

- 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>equally.</p> <p>2. When Capital contribution is same but the share of profits are unequal.</p> <p style="text-align: center;">OR</p> <p>Q. Distinguish betweenbasis of Credit balance.</p> <p>Ans: Fixed Capital account will have credit balance whereas Fluctuating Capital account can have debit balance as well.</p>	<p>$\frac{1}{2} + \frac{1}{2}$</p> <p style="text-align: center;">OR</p> <p>1</p>																																				
7	9	10	<p>Q. State any three purposes other than.....Securities Premium Reserve can be utilised.</p> <p>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. (Any Three)</p> <p style="text-align: center;">OR</p> <p>Q. Using imaginary..... Companies Act,2013.</p> <p>Ans.</p> <p style="text-align: center;">Balance Sheet (OfLtd. as per Schedule III Of Companies Act 2013)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Particulars</th> <th style="width: 10%;">Note No.</th> <th style="width: 20%;">Current Year (Rs.)</th> <th style="width: 20%;">Previous Year (Rs.)</th> </tr> </thead> <tbody> <tr> <td>I. <u>Equity and Liabilities</u></td> <td></td> <td></td> <td></td> </tr> <tr> <td> 1. Shareholders Funds</td> <td style="text-align: center;">1</td> <td style="text-align: right;">15,00,000</td> <td style="text-align: right;">15,00,000</td> </tr> </tbody> </table> <p style="margin-top: 20px;">Note No.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Particulars</th> <th style="width: 20%;">Current Year (Rs.)</th> <th style="width: 30%;">Previous Year (Rs.)</th> </tr> </thead> <tbody> <tr> <td><u>Authorised Capital:</u></td> <td></td> <td></td> </tr> <tr> <td> 2,00,000 Equity Shares of Rs.10 each</td> <td style="text-align: right;">20,00,000</td> <td style="text-align: right;">20,00,000</td> </tr> <tr> <td><u>Issued Capital:</u></td> <td></td> <td></td> </tr> <tr> <td> 1,50,000 Equity Shares of Rs. 10 Each</td> <td style="text-align: right;">15,00,000</td> <td style="text-align: right;">15,00,000</td> </tr> <tr> <td><u>Subscribed Capital:</u></td> <td></td> <td></td> </tr> <tr> <td> Subscribed and Fully paid</td> <td></td> <td></td> </tr> <tr> <td> 1,50,000 Equity Shares of Rs.10 each</td> <td style="text-align: right;">15,00,000</td> <td style="text-align: right;">15,00,000</td> </tr> </tbody> </table> <p>Note: (i) The figures provided are imaginary. If the candidate has provided other correct figures full credit be given.</p>	Particulars	Note No.	Current Year (Rs.)	Previous Year (Rs.)	I. <u>Equity and Liabilities</u>				1. Shareholders Funds	1	15,00,000	15,00,000	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	<p style="text-align: center;">3</p> <p style="text-align: center;">(1x3)</p> <p style="text-align: center;">1</p> <p style="text-align: center;">2</p>
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		<p>(ii) In the Balance Sheet, previous year column may be ignored</p> <p>(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.</p>																																														
8	-	<p>Q. The goodwill of a firm.....Calculate the amount of Goodwill.</p> <p>Ans. Year</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;"></td> <td style="width: 40%; text-align: center;">Normalised Profits</td> <td style="width: 45%;"></td> </tr> <tr> <td>2014-15</td> <td>20,000-5,000(abnormal gain) =</td> <td>Rs. 15,000</td> </tr> <tr> <td>2015-16</td> <td>40,000+10,000 (abnormal loss)=</td> <td>Rs. 50,000</td> </tr> <tr> <td>2016-17</td> <td>=</td> <td><u>Rs. 40,000</u></td> </tr> <tr> <td></td> <td style="text-align: right;">Total</td> <td><u>Rs. 1,05,000</u></td> </tr> </table> <p>Average of normal profits= 1,05,000/3= Rs. 35,000 Goodwill- 35,000x2= Rs. 70,000.</p>		Normalised Profits		2014-15	20,000-5,000(abnormal gain) =	Rs. 15,000	2015-16	40,000+10,000 (abnormal loss)=	Rs. 50,000	2016-17	=	<u>Rs. 40,000</u>		Total	<u>Rs. 1,05,000</u>	<p>3</p> <p>(1½)</p> <p>(1/2) (1)</p>																														
