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Senior School Certificate Examination
March -2019 - 20
Marking Scheme – Accountancy 67/2/1, 67/2/2, 67/2/3

General Instructions:

1. You are aware that evaluation is the most important process in the actual and correct assessment of the candidates. A small mistake in evaluation may lead to serious problems which may affect the future of the candidates, education system and teaching profession. To avoid mistakes, it is requested that before starting evaluation, you must read and understand the spot evaluation guidelines carefully. **Evaluation is a 10-12 days mission for all of us. Hence, it is necessary that you put in your best efforts 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, they may be assessed and marks be awarded to them**.

3. The Head-Examiner must go through the first five answer books evaluated by each evaluator on the first day to ensure that evaluation has been carried out as per the instructions given in the Marking Scheme. 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. Evaluators will mark (√) wherever the answer is correct . for wrong answers (×) be marked .Evaluators will not put right mark (√) while evaluating which gives an impression that answer is correct but no mark is awarded. **This is most common mistake which evaluators are committing.**

5. If a question has parts, please award marks on the right hand side for each part. Marks awarded for different parts of the question should then be totalled up and written in the left hand margin and encircled. This may be followed strictly.

6. If a question does not have any parts, marks must be awarded in the left hand margin and encircled. This may be followed strictly.

7. If a student has attempted an extra question, answer of the question deserving more marks should be retained and other answer scored out.

8. No marks to be deducted for the cumulative effect of an error. It should be penalized only once.

9. 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.

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. A full scale of marks 1-80 has to be used. Please do not hesitate to award full marks if the answer deserves it.

13. Every examiner has to necessarily do evaluation work for full working hours i.e. 8 hours everyday and evaluate 20 answer books per day.

14. 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

15. Half or a part of answer marked correct and the rest as wrong but no marks awarded.

16. 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.

17. 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.

18. The Examiners should acquaint themselves with the guidelines given in the Guidelines for Spot Evaluation before starting the actual evaluation.

19. Every Examiner shall also ensure that all the answers are evaluated, marks carried over to the title page, correctly totaled and written in figures and words.

20. The board permits candidates to obtain photocopy of the Answer Book on request in an RTI application and also separately as a part of the re- evaluation process on payment of the processing charges.

			Marking Scheme 2019-20 **Accountancy (055)** **67/2/1** **Expected Answers/ Value Points**	**Marks**
1	-	-	**Q. Srishti, Nitya and Anand……** **Ans.** (C)/ 2:1	**1 mark**
2	-	-	**Q. Which of the following……** **Ans.** (A)/ Donations for Tournament	**1 mark**
3	10	1	**Q. Nominal share capital……..** **Ans.** (D)/ The maximum amount of share capital that a company is authorized to issue.	**1 mark**
4	-	-	**Q. Aditya and Shiv……..** **Ans**. (D)/ ₹60,000	**1 mark**
5	-	-	**Q. Distinguish between……** **Ans.** Income and Expenditure Account records items of revenue nature while Receipts and Payments Account records items of both capital and revenue nature.	**1 mark**
6	-	-	**Q. Vidit and Seema……** **Ans.** (D)/ ₹6,000	**1 mark**
7	1	5	**Q. At the time of admission……** **Ans.** Premium for goodwill/ Premium/ Goodwill	**1 mark**

8	-	-	**Q. Pragya Ltd……..** **Ans.** (C)/ ₹5,60,000	**1 mark**
9	3	7	**Q. What is meant by……..** **Ans.** Issue of debentures as a collateral security means debentures issued as secondary security when the company obtains a loan.	**1 mark**
10	-	-	**Q. Utsav Ltd……** **Ans.** (D)/ 1,00,000	**1 mark**
11	5	9	**Q. Interest paid…….** **Ans.** Yes. Reason: Interest on debentures has to be paid whether the company earns profit or not.	**½ mark** + **½ mark** = **1 mark**
12	6	10	**Q. From the given extracts……** **Ans.** ₹6,000	**1 mark**
13	-	-	**Q. The directors of Axim Ltd……** **Ans.** (C)/ ₹60,000	**1 mark**
14	14	14	**Q. How will the following information……**	

Ans.

Dr. **Income and Expenditure A/c for the year ended March 31, 2019** Cr.

