

**- 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.



		<b>Ans. Journal</b>																				
		Date	Particulars	L.F.	Debit	Credit																
			Revaluation A/c Dr To Sundry Liabilities a/c ( Being liability now recorded)				1															
-	7	-	<b>Q. The goodwill of a firm..... Last three years were:- Calculate mount of the goodwill.</b>				<b>3</b>															
			<b>Ans.</b>																			
			<table border="1"> <thead> <tr> <th>Year</th> <th>Normal Profits</th> <th>Amount (Rs.)</th> </tr> </thead> <tbody> <tr> <td>2015-16</td> <td>4,00,000 – 50,000 (abnormal gains)</td> <td>3,50,000</td> </tr> <tr> <td>2016-17</td> <td>5,00,000 + 1,00,000 (abnormal loss)</td> <td>6,00,000</td> </tr> <tr> <td>2017-18</td> <td>2,50,000</td> <td>2,50,000</td> </tr> <tr> <td colspan="2">Total Normal Profits</td> <td>12,00,000</td> </tr> </tbody> </table>				Year	Normal Profits	Amount (Rs.)	2015-16	4,00,000 – 50,000 (abnormal gains)	3,50,000	2016-17	5,00,000 + 1,00,000 (abnormal loss)	6,00,000	2017-18	2,50,000	2,50,000	Total Normal Profits		12,00,000	1 ½
Year	Normal Profits	Amount (Rs.)																				
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2017-18	2,50,000	2,50,000																				
Total Normal Profits		12,00,000																				
			Average Normal profits = 12,00,000/3 = Rs.4,00,000 Goodwill = Average Profits x Years of purchase = 4,00,000 x 3 =12,00,000.				½															
							1															
-	8	-	<b>Q. From the following information, ..... for the year ended 31<sup>st</sup> march, 2017.</b>																			
			<b>Ans.</b>																			
			<table border="1"> <tbody> <tr> <td>Subscription Received during the year</td> <td>Rs.2,45,000</td> </tr> <tr> <td>Add: Advance subscription (for the year ending 31-03-18)</td> <td>Rs.26,400</td> </tr> <tr> <td>Add: Subscription Outstanding ( for the year ending 31-03-18)</td> <td>Rs.23,700</td> </tr> <tr> <td>Less: Subscription received for year ending 31-03-17</td> <td>Rs.(14,000)</td> </tr> <tr> <td><b>Amount transferred to Income and Expenditure A/c</b></td> <td><b>Rs.2,81,100</b></td> </tr> </tbody> </table>				Subscription Received during the year	Rs.2,45,000	Add: Advance subscription (for the year ending 31-03-18)	Rs.26,400	Add: Subscription Outstanding ( for the year ending 31-03-18)	Rs.23,700	Less: Subscription received for year ending 31-03-17	Rs.(14,000)	<b>Amount transferred to Income and Expenditure A/c</b>	<b>Rs.2,81,100</b>	1 ½					
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							1															
							½															
			<b>Note: In Case a candidate has calculated the amount using any other correct method full credit be given.</b>				<b>=3 marks</b>															
			<b><u>For Hindi Version</u></b>																			
			<b>Ans.</b> Calculation of Subscriptions to be credited to Income and Expenditure A/c																			
			<table border="1"> <thead> <tr> <th></th> <th>₹</th> </tr> </thead> <tbody> <tr> <td>Subscriptions received during the year</td> <td>2,45,000</td> </tr> <tr> <td>Add outstanding subscription (for year ending 31-3-18)</td> <td>23,100</td> </tr> <tr> <td>Add Advance Subscription (for the year ending 31-3-18)</td> <td><u>24,500</u></td> </tr> <tr> <td></td> <td>2,92,600</td> </tr> </tbody> </table>					₹	Subscriptions received during the year	2,45,000	Add outstanding subscription (for year ending 31-3-18)	23,100	Add Advance Subscription (for the year ending 31-3-18)	<u>24,500</u>		2,92,600	½					
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							½															
							½															

Less. Received (for year ending 31-3-17)	(14,000)	½
Less Advance received for the next year	(26,400)	½
Amount to be credited to Income and Expenditure A/c	2,52,200	½

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

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3

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

**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)**

**Or**

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

**Ans.**

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

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

1

Note No. 1

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

2

**Note:**

**(i) The figures provided are imaginary. If the candidate has provided other correct**

figures full credit be given.