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9	-	<p>Q. From the following information..... the club received Rs. 5,000 for the year ending 31st March, 2017.</p> <p>Ans.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Subscription received during the year</td> <td style="width: 10%; text-align: center;">=</td> <td style="width: 40%; text-align: right;">Rs.1,20,000</td> </tr> <tr> <td>Add. O/S subscription (for year ending 31-3-18)</td> <td></td> <td style="text-align: right;">12,500</td> </tr> <tr> <td>Advanced Subscription (for the year ending 31-3-18)</td> <td></td> <td style="text-align: right;"><u>9,500</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">1,42,000</td> </tr> <tr> <td>Less. Received (for year ending 31-3-17)</td> <td></td> <td style="text-align: right;"><u>(5,000)</u></td> </tr> <tr> <td>Income and Expenditure A/c</td> <td></td> <td style="text-align: right;"><u>1,37,000</u></td> </tr> </table> <p>Note: In case the candidate has calculated using any other correct method full credit be given.</p> <p style="text-align: center;"><u>Solution for Hindi version</u></p> <p>Ans.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="width: 10%; text-align: center;">₹</th> <th style="width: 20%;"></th> </tr> </thead> <tbody> <tr> <td>Subscriptions received during the year</td> <td style="text-align: right;">1,20,000</td> <td style="text-align: center;">½</td> </tr> <tr> <td>Add outstanding subscription (for year ending 31-3-18)</td> <td style="text-align: right;">10,500</td> <td style="text-align: center;">½</td> </tr> <tr> <td>Add Advance Subscription (for the year ending 31-3-18)</td> <td style="text-align: right;"><u>8,000</u></td> <td style="text-align: center;">½</td> </tr> <tr> <td></td> <td style="text-align: right;">1,38,500</td> <td></td> </tr> <tr> <td>Less. Received (for year ending 31-3-17)</td> <td style="text-align: right;">(5,000)</td> <td style="text-align: center;">½</td> </tr> <tr> <td>Less Advance received for the next year</td> <td style="text-align: right;">(9,500)</td> <td style="text-align: center;">½</td> </tr> <tr> <td>Amount to be credited to Income and Expenditure A/c</td> <td style="text-align: right;"><u>1,24,000</u></td> <td style="text-align: center;">½</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">=</td> </tr> </tbody> </table> <p>Note: In case the candidate has calculated using any other correct method full credit be given.</p>	Subscription received during the year	=	Rs.1,20,000	Add. O/S subscription (for year ending 31-3-18)		12,500	Advanced Subscription (for the year ending 31-3-18)		<u>9,500</u>			1,42,000	Less. Received (for year ending 31-3-17)		<u>(5,000)</u>	Income and Expenditure A/c		<u>1,37,000</u>		₹		Subscriptions received during the year	1,20,000	½	Add outstanding subscription (for year ending 31-3-18)	10,500	½	Add Advance Subscription (for the year ending 31-3-18)	<u>8,000</u>	½		1,38,500		Less. Received (for year ending 31-3-17)	(5,000)	½	Less Advance received for the next year	(9,500)	½	Amount to be credited to Income and Expenditure A/c	<u>1,24,000</u>	½			=	<p>3</p> <p>1 ½</p> <p>1</p> <p>½</p> <p>½</p> <p>½</p> <p>½</p> <p>½</p> <p>=</p> <p>3 marks</p>
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Q. On 1st April, 2011, XYZ, a banking company redemption investments as per the provisions of Companies Act, 2013. Pass necessary journal entries for redemption of debentures.