Expenditure	Amount (₹)	Income	Amount (₹)
To Tournament expenses	30,000		

1 mark

Balance Sheet of Royal Sports Cub Club as on 31st March 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Tournament Fund 5,00,000 Add Sale of Tournament tickets 1,50,000 Add Donations for tournament 1,20,000 Less Tournament expenses (7,70,000)	--		

1/2 x 4 = 2 marks = 1+2 = 3 marks

OR

OR

Q. From the following particulars…….

Dr. Receipts and Payments Account for the year ended 31st March 2019 Cr.

Receipts	Amount (₹)	Payments	Amount (₹)
To Balance b/d	20,000	By Rent	19,000
To Subscriptions received:		By Office Expenses	23,000
2017-18 25,000		By balance c/d	2,68,000
2018-19 1,00,000			
2019-20 15,000	1,40,000		
To Entrance Fees	45,000		
To Sale of old sports materials	5,000		
To Donations received for construction of building	1,00,000		
	3,10,000		3,10,000

3 marks

Note: If the examinee has presented Subscriptions as total of three years, full credit be

			given.	
15	16	17	**Q. Yash and Karan….** **Ans.** Goodwill = Capitalised value of the firm – Capital employed…….1 Capitalised value of the firm = $\frac{\text{Average Profits x 100}}{\text{Normal rate of return}}$ = $\frac{₹5,00,000 \text{ x } 100}{10}$ = ₹50,00,000……1 Capital employed = Yash's Capital + Karan's capital + Yash's Current Account + Karan's Current Account + General reserve = ₹6,00,000 + ₹4,00,000 + ₹4,00,000 + ₹5,00,000 + ₹1,00,000 = ₹20,00,000……1 Goodwill= ₹50,00,000 - ₹20,00,000 = ₹30,00,000……1 **OR** **Q. Samiksha, Ash and Divya……**	**1+1+1+1 =** **4 marks** **OR**

Ans. **JOURNAL**

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)	
	Samiksha's Capital A/c Dr. Ash's Capital A/c Dr. Divya's Capital A/c Dr. To Profit and Loss A/c (Undistributed loss transferred to Partners' Capital Accounts)	25,000 15,000 10,000	 50,000	**1 mark**
	Investment Fluctuation Fund A/c Dr. To Investments A/c To Samiksha's Capital A/c To Ash's Capital A/c To Divya's Capital A/c (Investments Fluctuation Fund distributed to Partners' Capital Accounts after meeting the decrease in the value of investments)	40,000	 20,000 10,000 6,000 4,000	**1 ½ mark**
	Ash's Capital A/c Dr. Divya's Capital A/c Dr. To Samiksha's Capital A/c (Adjustment entry made for goodwill)	60,000 30,000	 90,000	**1 ½ mark**

Calculation of sacrifice/ gain:

Samiksha =5/10 -2/10 =3/10 (sacrifice)

Ash= 3/10 -5/10 =2/10 (gain)

Divya =2/10 -3/10 =1/10 (gain)

= 1+1 ½ + 1 ½ = 4 marks

16	17	18	**Q. The capital accounts of Alka and Archana…**	

Ans. Calculation of Interest on capital:

Calculation of Opening Capitals:

Particulars	Alka(₹)	Archana(₹)
Closing Capitals	4,00,000	3,00,000
Add Drawings	40,000	20,000
Less Profits	(1,00,000)	(1,00,000)
Opening Capitals	½…….3,40,000	½…..2,20,000
Interest on Capital@10% p.a.	½ ……..**34,000**	½ ……**22,000**

1 mark

1 mark

Alka's Interest on Drawings = 6/100 x ₹40,000 x 4.5/12

= **₹900**…….. 1

1 mark

Archana's Interest on Drawings

Date	Amount (₹)	No. of months	Product (₹)
31.5.18	8,000	10	80,000
1.11.18	7,000	5	35,000
1.2.19	5,000	2	10,000
			1,25,000

1 mark

Interest on Drawings = 6/100 x ₹1,25,000 x 1/12

= **₹625**…….……..….. 1

= 1+1+1+1

=

4 marks

Alternatively, Interest on drawings can be calculated as:

(₹8,000 x 6/100 x 10/12) + (₹7,000 x 6/100 x 5/12) + (₹5,000 x 6/100 x 2/12) = ₹625

17	**-**	**-**	**Q. Naveen, Kavita….**

Ans. Dr. **Naveen's Capital Account** Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To Drawings	60,000	By balance b/d	3,00,000
To Advertisement Expenditure A/c	10,000	By Profit and Loss A/c	75,000
		By P&L Suspense A/c	12,500
To Naveen's executors A/c	4,17,500	By Kavita's Capital A/c	80,000
		By Vishesh's Capital A/c	20,000
	4,87,500		4,87,500

(Note: If an examinee has raised goodwill, full credit be given)

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½ x 8 = 4 marks

18 15 16 **Q. From the following Receipts and Payments A/c .....**

Ans.