(ii) In the Balance Sheet, previous year column may be ignored

(iii) If an examinee has presented the Balance Sheet with 'Subscribed and not fully paid' capital with calls in arrears or shown share forfeiture account, full credit is to be given.

- 10 -

**Q. On 1<sup>st</sup> April,2011, K Ltd. Issued..... redemption of debentures on 31<sup>st</sup> March,2018.**

**3**

**Journal**

Date	Particulars	L.F.	Debit	Credit
March 31 <sup>st</sup> 2017	Surplus i.e. balance in Statement of P&L Dr. To Debenture Redemption Reserve A/c (Being Debenture redemption reserve created)		2,25,000	2,25,000
April 2017	Debenture Redemption Reserve Investment A/c... Dr. To Bank A/c (Being specified securities purchased)		1,35,000	1,35,000
March 31 <sup>st</sup> 2018	Bank A/c..... Dr. To Debenture Redemption Reserve Investment A/c (Being Investments realized)		1,35,000	1,35,000
March 31 <sup>st</sup> 2018	9% Debentures A/c ..... Dr. Premium on Redemption of Debenture A/c..Dr. To Debenture holders A/c (Being debentures and premium on redemption due for redemption)		9,00,000 90,000	9,90,000
March 31 <sup>st</sup> 2018	Debenture holders A/c ..... Dr. To Bank A/c (Being payment made to debenture holders)		9,90,000	9,90,000
March 31 <sup>st</sup> 2018	Debenture Redemption Reserve A/c Dr To General Reserve A/c (Being Debenture redemption Reserve transferred to general reserve)		2,25,000	2,25,000

(1/2x6)

-	11	-	<p><b>Q. Nirupama and Anupama were partners..... in the books of the firm.</b>  <b>ANS.</b></p> <p style="text-align: center;">Journal</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 40%;">Particulars</th> <th style="width: 10%;">L.F.</th> <th style="width: 15%;">Debit (Rs.)</th> <th style="width: 25%;">Credit (Rs.)</th> </tr> </thead> <tbody> <tr> <td></td> <td>Bank a/c ..... Dr.  To Kumar's Capital A/c  To Premium for Goodwill A/c  (Being capital and premium brought by new partner Kumar)</td> <td></td> <td style="text-align: center;">2,30,000</td> <td style="text-align: center;">2,00,000 30,000</td> </tr> <tr> <td></td> <td>Premium for Goodwill A/c..... Dr.  To Anupama's Capital A/c  (Being premium for goodwill transferred to sacrificing partners)</td> <td></td> <td style="text-align: center;">30,000</td> <td style="text-align: center;">30,000</td> </tr> </tbody> </table>	Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)		Bank a/c ..... Dr. To Kumar's Capital A/c To Premium for Goodwill A/c (Being capital and premium brought by new partner Kumar)		2,30,000	2,00,000 30,000		Premium for Goodwill A/c..... Dr. To Anupama's Capital A/c (Being premium for goodwill transferred to sacrificing partners)		30,000	30,000	4
Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)															
	Bank a/c ..... Dr. To Kumar's Capital A/c To Premium for Goodwill A/c (Being capital and premium brought by new partner Kumar)		2,30,000	2,00,000 30,000															
	Premium for Goodwill A/c..... Dr. To Anupama's Capital A/c (Being premium for goodwill transferred to sacrificing partners)		30,000	30,000															

(2)

(2)

