

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 totaled and written in figures and words.
18. As per orders of the Hon'ble Supreme Court, the candidates would now be permitted to obtain photocopy of the Answer Book on request on payment of the prescribed fee. All examiners/Head Examiners are once again reminded that they must ensure that evaluation is carried out strictly as per value points for each answer as give in the Marking Scheme.

SET 3

67 /1 /1	67 /1 /2	67 /1 /3	<div>Marking Scheme 2018-19</div> <div>Accountancy (055)</div> <div>Delhi- 67/1/3</div> <div>Expected Answers/ Value Points</div>	MARKS																				
6	5	1	<div>Q. How are Specific donations treated while preparing final accounts of a ‘Not-For-Profit Organisation?</div> <div>Ans. Specific donations are taken on the liabilities side of the Balance Sheet of a Not-For-Profit Organisation</div> <div>or</div> <div>Specific donations are capitalized while preparing the final accounts of a Not-For-Profit Organisation.</div> <div>OR</div> <div>Q. State the basis of accounting of preparing ‘Income and Expenditure Account’ of a Not-For-Profit Organisations.</div> <div>Ans. Accrual basis.</div>	<div>1 mark</div> <div>OR</div> <div>1 mark</div>																				
5	3	2	<div>Q. Chhavi and Neha are partners in a firm interest on drawings.</div> <div>Ans.</div> <div><table><tr><th colspan="4">Journal</th></tr><tr><th>Date</th><th>Particulars</th><th>Dr. (₹)</th><th>Cr. (₹)</th></tr><tr><td></td><td>Chhavi’s Capital/ Current Account Dr.</td><td>900</td><td>-</td></tr><tr><td></td><td>To Interest on drawings A/c</td><td>-</td><td>900</td></tr><tr><td></td><td>(Being Interest on drawings charged)</td><td></td><td></td></tr></table></div>	Journal				Date	Particulars	Dr. (₹)	Cr. (₹)		Chhavi’s Capital/ Current Account Dr.	900	-		To Interest on drawings A/c	-	900		(Being Interest on drawings charged)			<div>1 mark</div>
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	Chhavi’s Capital/ Current Account Dr.	900	-																					
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4	1	3	<div>Q. What is meant by ‘Gaining Ratio’ on retirement of a partner?</div> <div>Ans. Gaining ratio is the ratio in which the remaining partners acquire the retiring partner’s share.</div> <div>OR</div> <div>Q. P, Q and R were partners rate at which interest will be paid to R</div> <div>Ans. 6% p.a.</div>	<div>1 mark</div> <div>OR</div> <div>1 mark</div>																				
2	4	4	<div>Q. What is meant by ‘Issued Capital’?</div> <div>Ans. Issued Capital is that part of the Authorised Capital which is offered to the public for subscription.</div> <div>OR</div>	<div>1 mark</div> <div>OR</div>																				

			<p>Q. What is meant by ‘Employees Stock Option Plan’?</p> <p>Ans. Employees Stock Option Plan means option granted by the company to its employees and directors to subscribe to the shares of the company at a price that is lower than the market price.</p>	<p>1 mark</p>																
1	2	5	<p>Q. Atul and Neera are in partnership....Calculate the new profit sharing ratio.</p> <p>Ans. Mitali’s share in profit= 1/10</p> <p>Atul’s new share= 3/5-1/10=5/10 ...1/2 mark</p> <p>Neera’s new share= 2/5</p> <p>Mitali’s share=1/10</p> <p>New ratio= 5:4:1.....1/2 mark</p>	<p>$\frac{1}{2}$ + $\frac{1}{2}$ = 1 mark</p>																