Dr. **Income and Expenditure A/c for the year ended March 31, 2019** Cr.

Expenditure		Amount (₹)	Income	Amount (₹)
To depreciation on furniture (18,000+5,000)		23,000	By Subscriptions	90,000
			By Donations	39,000
To Salary	62,000			
Less outstanding salary at the beginning of the year	(13,000)	49,000	By Interest	19,700
To Surplus- excess of income over expenditure		76,700		
		1,48,700		1,48,700

2 marks

Balance Sheet of Premier Club as on 31st March 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Subscriptions received in advance	9,000	Furniture 2,80,000	
Capital Fund 2,62,900		Less depreciation 23,000	2,57,000
Add Surplus 76,700	3,39,600	Outstanding Subscriptions	23,000
		Cash	68,600
	3,48,600		3,48,600

1 ½ marks

Working Notes:

Balance Sheet of Premier Club as on 1st April 2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Outstanding salary	13,000	Furniture	1,80,000
Capital fund (bal. fig)	2,62,900	Outstanding Subscriptions	15,000
		Cash	80,900
	2,75,900		2,75,900

½ mark

Note: If an examinee has calculated the Capital Fund using accounting equation, full credit be given)

= 2 + 1 ½ + ½ = 4 marks

19 - - **Q. Simar, Raja and Rita…… .**

Ans. **Journal**

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)
(i)	Bank/ Cash A/c Dr.	88,000	
	To Realisation A/c		88,000
	(Bad debts earlier written off, now recovered)		

			(ii)	Realisation A/c Dr. To Bank A/c (Payment made to creditors)	50,000	 50,000	
			(iii)	Raja's loan A/c Dr. To Bank/ Cash A/c To Realisation A/c (Raja's loan settled) **or** Raja's loan A/c Dr. To Bank/ Cash A/c (Raja's loan settled) Raja's loan A/c Dr. To Realisation A/c (Raja's loan settled at a profit)	18,000 17,000 1,000	 17,000 1,000 17,000 1,000	**1 x 6 = 6 marks**
			(iv)	Simar's Capital A/c Dr. Cash/ Bank A/c Dr. To Realisation A/c (Investments taken over by Simar and remaining sold)	52,000 12,000	 64,000	
			(v)	Realisation A/c Dr. To Cash/ Bank A/c (Dissolution expenses paid by the firm)	19,000	 19,000	
			(vi)	Realisation A/c Dr. To Simar's Capital A/c To Raja's Capital A/c To Rita's Capital A/c (Profit on dissolution credited to partners capital accounts)	30,000	 12,000 12,000 6,000	
20	20	20	**Q. (i) Kati Ltd. issued……** **Ans.** (i)				

Journal of Kati Ltd.

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)
	Bank A/c Dr. To Debenture Application and Allotment A/c (Application money received on 9,000 debentures)	8,10,000	8,10,000
	Debenture Application and Allotment A/c Dr. Discount/Loss on issue of Debentures A/c Dr. To 9% Debentures To Bank A/c (Debentures allotted and excess application money refunded)	8,10,000 80,000	 8,00,000 90,000

1 ½ x 2 = 3 marks

(ii) Pivot Ltd. issued……..

Ans.

Journal of Pivot Ltd.

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)
2018 Mar 31	Surplus i.e. balance in Statement of Profit and Loss Dr To Debenture Redemption Reserve A/c (Debenture Redemption Reserve created out of profits)	10,00,000	10,00,000
Apr 30	Debenture Redemption Investments A/c Dr. To Bank A/c (Debenture Redemption Investments purchased)	3,00,000	3,00,000

1 mark

½ mark

			2019 Mar.31	Bank A/c Dr. To Debenture Redemption Investments A/c (Debenture Redemption Investments realised)	3,00,000 3,00,000	**½ mark**
			"	9% Debentures A/c Dr. To Debenture holders A/c (Amount payable to Debenture holders on redemption)	20,00,000 20,00,000	**½ mark**
			"	Debenture holders A/c Dr. To Bank A/c (Payment made to Debenture holders)	20,00,000 20,00,000	**½ mark**
				Debenture Redemption Reserve A/c Dr. To General Reserve A/c (Proportionate amount of Debenture Redemption Reserve transferred to General Reserve)	5,00,000 5,00,000	**= 3 marks = 3+3 = 6 marks**

Note: No marks have been allotted for transfer of Debenture Redemption Reserve to General Reserve

OR **OR**

Q. (i) Rama Ltd……..

Ans. (i)

Rama Ltd.