-	12	-	<p><b>Q. Pawan, Raman and Hina were partners..... journal entries for the above transactions in the books of the firm.</b>  <b>Ans.</b></p> <p style="text-align: center;">Journal</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 40%;">Particulars</th> <th style="width: 10%;">L.F.</th> <th style="width: 15%;">Debit</th> <th style="width: 25%;">Credit</th> </tr> </thead> <tbody> <tr> <td></td> <td>Revaluation A/c.....Dr.  To Furniture A/c  To Plant A/c  (Being assets revalued)</td> <td></td> <td style="text-align: center;">60,000</td> <td style="text-align: center;">30,000 30,000</td> </tr> <tr> <td></td> <td>Pawan's Capital A/c.....Dr.  Raman's Capital A/c.....Dr.  Hina's Capital A/c.....Dr.  To Revaluation A/c  (Being loss on revaluation distributed among partners)</td> <td></td> <td style="text-align: center;">24,000 24,000 12,000</td> <td style="text-align: center;">60,000</td> </tr> <tr> <td></td> <td>General Reserve A/c.....Dr.  To Pawan's Capital A/c  To Raman's Capital A/c  To Hina's Capital A/c  (Being General Reserve distributed among partners)</td> <td></td> <td style="text-align: center;">45,000</td> <td style="text-align: center;">18,000 18,000 9,000</td> </tr> <tr> <td></td> <td>Workmen Compensation Fund Dr.  To Claim for Workmen</td> <td></td> <td style="text-align: center;">20,000</td> <td style="text-align: center;">12,000</td> </tr> </tbody> </table>	Date	Particulars	L.F.	Debit	Credit		Revaluation A/c.....Dr. To Furniture A/c To Plant A/c (Being assets revalued)		60,000	30,000 30,000		Pawan's Capital A/c.....Dr. Raman's Capital A/c.....Dr. Hina's Capital A/c.....Dr. To Revaluation A/c (Being loss on revaluation distributed among partners)		24,000 24,000 12,000	60,000		General Reserve A/c.....Dr. To Pawan's Capital A/c To Raman's Capital A/c To Hina's Capital A/c (Being General Reserve distributed among partners)		45,000	18,000 18,000 9,000		Workmen Compensation Fund Dr. To Claim for Workmen		20,000	12,000	4
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	Workmen Compensation Fund Dr. To Claim for Workmen		20,000	12,000																									

½

½

½

			Compensation To Pawan's Capital A/c To Raman's Capital A/c To Hina's Capital A/c (Being liability for claim for workmen compensation provided and excess workmen compensation fund distributed among partners)		3,200 3,200 1,600		1
			Pawan's Capital A/c.....Dr. Raman's Capital A/c.....Dr. Hina's Capital A/c .....Dr. To Profit and Loss A/c (Being accumulated loss distributed among partners)	22,000 22,000 11,000		55,000	½
			Pawan's Capital A/c..... Dr. To Pawan's Executor's A/c (Being balance in Pawan's capital transferred to his executor's account)	1,75,200		1,75,200	1

