,10,000		Debtors-	24,000				
			F- <u>30,000</u>	2,40,000	Less: Prov. For					
			E's Loan	1,37,880	Doubtful Debts	<u>600</u>	23,400			
			Creditors	28,000	Stock	10,000				
					Machinery	76,000				
					Land & building	1,88,000				

2

3

3

					G's current A/c F's Current A/c	16,170 2,310																												
						<u>4,05,880</u>	<u>4,05,880</u>																											
			Working Notes:(1) New Firm's capital- 2,40,000 E's capital -7/8x2,40,000=2,10,000 F's capital- 1/8x 2,40,000= 30,000 Note: if candidate has not transferred E's Loan A/c given in the existing Balance Sheet to E's Capital A/c, no marks will be deducted. In such case, the balance of E's Loan A/c in the Capital A/c will be ₹77,800.				=8 marks																											
			PART B (Financial Statements Analysis)																															
-	-	18	Q. How is goodwilloperating activities? Ans. It will be considered as a non cash expense and will be added back to the net profit for the purpose of calculating operating profit before working capital changes.				=1 Mark																											
-	-	19	Ques. When does.....cash equivalent? Ans. An investment normally qualifies as cash equivalent when it has a short maturity of say 90 days or less without any significant risk of changes in its value from the date of acquisition.				=1 mark																											
20	22	20	Q. Under which major.....Companies Act, 2013? Ans. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Items</th> <th style="text-align: left;">Heads</th> <th style="text-align: left;">Sub-heads</th> </tr> </thead> <tbody> <tr> <td>Cheques and Bank Drafts in Hand</td> <td>Current Assets</td> <td>Cash & Cash Equivalents</td> </tr> <tr> <td>Loose Tools</td> <td>Current Assets</td> <td>Inventories</td> </tr> <tr> <td>Securities Premium Reserve</td> <td>Shareholders' Funds</td> <td>Reserves & Surplus</td> </tr> <tr> <td>Long term Investments with maturity period less than six months</td> <td>Current Assets</td> <td>Current Investments</td> </tr> <tr> <td>Work- in-Progress</td> <td>Current Assets</td> <td>Inventories</td> </tr> <tr> <td>Mining Rights</td> <td>Non Current Assets</td> <td>Fixed Assets- Intangible</td> </tr> <tr> <td>Publishing Titles</td> <td>Non Current Assets</td> <td>Fixed Assets- Intangible</td> </tr> <tr> <td>Debtors</td> <td>Current Assets</td> <td>Trade Receivables</td> </tr> </tbody> </table> <p style="text-align: center;">OR</p> Ques: Explain.....Creditors. Ans. Importance for Labour Unions: Labour unions analyse the financial statements to assess whether it can presently afford a wage increase and whether it can absorb a wage increase through increased productivity or by raising the prices. Importance for Creditors: Creditors through an analysis of Financial Statements appraises not only the ability of the company to meet its short term obligations but also judges the				Items	Heads	Sub-heads	Cheques and Bank Drafts in Hand	Current Assets	Cash & Cash Equivalents	Loose Tools	Current Assets	Inventories	Securities Premium Reserve	Shareholders' Funds	Reserves & Surplus	Long term Investments with maturity period less than six months	Current Assets	Current Investments	Work- in-Progress	Current Assets	Inventories	Mining Rights	Non Current Assets	Fixed Assets- Intangible	Publishing Titles	Non Current Assets	Fixed Assets- Intangible	Debtors	Current Assets	Trade Receivables	½x8 = 4 Marks OR 2+2 =4
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-	-	21	<p>Ques. From the following.....Comparative Income Statement of NY Ltd:</p> <p>Ans.</p> <p style="text-align: center;">Comparative Income Statement For the year ending 31st March 2017 and 2018</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Particulars</th> <th style="width: 5%;">Note No.</th> <th style="width: 15%;">31st March, 2017 (₹)</th> <th style="width: 15%;">31st March, 2018(₹)</th> <th style="width: 10%;">Absolute Inc/ Dec. (₹)</th> <th style="width: 10%;">Percentage Inc./ Dec.</th> </tr> </thead> <tbody> <tr> <td>Revenue from Operations</td> <td></td> <td style="text-align: right;">15,00,000</td> <td style="text-align: right;">24,00,000</td> <td style="text-align: right;">9,00,000</td> <td style="text-align: right;">60</td> </tr> <tr> <td>Expenses:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Cost of Materials Consumed</td> <td></td> <td style="text-align: right;">8,00,000</td> <td style="text-align: right;">12,00,000</td> <td style="text-align: right;">4,00,000</td> <td style="text-align: right;">50</td> </tr> <tr> <td>Employee Benefit Expenses</td> <td></td> <td style="text-align: right;">1,20,000</td> <td style="text-align: right;">1,80,000</td> <td style="text-align: right;">60,000</td> <td style="text-align: right;">50</td> </tr> <tr> <td>Other Expenses</td> <td></td> <td style="text-align: right;">80,000</td> <td style="text-align: right;">60,000</td> <td style="text-align: right;">(20,000)</td> <td style="text-align: right;">(25)</td> </tr> <tr> <td>Total Expenses</td> <td></td> <td style="text-align: right;">10,00,000</td> <td style="text-align: right;">14,40,000</td> <td style="text-align: right;">4,40,000</td> <td style="text-align: right;">44</td> </tr> <tr> <td>Profit before Tax</td> <td></td> <td style="text-align: right;">5,00,000</td> <td style="text-align: right;">9,60,000</td> <td style="text-align: right;">4,60,000</td> <td style="text-align: right;">92</td> </tr> <tr> <td>Less: Tax @ 50%</td> <td></td> <td style="text-align: right;">2,50,000</td> <td style="text-align: right;">4,80,000</td> <td style="text-align: right;">2,30,000</td> <td style="text-align: right;">92</td> </tr> <tr> <td>Profit after tax</td> <td></td> <td style="text-align: right;">2,50,000</td> <td style="text-align: right;">4,80,000</td> <td style="text-align: right;">2,30,000</td> <td style="text-align: right;">92</td> </tr> </tbody> </table>	Particulars	Note No.	31 st March, 2017 (₹)	31 st March, 2018(₹)	Absolute Inc/ Dec. (₹)	Percentage Inc./ Dec.	Revenue from Operations		15,00,000	24,00,000	9,00,000	60	Expenses:						Cost of Materials Consumed		8,00,000	12,00,000	4,00,000	50	Employee Benefit Expenses		1,20,000	1,80,000	60,000	50	Other Expenses		80,000	60,000	(20,000)	(25)	Total Expenses		10,00,000	14,40,000	4,40,000	44	Profit before Tax		5,00,000	9,60,000	4,60,000	92	Less: Tax @ 50%		2,50,000	4,80,000	2,30,000	92	Profit after tax		2,50,000	4,80,000	2,30,000	92	<p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>=4</p> <p>Marks</p>
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		<p>(i) <u>Application</u>: Desktop database can be used by a single user server data base can be used by many users at the same time.</p> <p>(ii) <u>Additional provision for reliability</u>: Desktop database doesn't present this but these provisions are available in server based database.</p> <p>(iii) <u>Cost</u> : Desktop database ten dto cost less than the server database.</p> <p>(iv) <u>Flexibility regarding the choice of performance in front end applications</u> : It is not present in desktop database but server database provide this flexibility.</p> <p>(v) <u>Suitability</u>: Desktop database are suitable for small/home offices and server database are more suitable for large business organisations.</p> <p style="text-align: center;">OR</p> <p>Q. State theaccounting software.</p> <p>Ans. Following are the features of good accounting software: (Any four)</p> <ol style="list-style-type: none"> 1. Do all basic accounting functions. 2. Manage your stores. 3. Do the job costing. 4. Manage payroll. 5. Get many MIS (Management information System). 6. File tax returns. 7. Maintain budgets etc. 8. Calculate interest pending amounts. 9. Manage data over different locations and synchronize it and many more other features. 	
22	21	<p>22 Q. .Why is it.....data security</p> <p>Ans. To maintain the secrecy of accounting data it is necessary to have security features in accounting software.</p> <p style="padding-left: 40px;">Tools (any two)</p> <p>1. Password security: Password is widely accepted security control to access the data. Only the authorised person can access the data. Any user who does not know the password cannot retrieve information from the system. It ensures data integrity. It uses a binary encoding 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 unauthorised access to the data base. It audit for the correctness of entries. Once entries are audited with adulterations, if any, the software displays all entries along with the name of the auditor user and date and time of alteration.</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 uses data</p>	=4 Marks

			<p>encryption method.</p> <p style="text-align: center;">OR</p> <p>Q. Name the value.....these values.</p> <p>Ans. The value is called “ Null value” The three situations in which these can be used are</p> <p>(i) When a particular attribute does not apply to an entry.</p> <p>(ii) Value of an attribute is unknown.</p> <p>(iii) Unknown because it does not exit</p>	
23	23	23	<p>Q. Nisan Ltd.....MS Excel.</p> <p>Ans.</p> <ul style="list-style-type: none"> • Cost of purchase column A1=`1,50,0000 • Installation + other expense column B1=`50,000 • Cost to use = sum (A1,B1)= column C1=`2,00000/- • Salvage value= column D1=`25,000/- • Life of asset= column E1=5 years • SLM Depreciation= $SLM(C1,D1,E1) = \text{column F1} = `100000/-$ • Rate of Depreciation=$35,000/1,75,000*100= 20\%$ 	<p>=</p> <p>6</p> <p>Marks</p>