Journal

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)	
	Land and Building A/c Dr. Furniture A/c Dr. Stock A/c Dr. Goodwill A/c Dr. To Creditors A/c To Krishna Ltd. (Assets and liabilities taken over)	50,00,000 10,00,000 5,00,000 2,00,000	 7,00,000 60,00,000	**1 mark**
	Krishna Ltd. Dr. To 12% Debentures A/c To Securities Premium Reserve A/c (Purchase consideration discharged by issuing 12% Debentures at a premium)	60,00,000	 50,00,000 10,00,000	**1 mark**

(ii) On 1st April 2018, Sakshi Ltd……

Journal of Sakshi Ltd.

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)	
	Bank A/c Dr. To Debenture Application and Allotment A/c (Application money received on 1,000 11% Debentures)	94,000	 94,000	**1 mark**
	Debenture Application and Allotment A/c Dr. Loss on issue of Debentures A/c Dr. To 11% Debentures A/c To Premium on redemption of debentures A/c (Allotment of 11% debentures at a discount,	94,000 11,000	 1,00,000 5,000	

				redeemable at a premium) **or** Debenture Application and Allotment A/c Dr. Discount on issue of Debentures A/c Dr. Loss on issue of Debentures A/c Dr. To 11% Debentures A/c To Premium on redemption of Debentures A/c (Allotment of 11% debentures at a discount, redeemable at a premium)	94,000 6,000 5,000	1,00,000 5,000	**1 mark**

(iii) On 1st April 2016, Canara Bank Issued……..

Journal of Canara Bank

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)	
	9% Debentures A/c Dr. Premium on redemption of debentures A/c Dr. To Debenture holders A/c (Amount payable to Debenture holders at a premium)	5,00,000 50,000	5,50,000	**1 mark**
	Debenture holders A/c Dr. To Bank A/c (Payment made to Debenture holders)	5,50,000	5,50,000	**1 mark**

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6 marks

21	22	21	**Q. V.D Ltd. invited……** **Ans.**

Journal of VD Ltd.

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)	
	Bank A/c Dr. To Equity Share Application A/c (Application money received on 2,50,000 shares)	7,50,000	 7,50,000	½ mark
	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 (Equity shares allotted and excess application money transferred to equity share allotment)	7,50,000	 4,00,000 2,00,000 1,20,000 30,000	1 mark
	Equity Share Allotment A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Allotment money due)	14,00,000	 4,00,000 10,00,000	½ mark
	Bank A/c Dr. To Equity Share Allotment A/c (Allotment money received) **or** Bank A/c Dr. Calls in arrears A/c Dr. To Equity Share Allotment A/c (Allotment money received)	12,73,600 12,73,600 6,400	 12,73,600 12,80,000	1 mark

					Equity Share Capital A/c	Dr.	4,000		
					Securities Premium Reserve A/c	Dr.	5,000		
					To Share Forfeiture A/c			2,600	
					To Share Allotment A/c			6,400	
					(Agam's shares forfeited)				**1 mark**
					or				
					Equity Share Capital A/c	Dr.	4,000		
					Securities Premium Reserve A/c	Dr.	5,000		
					To Share Forfeiture A/c			2,600	
					To Calls in arrears A/c			6,400	
					(Agam's shares forfeited)				
					Equity Share First and Final call A/c	Dr.	11,94,000		
					To Equity Share Capital A/c			11,94,000	**½ mark**
					(Equity Share First and final call money due)				
					Bank A/c	Dr.	11,82,000		
					To Equity Share First and Final call A/c			11,82,000	
					(First and final call money received)				
									1 mark
					or				
					Bank A/c	Dr.	11,82,000		
					Calls in arrears A/c	Dr.	12,000		
					To Equity Share First and Final call A/c			11,94,000	
					(First and final call money received)				
					Equity Share Capital A/c	Dr.	20,000		
					To Share Forfeiture A/c			8,000	
					To Equity Share First and Final Call A/c			12,000	
					(Seema's shares forfeited)				
									1 mark
					or				
					Equity Share Capital A/c	Dr.	20,000		
					To Share Forfeiture A/c			8,000	
					To Calls in arrears A/c			12,000	
					(Seema's shares forfeited)				