15	13	14	<p><b>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.</b></p> <p><b>Ans.</b></p> <p style="text-align: center;"><b>Receipts and Payments A/c</b></p> <p>Dr. (of Good Health Club for the year ending 31-3-18) Cr.</p> <table border="1" style="width: 100%;"> <thead> <tr> <th>Receipts</th> <th>Amount(Rs.)</th> <th>Payments</th> <th>Amount(Rs.)</th> </tr> </thead> <tbody> <tr> <td>To opening balance</td> <td></td> <td>By wages and salary</td> <td>55,000</td> </tr> <tr> <td>    cash</td> <td>70,000</td> <td>By Investment in 9% deb</td> <td>2,40,000</td> </tr> <tr> <td>    bank</td> <td>3,00,000</td> <td>of XYZ Ltd.</td> <td></td> </tr> <tr> <td>To subscription received</td> <td></td> <td>By health journals</td> <td>5,000</td> </tr> <tr> <td>2016-17 40,000</td> <td></td> <td>By stationary</td> <td>12,500</td> </tr> <tr> <td>2017-18 3,75,000</td> <td></td> <td>By insurance premium</td> <td>6760</td> </tr> <tr> <td>2018-19 20,000</td> <td>4,35,000</td> <td>By courier charges</td> <td>800</td> </tr> <tr> <td>To donations for gym</td> <td>1,64,000</td> <td>By Municipal taxes</td> <td>9570</td> </tr> <tr> <td>To Admission Fees</td> <td>14,000</td> <td>By Machine purchased</td> <td>38,000</td> </tr> <tr> <td>To Life Member fees</td> <td>45,000</td> <td>By Balance C/d</td> <td></td> </tr> <tr> <td>To lockers rent</td> <td>11,000</td> <td>    Cash in hand</td> <td>43000</td> </tr> <tr> <td>To sale for old paper</td> <td>300</td> <td>    Bank (Balancing</td> <td>6,30,410</td> </tr> <tr> <td>To Interest on bank balance</td> <td>1740</td> <td>Figure)</td> <td></td> </tr> <tr> <td></td> <td style="border: 1px solid black;">10,41,040</td> <td></td> <td style="border: 1px solid black;">10,41,040</td> </tr> </tbody> </table>	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 20,000	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 balance	1740	Figure)			10,41,040		10,41,040	6	½ mark for two correct posting + 1 for calculating closing bank bal.
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13	14	15	<p><b>Q. A, B and C were partners. Their fixed capitals were .....workings clearly, pass the necessary adjustment entry.</b></p> <p><b>ANS</b></p> <table border="1" style="width: 100%;"> <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)	6	(4)
	Interest on capital	Salary	Commission	Profits Payable	Total Payable	Profits Distributed	Excess/ (Deficiency)																														
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B	2,000	18,000	-	20,920	40,920	26,667	(14253)																														
C	1,000	-	3,700	10,460	15,160	13,333	(1827)																														

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

(2)

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

OR

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

Ans.

Dr.		REVALUATION A/C		Cr.	
Particulars	Amount	Particulars	Amount		
To Provision For Doubtful Debts	2,000	By partner's capital A/c			
To Furniture A/c	150	T	1,575		
To Stock A/c	<u>1000</u>	N	<u>1,575</u>		<u>3,150</u>
	<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	<u>2,250</u>	<u>2,250</u>	-				
	<u>33,250</u>	<u>18,250</u>	<u>15,500</u>		<u>33,250</u>	<u>18,250</u>	<u>15,500</u>				

(2)

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

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

(2)



	Jackson	2560	
	John	<u>2560</u>	<u>12800</u>
			<u>1,16,000</u>
		<u>1,16,000</u>	

**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/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 Premises A/c	8,000
To Furniture A/c	840	By Stock A/c	3,300
To Provision for doubtful debts	1500		
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 A/c	-	-	5250				
To Balance C/d				By S's A/c	-	-	1750				
	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	-				
To Balance C/d	48,730	16,243	-	By current A/c	15000	-	-				
	<u>48730</u>	<u>31243</u>	-		<u>48,730</u>	<u>31,243</u>	-				

(3 ½)

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

Liabilities		Amount	Assets		Amount
Capital's A/C			Freehold premises		48,000
N	48,730		Machinery A/c		27,000
S	<u>16,243</u>	64,973	Furniture A/c		11,160
Bills Payable		12,000	Stock A/c		25,300
Sundry Creditors		18,000	Sundry Debtors	20,000	
N's Current A/c		15,000	-Provision for debtors(2,500)		17,500
B's Loan A/c		<u>40987</u>	Cash		7,000
		<u>1,50,960</u>	S's Current A/c		<u>15,000</u>
					<u>1,50,960</u>

(2)

**ALTERNATE SOLUTION**

**Alternate**

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

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

6 marks

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

1 mark

1 mark

17 17 16 Q. Royal Ltd. Invited applications for issuing 2,00,000 equity shares of Rs. 10 each..... All the forfeited shares were reissued at rs.11.50 fully paid up to Meeta.