Ans.

Journal

Date	Particulars	L.F	Amount (Dr.)	Amount (Cr.)
2017 march 31 st	Surplus i.e balance in statement of P & L A/c. Dr. To Debenture redemption reserve (Being reserve created at 25% of outstanding debentures)		6,25,000	6,25,000
April 2017	Debenture redemption investment A/c Dr. To Bank A/c (Being 15% invested in investments)		3,75,000	3,75,000
2018 March 31 st	Bank A/c Dr. To Debenture Redemption Investment A/c (Being investments sold)		3,75,000	3,75,000
2018 March 31 st	9% debentures A/c Dr. Premium on redemption of Debentures A/c Dr. To Debentureholder's A/c (Being debentures and premium due for redemption)		25,00,000 2,50,000	27,50,000
2018 March 31 st	Debentureholder's A/c Dr. To Bank A/c (Being payment made to debentureholders)		27,50,000	27,50,000
2018 March 31 st	Debenture redemption reserve A/c Dr. To General reserve A/c (Being debentures redemption reserve transferred to general reserve).		6,25,000	6,25,000

Note: In case the student has not created reserve and transferred the same to general reserve deduct only half mark.

(½ x 6)

11 - -

Q. V and S are partners in a firm..... as his share of goodwill premium. Give necessary journal entries.

4

1. When the amount of goodwill..... in the business, and

ANS. Journal

DATE	PARTICULARS	L.F	Debit (Rs.)	Credit (Rs.)
	Bank/Cash A/c Dr. To G's capital A/c To Premium for goodwill A/c (Being cash brought in for capital and goodwill)		24000	20,000 4,000
	Premium for goodwill A/c Dr. To V's capital A/c To S's capital A/c (Being premium distributed to old partners in sacrificing ratio)		4,000	2,500 1,500

(1 ½)

(1 ½)

No further entry for retention of goodwill in business. For withdrawal additional entry is as under:

2. When the amount of was fully withdrawn.

Ans. Journal

DATE	PARTICULARS	L.F	Debit (Rs.)	Credit (Rs.)
	V's capital A/c Dr. S's capital A/c Dr. To Bank/ Cash A/c (Being cash withdrawn by old partners)		2,500 1,500	4,000

(1)

12 - -

Q. A, B and C were partners..... there was a liability of Rs. 7,000 on account of workmen's compensation.

4

Pass the necessary journal entries for the above at the time of A's death.

Journal

Date	Particulars	L.F	Debit (Rs.)	Credit (Rs.)
	Revaluation A/c Dr. To Patents A/c To Furniture A/c To Plant A/c (Being assets revalued).		24,000	8,000 6,000 10,000
	Workmen's Compensation fund A/c Dr. To claim for workmen's compensation To A's Capital A/c To B's Capital A/c To C's Capital A/c (Being compensation fund transferred to claim and balance distributed)		10,000	7,000 1,000 1,000 1,000
	A's capital A/c Dr.		8,000	

(1/2)

(1)

			B's capital A/c Dr 8,000 C's capital A/c Dr 8,000 To Revaluation A/c 24,000 (Being loss on revaluation distributed among partners)				(1/2)
			General reserve A/c Dr 9,000 Profit and loss A/c Dr 6,000 To A's capital A/c 5,000 To B's capital A/c 5,000 To C's capital A/c 5,000 (Being general reserve and profit and loss A/c distributed among partners in a profit sharing ratio)				(1)
			OR General Reserve A/c Dr. 3,000 To A's capital A/c 3,000 To B's capital A/c 3,000 To C's capital A/c (Being general reserve distributed.)	9,000			OR
			Profit and loss A/c Dr 6,000 To A's capital A/c 2,000 To B's capital A/c 2,000 To C's capital A/c 2,000 (Being profit and loss distributed among partners)				(1/2)
			A's Capital A/c Dr. 38,000 To A's Executor's A/c 38,000 (Being capital account transferred to A's executors A/c)				(1)