	Bank A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (shares reissued for ₹16 per share)	24,000	 15,000 9,000
	Share Forfeiture A/c Dr. To Capital Reserve A/c (Gain on reissue of forfeited shares transferred to capital reserve)	5,300	 5,300

1/2 mark

1 mark

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8 marks

OR

OR

Q. Konark Ltd…..

Ans. **Journal of Konark Ltd.**

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)
	Bank A/c Dr. To Share Application A/c (Application money received on 4,00,000 shares)	12,00,000	 12,00,000
	Share Application A/c Dr. To Share Capital A/c To Share Allotment A/c (Shares allotted and excess application money transferred to equity share allotment)	12,00,000	 9,00,000 3,00,000

½ mark

1 mark

					Share Allotment A/c Dr. To Share Capital A/c (Allotment money due)	9,00,000	9,00,000	**½ mark**
					Bank A/c Dr. Calls in arrears A/c Dr. To Share Allotment A/c To Calls in advance A/c (Allotment money received) **or** Bank A/c Dr. To Share Allotment A/c To Calls in advance A/c (Allotment money received)	6,34,000 6,000 6,34,000	 6,00,000 40,000 5,94,000 40,000	**1 mark**
					Share First and final call A/c Dr. To Share Capital A/c (First call money due)	12,00,000	 12,00,000	**½ mark**
					Bank A/c Dr. Calls in arrears A/c Dr. Calls in advance A/c Dr. To Share First and final call A/c (First call money received) **or** Bank A/c Dr. Calls in advance A/c Dr. To Share First and final call A/c	11,44,000 16,000 40,000 11,44,000 40,000	 12,00,000 11,84,000	**1 ½ marks**

				(First call money received)			
				Share Capital A/c Dr. To Share Forfeiture A/c To Calls in Arrears A/c (Divij's shares forfeited for non payment of allotment and first call) **or** Share Capital A/c Dr. To Share Forfeiture A/c To Share Allotment A/c To Share first and Final Call A/c (Divij's shares forfeited for non payment of allotment and first call)	40,000 40,000	 18,000 22,000 18,000 6,000 16,000	**1 mark**
				Bank A/c Dr. To Share Capital A/c (Half of Divij's shares reissued for ₹10 per share fully paid)	20,000	 20,000	**1 mark**
				Share Forfeiture A/c Dr. To Capital Reserve A/c (Gain on reissue of forfeited shares transferred to capital reserve)	9,000	 9,000	**1 mark** = **8 marks**
22	21	22	**Q. Madhuri and Arsh…**				

Ans.

Dr. **Revaluation A/c** Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To Provision for doubtful debts	2,000	By Stock	10,000
To Workmen's compensation claim	10,000	By Cash/ Bad Debts Recovered	15,000
To Profit transferred to:			
Madhuri's Capital A/c 30,000		By Creditors	27,000
Arsh's Capital A/c 10,000	40,000		
	52,000		52,000

2 marks

Dr. **Partners Capital Accounts** Cr.

Particulars	Madhuri (₹)	Arsh (₹)	Jyoti (₹)	Particulars	Madhuri (₹)	Arsh (₹)	Jyoti (₹)
To Investments A/c	-	22,000	-	By Balance b/d	3,00,000	2,00,000	-
				By Cash A/c	-	-	1,86,000
To Balance c/d	3,60,000	1,98,000	1,86,000	By Premium for goodwill A/c	30,000	10,000	-
				By Revaluation A/c	30,000	10,000	-
	3,60,000	2,20,000	1,86,000		3,60,000	2,20,000	1,86,000

1 mark for each capital A/c = 1 x 3 = 3 marks

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Balance Sheet of Madhuri, Arsh and Jyoti as on 31st March 2019

Liabilities		Amount (₹)	Assets		Amount (₹)
Capitals:			Machinery		4,70,000
Madhuri	3,60,000		Investments		88,000
Arsh	1,98,000		Debtors	1,20,000	
Jyoti	1,86,000	7,44,000	Less Provision for		
Workmen's compensation claim		70,000	doubtful debts	12,000	1,08,000
Creditors		1,63,000	Stock		1,50,000
Employees Provident Fund		1,10,000	Cash		2,71,000
		10,87,000			10,87,000

Note 1: if an examinee has raised and written off the goodwill, full credit be given.