-	-	6	<p>Q. State any two contingencies partnership firm.</p> <p>Ans. Contingencies that may result into dissolution of a partnership firm: (Any two)</p> <p>(i) If the firm is constituted for a fixed term, on the expiry of that term</p> <p>(ii) If constituted to carry out one or more ventures, on the completion of the venture.</p> <p>(iii) On the death of a partner</p> <p>(iv) On the adjudication of a partner as an insolvent.</p>	<p>$\frac{1}{2} \times 2$ = 1 mark</p>																
9	7	7	<p>Q. Garvit Ltd. invited applications... Ltd.</p> <p>Ans.</p> <table><tr><th colspan="4">Journal of Garvit Ltd.</th></tr><tr><th>Date</th><th>Particulars</th><th>Dr. (₹)</th><th>Cr. (₹)</th></tr><tr><td></td><td>Bank A/c Dr. To Debenture Application and Allotment A/c (Being application money received on 3,600 debentures)</td><td>3,38,400 -</td><td>- 3,38,400</td></tr><tr><td></td><td>Debenture Application and Allotment A/c Dr. Discount/Loss on issue of Debentures A/c Dr. To 11% Debentures To Bank A/c (Being application money adjusted)</td><td>3,38,400 18,000</td><td>- - 3,00,000 56,400</td></tr></table> <p style="text-align: center;">OR</p>	Journal of Garvit Ltd.				Date	Particulars	Dr. (₹)	Cr. (₹)		Bank A/c Dr. To Debenture Application and Allotment A/c (Being application money received on 3,600 debentures)	3,38,400 -	- 3,38,400		Debenture Application and Allotment A/c Dr. Discount/Loss on issue of Debentures A/c Dr. To 11% Debentures To Bank A/c (Being application money adjusted)	3,38,400 18,000	- - 3,00,000 56,400	<p>1 mark</p> <p style="text-align: center;">+</p> <p>2 marks</p> <p style="text-align: center;">=</p> <p>3 marks</p> <p style="text-align: center;">OR</p>
Journal of Garvit Ltd.																				
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			<table><tr><td>Dr.</td><td colspan="2">Creditors for Sports Materials A/c</td><td>Cr.</td></tr><tr><td>Particulars</td><td>Amount (₹)</td><td>Particulars</td><td>Amount (₹)</td></tr><tr><td>To Cash</td><td>1,10,000</td><td>By Balance b/d</td><td>23,500</td></tr><tr><td>To Balance c/d</td><td>27,000</td><td>By Purchases</td><td>1,13,500</td></tr><tr><td></td><td>1,37,000</td><td></td><td>1,37,000</td></tr></table> <p style="text-align: center;">OR</p> <p><u>Alternate Solution</u> Calculation of Sports Materials to be debited to Income and Expenditure A/c:</p> <table><tr><td></td><td style="text-align: right;">₹</td></tr><tr><td>Amount paid to creditors</td><td style="text-align: right;">1,10,000</td></tr><tr><td>Add Closing balance of creditors</td><td style="text-align: right;">27,000</td></tr><tr><td>Less Opening balance of creditors</td><td style="text-align: right;"><u>(23,500)</u></td></tr><tr><td>Purchases of Sports Materials</td><td style="text-align: right;">1,13,500</td></tr><tr><td>Add Opening Stock of Sports Materials</td><td style="text-align: right;">21,000</td></tr><tr><td>Less Closing Stock of Sports Materials</td><td style="text-align: right;"><u>(24,000)</u></td></tr><tr><td>Sports Materials to be debited to Income and Expenditure A/c</td><td style="text-align: right;"><u>1,10,500</u></td></tr></table>	Dr.	Creditors for Sports Materials A/c		Cr.	Particulars	Amount (₹)	Particulars	Amount (₹)	To Cash	1,10,000	By Balance b/d	23,500	To Balance c/d	27,000	By Purchases	1,13,500		1,37,000		1,37,000		₹	Amount paid to creditors	1,10,000	Add Closing balance of creditors	27,000	Less Opening balance of creditors	<u>(23,500)</u>	Purchases of Sports Materials	1,13,500	Add Opening Stock of Sports Materials	21,000	Less Closing Stock of Sports Materials	<u>(24,000)</u>	Sports Materials to be debited to Income and Expenditure A/c	<u>1,10,500</u>	<p>1 ½ marks</p> <p>= 3 marks</p> <p>OR</p> <p>½ x 6 = 3 marks</p>