13	14	15	Q. A, B and C were partners. Their fixed capitals were workings clearly, pass the necessary adjustment entry. Ans.	6																																
			<table border="1"> <thead> <tr> <th></th> <th>Interest on capital</th> <th>Salary</th> <th>Commission</th> <th>Profits Payable</th> <th>Total Payable</th> <th>Profits Distributed</th> <th>Excess/ (Deficiency)</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>3,000</td> <td>-</td> <td>-</td> <td>20,920</td> <td>23,920</td> <td>40,000</td> <td>16080</td> </tr> <tr> <td>B</td> <td>2,000</td> <td>18,000</td> <td>-</td> <td>20,920</td> <td>40,920</td> <td>26,667</td> <td>(14253)</td> </tr> <tr> <td>C</td> <td>1,000</td> <td>-</td> <td>3,700</td> <td>10,460</td> <td>15,160</td> <td>13,333</td> <td>(1827)</td> </tr> </tbody> </table>		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)
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(Being adjustment entry passed through current's A/c of partners)

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	1000	N	1,575		3,150
	<u>3150</u>				<u>3,150</u>

(2)

Dr.				PARTNER'S CAPITAL A/C				Cr.			
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	15,000
	<u>81,850</u>		<u>81,850</u>

(2)

14 15 13

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

6

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		By Net Profits	3,88,000
A's current A/c 40,500		(4,00,000-12,000)	
B's current A/c 45,000			
C's current A/c <u>54,000</u>	1,39,500		
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 <u>19,400</u>	48,500		
	<u>3,88,000</u>		<u>3,88,000</u>

(3)

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	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)

15 13 14

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

6

Ans.

Receipts and Payments A/c			
Dr.		Cr.	
(of Good Health club for the year ending 31-3-18)			
Receipts	Amount(Rs.)	Payments	Amount(Rs.)
To opening balance		By wages and salary	55,000
cash	70,000	By Investment in 9% deb	2,40,000
bank	3,00,000	of XYZ Ltd.	
To subscription received		By health journals	5,000
2016-17 40,000		By stationary	12,500
2017-18 3,75,000		By insurance premium	6760
2018-19 <u>20,000</u>	4,35,000	By courier charges	800
To donations for gym	1,64,000	By Municipal taxes	9570
To Admission Fees	14,000	By Machine purchased	38,000
To Life Member fees	45,000	By Balance C/d	
To lockers rent	11,000	Cash in hand	43000
To sale for old paper	300	Bank (Balancing	6,30,410
To interest on bank	1740	Figure)	
balance			
	<u>10,41,040</u>		<u>10,41,040</u>

½ mark for two correct posting + 1 for calculating closing bank bal.

16 16 17

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

8

Ans.

REALISATION A/C			
Dr.		Cr.	
Particulars	Amount	Particulars	Amount
To Debtors	48,400	By Provision for Doubtful	2,400
To Stock In hand	16000	Debts	
To Furniture	2000	By Creditors	11,500
To Sundry assets	34000	By Loan	3,500
To Michael's Capital A/c	10,000	By Michael's Capital A/c	
(creditors)		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>	4,100	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>	<u>5960</u>		
	<u>11,300</u>		<u>11,300</u>

(2 1/2)

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 Capital A/c	-	-	5250
				By S's Capital A/c	-	-	1750
To Balance c/d	33,730	31,243	-	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	-
				By current A/c	15000	-	-
To Balance C/d	<u>48,730</u>	<u>16,243</u>	-		<u>48,730</u>	<u>31,243</u>	-
	<u>48730</u>	<u>31243</u>	-				

(3 ½)

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

½

1

½

1

1

1

½

1

1

½

(Being amount transferred to capital A/c)

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

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 st call A/c Dr. To Equity share capital A/c (Being 1 st call due.)		6,00,000	6,00,000	1
	Bank A/c Dr. Calls in arrears A/c Dr. To Equity share 1 st call A/c (Being 1 st call received.)		5,00,000 1,00,000	6,00,000	1