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

Ans.

Journal

Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
	Bank A/c Dr. To Equity share application A/c (Being amount received on application of 4,50,000 shares at a premium of rs.2.50)		18,00,000	18,00,000
	Equity share application A/c Dr. To Equity share capital A/c To Securities Premium reserve A/c To Equity share allotment A/c To Bank A/c		18,00,000	3,00,000 5,00,000 6,00,000 4,00,000

½

1

(Being the amount transferred to share capital, share allotment, securities premium reserve and bank)				
Equity share allotment A/c To Equity share capital A/c (Being share allotment made due)	Dr.	7,00,000	7,00,000	½
Bank A/c Calls in arrears A/c To Equity share allotment A/c (Being share allotment received.)	Dr. Dr.	98,000 2,000	1,00,000	1
Equity share capital A/c To Share forfeited A/c To Calls in arrears A/c (Being shares forfeited.)	Dr.	20,000	18,000 2,000	1
Equity share 1 <sup>st</sup> and final call A/c To equity share capital A/c (Being shares 1 <sup>st</sup> and final call made due.)	Dr.	9,80,000	9,80,000	1
Bank A/c Calls in arrears A/c To Equity share 1 <sup>st</sup> and final call A/c (Being first and final call received)	Dr. Dr.	9,50,000 30,000	9,80,000	½
Equity share capital A/c To Share forfeiture A/c To Calls in arrears A/c (Being shares forfeited.)	Dr.	60,000	30,000 30,000	1
Bank A/c To Equity share capital A/c To Securities premium reserve A/c (Being shares re-issued.)	Dr.	1,15,000	1,00,000 15,000	1
Share Forfeiture A/c To Capital Reserve A/c (Being amount transferred to capital A/c)	Dr.	48,000	48,000	½

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

**Working notes:**

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

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

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

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

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

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

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

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

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

Amount Received on Allotment = 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
	Equity share application A/c Dr. To Equity share capital A/c (Being amount transferred to share capital.)		4,80,000	4,80,000
	Equity share allotment A/c Dr. To Equity share capital A/c (Being share allotment made due.)		7,20,000	7,20,000
	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
	Equity share 1 <sup>st</sup> call A/c Dr. To Equity share capital A/c (Being 1 <sup>st</sup> call due.)		6,00,000	6,00,000
	Bank A/c Dr. Calls in arrears A/c Dr. To Equity share 1 <sup>st</sup> call A/c (Being 1 <sup>st</sup> call received.)		5,00,000 1,00,000	6,00,000
	Equity share 2 <sup>nd</sup> call A/c Dr. To Equity share capital A/c (Being second call due.)		6,00,000	6,00,000
	Bank A/c Dr. Calls in arrears A/c Dr. To Equity share 2 <sup>nd</sup> call A/c (Being second call received.)		4,50,000 1,50,000	6,00,000
	Equity share capital A/c Dr. To Share forfeiture A/c To Calls in arrear A/c (Being shares forfeited.)		4,00,000	1,55,000 2,45,000
	Bank A/c Dr. Share forfeiture A/c Dr.		3,80,000 20,000	