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-	-	10	<p>Q. Krishna Ltd. had outstanding for the year ended 31st March 2018.</p> <p>Ans. Journal of Ltd.</p> <table><tr><td>Date</td><td>Particulars</td><td>Dr. (₹)</td><td>Cr. (₹)</td></tr><tr><td>2017 Mar 31</td><td>Surplus i.e. balance in Statement of P/L Dr. To Debenture Redemption Reserve A/c (Being Debenture Redemption Reserve created)</td><td>17,50,000</td><td>17,50,000</td></tr><tr><td>2017* Apr30</td><td>Debenture Redemption Investments A/c Dr. To Bank A/c (Being Debenture Redemption Investments purchased)</td><td>10,50,000</td><td>10,50,000</td></tr><tr><td>2018 Mar31</td><td>Bank A/c Dr. To Debenture Redemption Investments A/c (Being Debenture Redemption Investments sold)</td><td>10,50,000</td><td>10,50,000</td></tr></table>	Date	Particulars	Dr. (₹)	Cr. (₹)	2017 Mar 31	Surplus i.e. balance in Statement of P/L Dr. To Debenture Redemption Reserve A/c (Being Debenture Redemption Reserve created)	17,50,000	17,50,000	2017* Apr30	Debenture Redemption Investments A/c Dr. To Bank A/c (Being Debenture Redemption Investments purchased)	10,50,000	10,50,000	2018 Mar31	Bank A/c Dr. To Debenture Redemption Investments A/c (Being Debenture Redemption Investments sold)	10,50,000	10,50,000	<p>1 mark</p> <p>½ mark</p> <p>½ mark</p>																				
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			<table><tr><td>“</td><td>9% Debentures A/c Premium on redemption of Debentures A/c Dr. To Debenture holders A/c (Being Debentures due for redemption)</td><td>Dr. 70,00,000 3,50,000</td><td>73,50,000</td></tr><tr><td>“</td><td>Debenture holders A/c To Bank A/c (Being Debentures redeemed)</td><td>Dr. 73,50,000</td><td>73,50,000</td></tr><tr><td></td><td>Debenture Redemption Reserve A/c To General Reserve A/c (Being Debenture Redemption Reserve transferred to general reserve)</td><td>Dr. 17,50,000</td><td>17,50,000</td></tr></table>	“	9% Debentures A/c Premium on redemption of Debentures A/c Dr. To Debenture holders A/c (Being Debentures due for redemption)	Dr. 70,00,000 3,50,000	73,50,000	“	Debenture holders A/c To Bank A/c (Being Debentures redeemed)	Dr. 73,50,000	73,50,000		Debenture Redemption Reserve A/c To General Reserve A/c (Being Debenture Redemption Reserve transferred to general reserve)	Dr. 17,50,000	17,50,000	<p>½ mark</p> <p>½ mark</p> <p>-</p> <p>= 3marks</p>								
“	9% Debentures A/c Premium on redemption of Debentures A/c Dr. To Debenture holders A/c (Being Debentures due for redemption)	Dr. 70,00,000 3,50,000	73,50,000																					
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	Debenture Redemption Reserve A/c To General Reserve A/c (Being Debenture Redemption Reserve transferred to general reserve)	Dr. 17,50,000	17,50,000																					
			<p>* Any date from April 1 to April 30 can be given for purchase of Debenture Redemption Investments</p> <p>Note:</p> <p>1. No marks to be deducted if the student has not transferred Debenture Redemption Reserve to General Reserve</p> <p>2. No marks to be deducted for writing or not writing the date for creation of Debenture Redemption Reserve</p>																					