			Equity share 2 nd call A/c To Equity share capital A/c (Being second call due.)	Dr.		6,00,000	6,00,000	½	
			Bank A/c Calls in arrears A/c To Equity share 2 nd call A/c (Being second call received.)	Dr. Dr.		4,50,000 1,50,000	6,00,000	1	
			Equity share capital A/c To Share forfeiture A/c To Calls in arrear A/c (Being shares forfeited.)	Dr.		4,00,000	1,55,000 2,45,000	1	
			Bank A/c Share forfeiture A/c To Equity share capital A/c (Being forfeited shares re-issued.)	Dr. Dr.		3,80,000 20,000	4,00,000	½	
			Share Forfeiture A/c To capital reserve A/c (Being amount transferred to capital reserve.)	Dr.		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.						
18.	-	-	Q. What is meant by “operating activities”?						1
			Ans. Operating Activities:- These are the principal revenue generating activities of the enterprise.						
19.	-	-	Q. State any two..... “Cash Flow statements”.						
			Ans. 1) To calculate inflow and outflow of cash during a particular period under various heads. 2) To assess the ability of enterprise to generate cash and the needs to utilize those cash flows.						
			Note: In case the candidate has given any other correct objective full credit may be given.						½ x 2
20.	21	20	Q. Under which major heads and sub-heads will..... Companies act, 2013? Bank overdraft..... 8) Provision of taxation						4
			Ans.						
			S.No.	Items	Headings	Sub-Headings			
			(i)	Bank Overdraft	Current Liabilities	Short term borrowings			
			(ii)	Subsidy Reserve	Shareholders’ funds	Reserves and surplus- other		½ x 8	

(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

2

2

OR

Q. Explain briefly 2) Top Management.

Ans. 1) Finance Manager: 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.

2) **Top Management-** 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.

21. - - Q. From the follow..... Compararative Balance Sheet of X Ltd.

4

Ans. Comparative Balance Sheet
(Of X Ltd. As at 31-3-16 and 31-3-17)

Particulars	31-3-16 (Rs.)	31-3-17 (Rs.)	Absolute change (Rs.)	Percentage change
1. Equity and Liabilities:-				
1. Shareholder's Fund				
a) Share capital	25,00,000	25,00,000	-----	-----
b) Reserves and surplus	10,00,000	6,00,000	(4,00,000)	(40)
2. Non- Current Liabilities				
a) Long term borrowings	15,00,000	16,00,000	1,00,000	6.67
3. Current Liabilities	4,50,000	5,00,000	50,000	11.11
	<u>54,50,000</u>	<u>52,00,000</u>	<u>(2,50,000)</u>	<u>(4.58)</u>
2. Assets:-				
1. Non-Current assets				
a) Fixed Assets	25,00,000	35,00,000	10,00,000	40

½

½

½

½

½

½

b) Non-Current Investments	15,00,000	10,50,000	(4,50,000)	(30)	½
2. <u>Current Assets</u>	<u>14,50,000</u>	<u>6,50,000</u>	<u>(8,00,000)</u>	<u>(55.17)</u>	½
	<u>54,50,000</u>	<u>52,00,000</u>	<u>(2,50,000)</u>	<u>(4.58)</u>	

Note: Only half marks may be deducted for incorrect calculation of percentages.