Note 2: No marks are to be deducted for cumulative effect of an error

1 ½ mark for correct assets side + 1 ½ mark for correct liability side = 3 marks = 2+3+3 = 8 marks

OR

OR

Q. Anita, Gaurav and Sonu……..

Dr. **Revaluation A/c** Cr.

Particulars		Amount (₹)	Particulars	Amount (₹)
To Bad debts		10,000	By Land and Building	1,00,000
To Provision for doubtful debts		13,000		
To Profit transferred to:				
Anita's Capital A/c	30,800			
Gaurav's Capital A/c	30,800			
Sonu's Capital A/c	15,400	77,000		
		1,00,000		1,00,000

Note: If an examinee has debited Provision for doubtful debts with ₹23,000 (bad debts ₹10,000 + provision ₹13,000), full credit be given.

2 marks

Dr. **Partners Capital Accounts** Cr.

Particulars	Anita (₹)	Gaurav (₹)	Sonu (₹)	Particulars	Anita (₹)	Gaurav (₹)	Sonu (₹)
To Anita's Capital A/c	-	80,000	40,000	By balance b/d	2,00,000	2,00,000	1,00,000
To Bank A/c	1,00,000	-	-	By General Reserve	12,000	12,000	6,000
To Anita's loan	2,74,800	-	-	By Revaluation A/c	30,800	30,800	15,400
To balance c/d	-	1,74,800	87,400	By Gaurav's Capital A/c	80,000	-	-
				By Sonu's Capital A/c	40,000	-	-
				By Investment Fluctuation Fund	12,000	12,000	6,000
	3,74,800	2,54,800	1,27,400		3,74,800	2,54,800	1,27,400

1 mark for each capital A/c = 1 x 3 = 3 marks

Balance Sheet of the reconstituted firm as at 31st March 2019

Liabilities		Amount (₹)	Assets		Amount (₹)
Capitals			Land and Building		6,00,000
Gaurav	1,74,800		Investments		1,10,000
Sonu	87,400	2,62,200	Debtors	1,30,000	
Anita's Loan		2,74,800	Less Provision for		
Sundry Creditors		4,60,000	doubtful debts	13,000	1,17,000
			Stock		1,00,000
			Cash		70,000
		9,97,000			9,97,000

1 ½ marks for correct asset side + 1 ½ marks for correct liabilities side = 3 marks = 8 marks

Note 1: if an examinee has raised and written off the goodwill, full credit be given.

Note 2: No marks are to be deducted for cumulative effect of an error

			PART B **OPTION 1** **Analysis of Financial Statements**	
23	-	-	**Q. An investment normally…….** **Ans.** Three	**1 mark**
24	-	-	**Q. X Ltd. purchased……** **Ans.** (D). Cash used in investing activities ₹8,00,000	**1 mark**
25	27	29	**Q. Which of the following……** **Ans.** (B)/ Inter firm comparative study possible	**1 mark**
26	-	-	**Q. State the objective……** **Ans.** The objective of preparing Cash Flow Statement is to provide useful information about Cash Flows (Inflows & outflow) of an enterprise during a particular period under various heads of activities.	**1 mark**
27	-	-	**Q. Under which of the following……..** **Ans.** (B)/ Share capital	**1 mark**
28	-	-	**Q. Which of the following is not a subhead……** **Ans.** (B)/ Trademarks	**1 mark**
29	-	-	**Q. What will be the effect…….** **Ans.** No Effect.	**1 mark**
30	30	30	**Q. From the following information……..**	

			Ans. Return on Investment = Net profit before interest and tax/ Capital Employed x 100…..1/2 Net profit before interest and tax = Net profit after interest and tax + tax + interest = ₹6,00,000 + ₹4,00,000 + ₹60,000 = ₹10,60,000……1/2 Capital Employed = ₹20,00,000 **Return on Investment**=₹10,60,000/₹20,00,000 x100 =**53%**.....1/2 **Debt Equity Ratio** = Debt/ Equity ……1/2 Equity = Capital Employed – Debt =₹20,00,000 – ₹10,00,000 =₹10,00,000……..……1/2 **Debt Equity Ratio** = ₹10,00,000/ ₹10,00,000 **=1:1**……1/2 **OR** **Q. (i) Current Liabilities ₹1,50,000……**	**1½ marks** **+** **1½ marks** **=** **3 marks** **OR**