-	-	11	<p>Q. Ravi, Shankar and Madhur.....</p> <p>Ans. Journal</p> <table><tr><td>Date</td><td>Particulars</td><td>Dr. (₹)</td><td>Cr. (₹)</td></tr><tr><td>(i)</td><td>Bank/ Cash A/c To Realisation A/c (Being amount received from debtors)</td><td>Dr. 1,63,000</td><td>1,63,000</td></tr><tr><td>(ii)</td><td>Realisation A/c To Cash/ Bank A/c (Being payment made to creditors)</td><td>Dr. 3,500</td><td>3,500</td></tr><tr><td>(iii)</td><td>Realisation A/c To Cash/ Bank A/c (Being discounted bill dishonoured)</td><td>Dr. 2,000</td><td>2,000</td></tr><tr><td>(iv)</td><td>Realisation A/c To Ravi’s Capital A/c To Shankar’s Capital A/c To Madhur’s Capital A/c (Being profit on Realisation transferred to partners capital accounts))</td><td>Dr. 6,000</td><td>4,200 1,200 600</td></tr></table>	Date	Particulars	Dr. (₹)	Cr. (₹)	(i)	Bank/ Cash A/c To Realisation A/c (Being amount received from debtors)	Dr. 1,63,000	1,63,000	(ii)	Realisation A/c To Cash/ Bank A/c (Being payment made to creditors)	Dr. 3,500	3,500	(iii)	Realisation A/c To Cash/ Bank A/c (Being discounted bill dishonoured)	Dr. 2,000	2,000	(iv)	Realisation A/c To Ravi’s Capital A/c To Shankar’s Capital A/c To Madhur’s Capital A/c (Being profit on Realisation transferred to partners capital accounts))	Dr. 6,000	4,200 1,200 600	<p>1 x 4 = 4 marks</p>
Date	Particulars	Dr. (₹)	Cr. (₹)																					
(i)	Bank/ Cash A/c To Realisation A/c (Being amount received from debtors)	Dr. 1,63,000	1,63,000																					
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-	-	12	<p>Q. Aman, Bobby and Chandani were partners on reconstitution of the firm.</p>																					

			Ans.	JOURNAL						
			Date	Particulars		Dr. (₹)	Cr. (₹)			
				Aman's Capital A/c Bobby's Capital A/c Chandani's Capital A/c To Revaluation A/c (Being loss on revaluation debited to Partners' Capital Accounts)	Dr. Dr. Dr.	2,500 2,000 500	5,000	1 mark		
				Chandani's Capital A/c To Aman's Capital A/c To Bobby's Capital A/c (Being adjustment entry made for goodwill)	Dr.	28,000	20,000 8,000	2 marks		
				General Reserve A/c To Aman's Capital A/c To Bobby's Capital A/c To Chandani's Capital A/c (Being General Reserve distributed among the partners)	Dr.	20,000	10,000 8,000 2,000	1 mark =		
								4 marks		
14	15	13	Q. Girija, Yatin and Zubin Zubin's Executors Account till he is finally paid.							
			Ans. Dr.	Zubin's Executors Account				Cr.		
			Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)		
			2015 Aug 1	To Bank A/c	10,300	2015 Aug 1	By Zubin's Capital A/c	90,300	2 marks	
			2016 March 31	To Balance c/d	83,200	2016 Mar 31	By Interest accrued	3,200		
					93,500			93,500		
			2017 Mar 31	To Bank A/c	48,000	2016 Apr 1	By Balance b/d	83,200	2 marks	
			"	To Balance c/d	40,000	2017 Mar 31	By Interest	4,800		
					88,000			88,000		
			2018 Mar 31	To Bank A/c	42,400	2017 Apr 1	By Balance b/d	40,000	2 marks	
						2018 Mar 31	By Interest	2,400	=	
					42,400			42,400	6 marks	
			OR							
			Ans. Dr.	Zubin's Executors Account				Cr.	OR	
			Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)		
			2015 Aug 1	To Bank A/c	10,300	2015 Aug 1	By Zubin's Capital A/c	90,300	2 marks	
			2016 March 31	To Bank A/c	3,200	2016				

			<table><tr><td>“</td><td>To Balance c/d</td><td>80,000</td><td>Mar 31</td><td>By Interest</td><td>3,200</td></tr><tr><td></td><td></td><td>93,500</td><td></td><td></td><td>93,500</td></tr><tr><td>2017 Mar 31</td><td>To Bank A/c</td><td>44,800</td><td>2016 Apr 1</td><td>By Balance b/d</td><td>80,000</td></tr><tr><td>“</td><td>To Balance c/d</td><td>40,000</td><td>2017 Mar 31</td><td>By Interest</td><td>4,800</td></tr><tr><td></td><td></td><td>88,800</td><td></td><td></td><td>88,800</td></tr><tr><td>2018 Mar 31</td><td>To Bank A/c</td><td>42,400</td><td>2017 Apr 1</td><td>By Balance b/d</td><td>40,000</td></tr><tr><td></td><td></td><td></td><td>2018 Mar 31</td><td>By Interest</td><td>2,400</td></tr><tr><td></td><td></td><td>42,400</td><td></td><td></td><td>42,400</td></tr></table> <p style="text-align: center;">OR</p> <p>Ans. Dr. Zubin’s Executors Account Cr.