½

½

½

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1

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½

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1

			<table border="1"> <tr> <td>To Equity share capital A/c (Being forfeited shares re-issued.)</td> <td></td> <td></td> <td>4,00,000</td> <td rowspan="2">½</td> </tr> <tr> <td>Share Forfeiture A/c To Capital Reserve A/c (Being amount transferred to capital reserve.)</td> <td>Dr.</td> <td>1,35,000</td> <td>1,35,000</td> </tr> </table>	To Equity share capital A/c (Being forfeited shares re-issued.)			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	
To Equity share capital A/c (Being forfeited shares re-issued.)			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										
			<p><b>Note: In case the candidate has given the solution without opening calls in arrears account full credit may be given.</b></p>										
-	18	-	<p><b>Q. Give any two examples..... investing activities of a finance company.</b></p> <p><b>Ans.</b> (i) Purchase of Building. (ii) Purchase of Patents.</p>	½ x 2=1									
-	19	-	<p><b>Q. What..... “Cash Flow Statement”.</b></p> <p><b>Ans.</b> It is statement which shows inflows and outflows of cash and cash equivalents.</p>	1									
22	20	21	<p><b>Q. From the following balances..... proprietary ratio.</b></p> <p><b>Ans.</b>  Proprietary ratio= <math>\frac{\text{Shareholder's Funds}}{\text{Total Assets}}</math>  <b>Total Assets</b>= Plant and machinery+ Land and Building + Motor car+ Furniture + Stock+ debtors + Cash at bank  = 10,00,000+ 6,00,000+ 8,00,000+ 1,50,000+ 4,50,000+ 90,000+ 3,40,000  = Rs. 34,30,000  Total Assets= Shareholder's Fund's + Non Current liabilities+ Current Liabilities  34,30,000= Shareholder's Fund+ 10,00,000+ 6,20,000  Shareholder's Fund= Rs. 18,10,000  Proprietary Ratio= <math>\frac{18,10,000}{34,30,000} = 0.527</math></p> <p style="text-align: center;"><b>OR</b></p> <p><b>Q. Assuming that debt to equity..... following cases:</b></p> <p><b>Ans .</b> (i) No change (ii) Decrease (iii) Decrease (iv) Increase</p>	<p><b>4</b></p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>OR</p> <p>(1x4=4)</p>									

20.	21	20	<b>Q. Under which major heads and sub-heads will..... Companies act, 2013?</b>	4																																				
			1) <b>Bank overdraft.....</b> ..... <b>8) Provision of taxation</b>																																					
			<b>Ans.</b>																																					
			<table border="1"> <thead> <tr> <th>S.No.</th> <th>Items</th> <th>Headings</th> <th>Sub-Headings</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Bank Overdraft</td> <td>Current Liabilities</td> <td>Short term borrowings</td> </tr> <tr> <td>(ii)</td> <td>Subsidy Reserve</td> <td>Shareholders' funds</td> <td>Reserves and surplus- other</td> </tr> <tr> <td>(iii)</td> <td>Capital redemption reserve</td> <td>Shareholders' funds</td> <td>Reserves and surplus</td> </tr> <tr> <td>(iv)</td> <td>Mining Rights</td> <td>Non current assets</td> <td>Fixed assets- Intangibles</td> </tr> <tr> <td>(v)</td> <td>Patents</td> <td>Non current assets</td> <td>Fixed assets- Intangibles</td> </tr> <tr> <td>(vi)</td> <td>Debit balance in Statement of P&amp;L</td> <td>Shareholders' funds</td> <td>Reserves and surplus</td> </tr> <tr> <td>(vii)</td> <td>Debenture Redemption Reserve</td> <td>Shareholders' funds</td> <td>Reserves and surplus</td> </tr> <tr> <td>(viii)</td> <td>Provision for tax</td> <td>Current Liabilities</td> <td>Short term provisions</td> </tr> </tbody> </table>	S.No.	Items	Headings	Sub-Headings	(i)	Bank Overdraft	Current Liabilities	Short term borrowings	(ii)	Subsidy Reserve	Shareholders' funds	Reserves and surplus- other	(iii)	Capital redemption reserve	Shareholders' funds	Reserves and surplus	(iv)	Mining Rights	Non current assets	Fixed assets- Intangibles	(v)	Patents	Non current assets	Fixed assets- Intangibles	(vi)	Debit balance in Statement of P&L	Shareholders' funds	Reserves and surplus	(vii)	Debenture Redemption Reserve	Shareholders' funds	Reserves and surplus	(viii)	Provision for tax	Current Liabilities	Short term provisions	½ x 8
S.No.	Items	Headings	Sub-Headings																																					
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			<b>OR</b>																																					
			<b>Q. Explain briefly ..... 2) Top Management.</b>																																					
			<b>Ans. 1) Finance Manager:</b> Focuses on the facts and relationships related to managerial performance, corporate efficiency, financial strength and weakness and credit worthiness of the company. It helps in constant review of financial operation and to analyse causes of major deviations which further help in taking corrective actions.	2																																				
			<b>2) Top Management-</b> Top management is interested in every aspect of the financial analyses. It is their overall responsibility to see that the resources are used most efficiently and the firm's financial condition is sound. It helps the management in measuring the success of company's operations, appraising the individual's performance and evaluating the system of internal control.	2																																				
-	22.	-	<b>Q. From the following information, prepare a common size statement..... Ashoka Ltd.</b>  <b>Ans. Common Size Statement of Profit and loss/ Common size Income Statement</b> ( ofAshoka Ltd. For the year ending 31-3-17 and 31-3-18) <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">Particulars</th> <th style="width: 10%;">2016-17</th> <th style="width: 10%;">2017-18</th> <th style="width: 10%;">As a % of</th> <th style="width: 10%;">As a % of</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Particulars	2016-17	2017-18	As a % of	As a % of						4																										
Particulars	2016-17	2017-18	As a % of	As a % of																																				