22	20	21	<p>Q. From the following balances..... proprietary ratio.</p> <p>Ans. Proprietary ratio= $\frac{\text{Shareholder's Funds}}{\text{Total Assets}}$</p> <p>Total Assets= 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 Funds= Rs. 18,10,000 Proprietary Ratio= $\frac{18,10,000}{34,30,000} = 0.527$</p> <p style="text-align: center;">OR</p> <p>Q. Assuming that debt to equity..... following cases:</p> <p>Ans . (i) No change (ii) Decrease (iii) Decrease (iv) Increase</p>	4																																							
				1																																							
				1																																							
				1																																							
				1																																							
				(1x4=4)																																							
23	23	23	<p>Q. From the following balance sheet..... Cash Flow statement:-</p> <p>Ans. <u>Cash Flow Statement</u> of AXE Ltd. For the year ending 31-3-18(As per AS-3)</p> <table border="1" style="width: 100%;"> <thead> <tr> <th>Particulars</th> <th>Details(Rs.)</th> <th>Amount(Rs.)</th> </tr> </thead> <tbody> <tr> <td colspan="3">1. Operating Activities:</td> </tr> <tr> <td>Profit before tax and extraordinary items</td> <td>1,98,000</td> <td></td> </tr> <tr> <td colspan="3"><u>Non Operating and Non Cash Items-</u></td> </tr> <tr> <td>Depreciation charged during the year</td> <td>6,000</td> <td></td> </tr> <tr> <td>Profit on sale of assets/machinery</td> <td><u>(42,000)</u></td> <td></td> </tr> <tr> <td>Operating Profits before tax and changes in working capital</td> <td>1,62,000</td> <td></td> </tr> <tr> <td colspan="3"><u>Changes in working Capital</u></td> </tr> <tr> <td>Increase in trade payables</td> <td>26,000</td> <td></td> </tr> <tr> <td>Decrease in other current liabilities</td> <td>(14,000)</td> <td></td> </tr> <tr> <td>Decrease In inventories</td> <td>56,000</td> <td></td> </tr> <tr> <td>Increase in trade receivables</td> <td>(2,10,000)</td> <td></td> </tr> <tr> <td>Cash from Operating Activities(A)</td> <td></td> <td>20,000</td> </tr> </tbody> </table>	Particulars	Details(Rs.)	Amount(Rs.)	1. Operating Activities:			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	(2,10,000)		Cash from Operating Activities(A)		20,000	6
Particulars	Details(Rs.)	Amount(Rs.)																																									
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				1																																							
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2. Investing Activities:			
Purchase of machinery	(1,32,000)		
Sale of machinery	<u>56,000</u>		
Cash Used In Investing Activities (B)			(76,000)
3. Financing Activity:			
Issue of shares	<u>70,000</u>		
Cash from financing activities (C)			<u>70,000</u>
Net Cash Inflow During the year(A+ B+ C)			<u>14,000</u>
+ Opening Cash Equivalents			<u>70,000</u>
Closing cash equivalents			<u>84,000</u>

1

½

½

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>

½

Accumulated Depreciation A/c

Dr.		Cr.	
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)**

18	-	-	<p>Q. What is.....'Parameter Queries'?</p> <p>Ans. A parameter query prompts the user to enter parameters or criteria through an input box for selecting a set of records. A parameter query is useful when there is a need to repeat the same query with criteria.</p>	=1 Mark
19	-	-	<p>Q. What.....'Label'?</p>	=1 Mark

			Ans. It is a text or special character assigned to a row or column or descriptive information. These cannot be treated mathematically.	
20	-	-	Q. Give the.....three advantages. Ans. A Graph is a pictorial presentation of data which has at least two dimensional relationships. Three advantages are: (i) Help to explore. (ii) Help to present (iii) Help to convince (With suitable explanation)	= 4 Marks
21	22	21	Q. Explain four.....'server database'? Ans. (Any four) (i) Flexibility. (ii) Choice of front end applications. (iii) Powerful performance. (iv) Scalability to handle rapidly expanding number of users. (v) Ease of handling huge amount of data.(with suitable explanation) OR Q. What istypes of vouchers. Ans. The vouchers are three types-(any two) <ul style="list-style-type: none"> • Memo voucher: 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 • Post dated voucher: Some accounting software allows the user to enter the voucher for future transactions which are usually similar as the previous once. • User defined Voucher: 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. 	=4 Marks
22	21	22	Q. Explain.....'Mnemonic' codes. Ans. Sequential Codes: 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. <u>Mnemonic Codes:</u> 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. OR	

			<p>Q. State the steps.....Tally.</p> <p>Ans. The following are the steps to construct BRS in tally:</p> <ol style="list-style-type: none"> 1. Bring up the monthly summary of bank book. 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. 3. The display now becomes an Edit screen in Reconciliation mode. The primary components are: A column for the 'Bankers Date' 4. Amounts not reflected in banks 5. Balance as per bank 	=4 marks
23	23	23	<p>Q. What is.....its benefits.</p> <p>Ans. 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><u>Conditional formatting</u> is often applied to worksheets to find:</p> <ul style="list-style-type: none"> • Data that is above or below a certain value. Duplicate data values. • Cells containing specific text. Data that is above or below average. • Data that falls in the top ten or bottom ten values. <p><u>Benefits of using conditional formatting:</u></p> <ol style="list-style-type: none"> i) Helps in answering questions which are important for taking decisions. ii) Guides with help of using visuals. iii) Helps in understanding distribution and variation of critical data. 	<p style="text-align: center;">=</p> <p>6 Marks</p>

SET 2