</p> <table><tr><th>Date</th><th>Particulars</th><th>Amount (₹)</th><th>Date</th><th>Particulars</th><th>Amount (₹)</th></tr><tr><td>2015 Aug 1</td><td>To Bank A/c</td><td>10,300</td><td>2015 Aug 1</td><td>By Zubin’s Capital A/c</td><td>90,300</td></tr><tr><td>2016 March 31</td><td>To Balance c/d</td><td>83,200</td><td>2016 Mar 31</td><td>By Interest accrued</td><td>3,200</td></tr><tr><td></td><td></td><td>93,500</td><td></td><td></td><td>93,500</td></tr><tr><td>2017 Mar 31</td><td>To Bank A/c</td><td>48,192</td><td>2016 Apr 1</td><td>By Balance b/d</td><td>83,200</td></tr><tr><td>“</td><td>To Balance c/d</td><td>40,000</td><td>2017 Mar 31</td><td>By Interest</td><td>4,992</td></tr><tr><td></td><td></td><td>88,192</td><td></td><td></td><td>88,192</td></tr><tr><td>2018 Mar 31</td><td>To Bank A/c</td><td>42,400</td><td>2017 Apr 1</td><td>By Balance b/d</td><td>40,000</td></tr><tr><td></td><td></td><td></td><td>2018 Mar 31</td><td>By Interest</td><td>2,400</td></tr><tr><td></td><td></td><td>42,400</td><td></td><td></td><td>42,400</td></tr></table>	“	To Balance c/d	80,000	Mar 31	By Interest	3,200			93,500			93,500	2017 Mar 31	To Bank A/c	44,800	2016 Apr 1	By Balance b/d	80,000	“	To Balance c/d	40,000	2017 Mar 31	By Interest	4,800			88,800			88,800	2018 Mar 31	To Bank A/c	42,400	2017 Apr 1	By Balance b/d	40,000				2018 Mar 31	By Interest	2,400			42,400			42,400	Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)	2015 Aug 1	To Bank A/c	10,300	2015 Aug 1	By Zubin’s Capital A/c	90,300	2016 March 31	To Balance c/d	83,200	2016 Mar 31	By Interest accrued	3,200			93,500			93,500	2017 Mar 31	To Bank A/c	48,192	2016 Apr 1	By Balance b/d	83,200	“	To Balance c/d	40,000	2017 Mar 31	By Interest	4,992			88,192			88,192	2018 Mar 31	To Bank A/c	42,400	2017 Apr 1	By Balance b/d	40,000				2018 Mar 31	By Interest	2,400			42,400			42,400	<p>2 marks</p> <p>2 marks = 6 marks OR</p> <p>2 marks</p> <p>2 marks = 6 marks</p>
“	To Balance c/d	80,000	Mar 31	By Interest	3,200																																																																																																											
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2016 March 31	To Balance c/d	83,200	2016 Mar 31	By Interest accrued	3,200																																																																																																											
		93,500			93,500																																																																																																											
2017 Mar 31	To Bank A/c	48,192	2016 Apr 1	By Balance b/d	83,200																																																																																																											
“	To Balance c/d	40,000	2017 Mar 31	By Interest	4,992																																																																																																											
		88,192			88,192																																																																																																											
2018 Mar 31	To Bank A/c	42,400	2017 Apr 1	By Balance b/d	40,000																																																																																																											
			2018 Mar 31	By Interest	2,400																																																																																																											
		42,400			42,400																																																																																																											