			Revenue from operation (2016-17)	Revenue from operation (2017-18)	
I. Revenue from Operation	20,00,000	10,00,000	100%	100%	½
II. Other Incomes	2,00,000	50,000	10%	5%	½
III. Total incomes	22,00,000	10,50,000	110%	105%	
IV. Expenses					
Cost of material Consumed	12,00,000	5,00,000	60%	50%	½
Employee benefit expenses	1,40,000	80,000	7%	8%	½
Total expenses	13,40,000	5,80,000	67%	58%	
V. Net Profit Before Tax (III-IV)	8,60,000	4,70,000	43%	47%	1
VI. Tax	2,58,000	1,41,000	12.9%	14.1%	½
VII. Net Profit After Tax (V-VI)	6,02,000	3,29,000	30.1%	32.9%	½

23 23 23 Q. From the following balance sheet..... Cash Flow statement:- 6

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

Particulars	Details(Rs.)	Amount(Rs.)	
<b>1. Operating Activities:</b>			
Profit before tax and extraordinary items	1,98,000		1
<u>Non Operating and Non Cash Items-</u>			
Depreciation charged during the year	6,000		
Profit on sale of assets/machinery	(42,000)		
Operating Profits before tax and changes in working capital	1,62,000		1
<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)		1
Cash from Operating Activities(A)		20,000	
<b>2. Investing Activities:</b>			
Purchase of machinery	(1,32,000)		
Sale of machinery	56,000		
Cash Used In Investing Activities (B)		(76,000)	1
<b>3. Financing Activity:</b>			
Issue of shares	70,000		½
Cash from financing activities (C)		70,000	
Net Cash Inflow During the year(A+ B+ C)		14,000	
+ Opening Cash Equivalents		70,000	½

Closing cash equivalents	84,000
--------------------------	--------

Working Notes:

**Machinery A/c**

<b>Dr.</b>		<b>Cr.</b>	
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**

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

½

**PART B**

**OPTION 2**

**(Computerized Accounting )**

-	<b>18</b>	-	<p><b>Q. What is the activity.....processing mode?</b></p> <p><b>Ans.</b> The activity sequence of the basic information mode is collect data, organise and process it and then communicate the information extracted.</p>	<b>=1 Mark</b>
-	<b>19</b>	-	<p><b>Q. What.....data Validation?</b></p> <p><b>Ans.</b> Data Validation is the process of ensuring that a program operates on clean, correct and useful data. It uses validation rules and constraints to check for the correctness, meaningfulness and security of data that are input to the system.</p>	<b>=1 Mark</b>
-	<b>20</b>	-	<p><b>Q. Why is it .....debtors security.</b></p> <p><b>Ans.</b> To maintain the secrecy of accounting data it is necessary to have security features in accounting software</p> <p><b>Tools (any two)</b></p> <p>(i) <b>Password security:</b> Password is widely accepted security control to access</p>	