			(i) Quick Ratio= Quick Assets/ Current Liabilities …….……1/2 Quick assets= Current assets – Inventories – Advance Tax – Prepaid rent = ₹2,80,000 - ₹40,000 - ₹30,000 – ₹10,000 = ₹2,00,000 …….……1/2 Quick Ratio= ₹2,00,000/₹1,50,000 **Quick Ratio** **=1.33:1**…….……1/2	**1½ marks** +
			Q. (ii) Average Inventory ₹60,000…….. **Ans.** **(ii)** Inventory Turnover ratio= Cost of Revenue from operations / Average Inventor…1/2 Cost of Revenue from operations = Revenue from operations + Gross Loss Gross Loss= 10/100 x ₹6,00,000 = ₹60,000 Cost of Revenue from operations = ₹6,60,000……1/2 Average Inventory= ₹60,000	**1½ marks** = **3 marks**

Inventory Turnover ratio = ₹6,60,000/ ₹60,000

=11 times……1/2

31 31 31 **Q. From the following particulars……..**

Ans.

Mark Ltd.

Comparative Statement of Profit and Loss

for the years ended 31st March 2017 and 31st March 2018

Particulars	**2016-17 (₹)**	**2017-18 (₹)**	**Absolute Increase/ Decrease (₹)**	**Percentage Increase/ Decrease (%)**	
Revenue from operations	40,00,000	50,00,000	10,00,000	25	**½ mark**
Add Other income	2,00,000	2,50,000	50,000	25	**½ mark**
Total Revenue	42,00,000	52,50,000	10,50,000	25	**½ mark**
Less Expenses					
Purchase of stock in trade	30,00,000	40,00,000	10,00,000	33.3	**½ mark**
Changes in inventory	8,00,000	10,00,000	2,00,000	25	**½ mark**
Other expenses	4,00,000	5,00,000	1,00,000	25	**½ mark**
Total expenses	42,00,000	55,00,000	13,00,000	30.95	**½ mark**
Profit after Tax	-	(2,50,000)	(2,50,000)	-	**½ mark**

= 4 marks

OR

OR

Q. From the following Balance Sheet……

Swaraj Ltd.

Common Size Balance Sheet

As at 31st March 2018 and 31st March 2019

Particulars	Note No.	31.3.2018 (₹)	31.3.2019 (₹)	% of Total 31.3.2018	% of Total 31.3.2019	
EQUITY AND LIABILITIES						
(1) Shareholders Funds						
(a) Share capital		30,00,000	34,00,000	60	68	**½ mark**
(b) Reserves and Surplus		10,00,000	10,00,000	20	20	**½ mark**
(2) Non Current Liabilities						
Long Term Borrowings		3,00,000	5,00,000	6	10	**½ mark**
(3) Current Liabilities						
Trade Payables		7,00,000	1,00,000	14	2	**½ mark**
Total		50,00,000	50,00,000	100	100	**½ mark**
ASSETS						
(1) Non Current Assets						
(a) Fixed assets						
(i) Tangible assets		28,00,000	36,00,000	56	72	**½ mark**
(2) Current Assets						
(a) Inventories		20,00,000	13,00,000	40	26	**½ mark**
(b) Cash and Cash equivalents		2,00,000	1,00,000	4	2	**½ mark**
Total		50,00,000	50,00,000	100	100	**=**

			.	**4 marks**
32	32	32	**Q. Cash flow from the operating ……**	

Ans. Cash Flow Statement of Pinnacle Ltd. for the year ended 31st March 2019

Particulars	Details(₹)	Amount (₹)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Inflows from Operating activities		28,000	
			1½ marks
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Plant and Machinery	(3,95,000)		
Sale of Plant and Machinery	1,02,000		
Cash used in Investing activities		(2,93,000)	**1½ marks**
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of Share Capital	4,00,000		
Issue of 9% Debentures	1,00,000		
Interest paid on 9% Debentures	(27,000)		**1½**
Cash Inflows from Financing activities		4,73,000	**marks**
Net increase in Cash and Cash equivalents		2,08,000	
			-
Add Opening balance of Cash and Cash equivalents			
Current Investments	20,000		
Cash and Cash equivalents	1,40,000	1,60,000	
Closing balance of Cash and Cash equivalents			**½**
Current Investments	1,30,000		**mark**
Cash and Cash equivalents	2,38,000	3,68,000	

Working Notes:

Dr. **Plant and Machinery A/c** **Cr.**

Particulars	Amount (₹)	Particulars	Amount (₹)
To Balance b/d	6,04,000	By Accumulated Dep. A/c	23,000
To Statement of profit and Loss (gain on sale)	12,000	By Cash A/c	1,02,000
To Cash A/c (bal. fig.)	3,95,000	By Balance c/d	8,86,000
	10,11,000		10,11,000

½ mark

Dr. **Accumulated Depreciation A/c** **Cr.**

Particulars	Amount (₹)	Particulars	Amount (₹)
To Plant and Machinery A/c	23,000	By Balance b/d	80,000
To Balance c/d	1,40,000	By Depreciation/ Statement of P&L	83,000
	1,63,000		1,63,000

½ mark = 6 marks

PART B

OPTION II

Computerised Accounting

23	27	26	**Q. Hardware refers to……** **Ans.** (b) / Computer associated peripherals their network.	**1 mark**
24	28	27	**Q. To safeguard assets and optimize the use of resources……** **Ans.** (a) / Keeps internal controls.	**1 mark**
25	29	28	**Q. The existence of data in a primary key……..**	

			Ans. (c) / Required and must be unique.	**1 mark**
26	23	29	**Q. A ##### error happens when……** **Ans.** (d) / All of above.	**1 mark**
27	24	25	**Q. The _____ provides real power…….** **Ans.** The **Query** provides real power to database in terms of its capacities to answer complex requests involving data to be taken from **multiple** tables.	**½ mark** + **½ mark** = **1 mark**
28	25	24	**Q. A code which consists of ……** **Ans.** A code which consists of alphabet or abbreviation as symbol to codify a piece of information is known as **Mnemonic** code.	**1 mark**
29	26	23	**Q. A _____ voucher is used for adjustment of ……** **Ans.** A **Journal** voucher is used for adjustment of non cash transactions in the ledger.	**1 mark**
30	30	30	**Q. What information is provided by a salary bill?** **Ans.** The following information is provided by a salary bill: (i) Maintaining payroll related data such as employee number, Name, Attendance, Basic Pay, applicable Dearness and other allowances and deductions to be made. (ii) Periodic payroll computations: The payroll computations include the calculation of various earnings and deduction heads which are to be derived from basic values such as (basic salary, number of days under leave without pay and unauthorized absence, etc) as per the formulae. (iii) Preparation of salary statement and employee salary slip. (iv) Generation of advice to bank.	**3 marks**

			OR **Q. List the various attributes of a payroll database.** **Ans**. <u>(i) Employees personal details</u> (a) Employee In (b) Name (c) Designation (d) Location <u>(ii) Employees pay details</u> (a) Basic pay (b) DA (c) HRA (d) TA (e) Provident fund (f) Any deduction for loan etc. This information helps in calculating Gross and net salary.	**OR** **1 ½ x 2** **=** **3 marks**
31	31	31	**Q. Explain 'closing entry' and ……..** **Ans.** <u>Closing Entry:</u> Entries required to make trading account and profit and loss account are known as closing entries.	**1 ½ marks for explanation of each**

			After the Trial balance is prepared all the expenses are debited to the respective accounts to prepare trading and profit and loss account similarly income or expenditure for the trading period. These are the entries to record outstanding and prepaid. <u>Adjusting Entry:</u> Adjusting entries are the figures related to income or expenditure for the trading period. These are the entries to record outstanding and prepaid. **OR** **Q. Explain the four advantages……** **Ans**. **<u>Any Four</u>** of the following: (i) Flexibility (ii) Choice of front and application (iii) Powerful performance (iv) Scalability to handle rapidly expanding number of users. (v) Ease of handling huge amount of data.	**+ ½ mark for any correct example of each = 2 + 2 = 4 marks** **OR** **½ mark for the heading + ½ mark for its explanation = 1 x 4 = 4 marks**
32	**-**	**-**	**Q. Tolga Ltd……..** **Ans.** Keys Employee Name = A1 HRA = B1 Basic Pay = C1 DA = D1 Gross Salary = E1 (a) Calculation of DA	**6 marks**

			D1 = If (C1 ≤ ₹22000, 16%, 12%) * C1 D1 = If (C1 ≥ ₹23000, 12%, 16%) * C1 Purnima DA = ₹4,800 Gross Salary = Sum (B1,C1,D1) * $\frac{26}{30}$ = ₹60493/- (b) Prakash DA = ₹3,200 Gross salary ₹42,200 (Calculation of DA and Gross Salary for both)	