			<p>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>(ii) <b>Data Audit:</b> 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>(iii) <b>Data vault:</b> 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 encryption method.</p>	<p><b>2+2</b> = <b>4 Marks</b></p>
22	21	22	<p><b>Q. Explain.....'Mnemonic' codes.</b></p> <p><b>Ans. Sequential Codes:</b> In these codes numbers and/or letters are assigned in consecutive order. These codes are applied primarily to source documents such as cheques, invoices etc. This code facilitates document searches. This process enables in either identification of missing codes (numbers) relating to a particular document or a relevant document can be traced.</p> <p><b>Mnemonic Codes:</b> These codes consist of alphabets or abbreviations as symbols to codify a piece of information. SJ for sales Journal, HQ for Head Quarters are examples of mnemonic codes.</p> <p style="text-align: center;"><b>OR</b></p> <p><b>Q. State the steps.....Tally.</b></p> <p><b>Ans.</b> The following are the steps to construct BRS in tally:</p> <ol style="list-style-type: none"> <li>1. Bring up the monthly summary of bank book.</li> <li>2. Bring your cursor to the first month and press enter. This brings up the vouchers for the month. Since this is a bank account, an additional button F5: reconcile will be visible on the right Press F5.</li> <li>3. The display now becomes an Edit screen in Reconciliation mode. The primary components are: A column for the 'Bankers Date'</li> <li>4. Amounts not reflected in banks</li> <li>5. Balance as per bank</li> </ol>	<p><b>=4 marks</b></p>
21	22	21	<p><b>Q. Explain four.....'server database'?</b></p> <p><b>Ans.</b> (Any four)</p> <ol style="list-style-type: none"> <li>(i) Flexibility.</li> <li>(ii) Choice of front end applications.</li> <li>(iii) Powerful performance.</li> <li>(iv) Scalability to handle rapidly expanding number of users.</li> </ol>	<p><b>=4 Marks</b></p>

			<p>(v) Ease of handling huge amount of data.(with suitable explanation)</p> <p style="text-align: center;"><b>OR</b></p> <p><b>Q. What is .....types of vouchers.</b></p> <p><b>Ans.</b> The vouchers are three types-(any two)</p> <ul style="list-style-type: none"> <li>• <b>Memo voucher:</b> Memo voucher is a non accounting voucher. It does not affect accounts of the user. These entries are stated/recorded in a separate register, but not as a part of ledger</li> <li>• <b>Post dated voucher:</b> Some accounting software allows the user to enter the voucher for future transactions which are usually similar as the previous once.</li> <li>• <b>User defined Voucher:</b> In accounting software there are 23 predefined vouchers. It allows the user to define or create new accounting or inventory vouchers as per the requirement. In the voucher entry, entry can be classified into three basic categories.</li> </ul>	
23	23	23	<p><b>Q. What is.....its benefits.</b></p> <p><b>Ans.</b> A format change, such as background cell shading or font colour that is applied to a cell when a specified condition for the data in the cell is true.</p> <p><u>Conditional formatting</u> is often applied to worksheets to find:</p> <ul style="list-style-type: none"> <li>• Data that is above or below a certain value. Duplicate data values.</li> <li>• Cells containing specific text. Data that is above or below average.</li> <li>• Data that falls in the top ten or bottom ten values.</li> </ul> <p><b><u>Benefits of using conditional formatting:</u></b></p> <p>i) Helps in answering questions which are important for taking decisions.</p> <p>ii) Guides with help of using visuals.</p> <p>iii) Helps in understanding distribution and variation of critical data.</p>	<p>=</p> <p><b>6 Marks</b></p>

**SET 3**