15	13	14	<p>Q. Sonu and Rajat started a partnership firm ... books of Sonu and Rajat.</p> <p>Ans. Journal</p> <table><tr><th>Date</th><th>Particulars</th><th>Dr. (₹)</th><th>Cr. (₹)</th></tr><tr><td></td><td>Profit and Loss A/c Dr. To Profit and Loss Appropriation A/c (Being profit transferred from Profit and Loss A/c to Profit and Loss Appropriation A/c)</td><td>4,89,950</td><td>4,89,950</td></tr><tr><td></td><td>Partner’s Salary A/c Dr. To Sonu’s Capital A/c (Being salary credited to Sonu’s Capital A/c)</td><td>2,40,000</td><td>2,40,000</td></tr><tr><td></td><td>Profit and Loss Appropriation A/c Dr.</td><td>2,40,000</td><td></td></tr></table>	Date	Particulars	Dr. (₹)	Cr. (₹)		Profit and Loss A/c Dr. To Profit and Loss Appropriation A/c (Being profit transferred from Profit and Loss A/c to Profit and Loss Appropriation A/c)	4,89,950	4,89,950		Partner’s Salary A/c Dr. To Sonu’s Capital A/c (Being salary credited to Sonu’s Capital A/c)	2,40,000	2,40,000		Profit and Loss Appropriation A/c Dr.	2,40,000		<p>½ mark</p> <p>½ mark</p>																																																																																												
Date	Particulars	Dr. (₹)	Cr. (₹)																																																																																																													
	Profit and Loss A/c Dr. To Profit and Loss Appropriation A/c (Being profit transferred from Profit and Loss A/c to Profit and Loss Appropriation A/c)	4,89,950	4,89,950																																																																																																													
	Partner’s Salary A/c Dr. To Sonu’s Capital A/c (Being salary credited to Sonu’s Capital A/c)	2,40,000	2,40,000																																																																																																													
	Profit and Loss Appropriation A/c Dr.	2,40,000																																																																																																														

			To Partner's Salary A/c (Being salary transferred to Profit and Loss Appropriation A/c)		2,40,000	½ mark
			Partner's Commission A/c Dr. To Rajat's Capital A/c (Being commission credited to Rajat's Capital A/c)	1,00,000	1,00,000	½ mark
			Profit and Loss Appropriation A/c Dr. To Partner's Commission A/c (Being salary transferred to Profit and Loss Appropriation A/c)	1,00,000	1,00,000	½ mark
			Interest on Capital A/c Dr. To Sonu's Capital A/c To Rajat's Capital A/c (Being interest on capital credited to Partners' Capital A/c)	1,12,000	64,000 48,000	½ mark
			Profit and Loss Appropriation A/c Dr. To Interest on Capital A/c (Being Interest on Capital transferred to Profit and Loss Appropriation A/c)	1,12,000	1,12,000	½ mark
			Sonu's Capital A/c Dr. Rajat's Capital A/c Dr. To Interest on Drawings A/c (Being Interest on drawings charged)	400 1,650	2,050	1 mark
			Interest on Drawings A/c Dr. To Profit and Loss Appropriation A/c (Being Interest on drawings transferred to Profit and Loss Appropriation A/c)	2,050	2,050	½ mark
			Profit and Loss Appropriation A/c Dr. To Sonu's Capital A/c To Rajat's Capital A/c (Being Profit credited to Partners' Capital accounts)	40,000	24,000 16,000	1 mark
Note: If a combined entries has been passed for Partner's commission, Partner's salary, Interest on Capital and Interest on Drawings, no mark is to be deducted.						
OR						
Q. Jay, Vijay and Karan.... For the year ended 31st March 2018						
Ans.						
= 6 marks						
OR						

			Dr. Profit and Loss Appropriation A/c for the year ended 31 st March 2018								Cr.		<div>½ mark for each correct item = ½ x 6 = 3 marks + 1 mark for each correct Capital A/c = 1 x 3 = 3 marks = 3+3 = 6 marks</div>		
			Particulars			Amount (₹)		Particulars			Amount (₹)				
			To salary Jay's Capital A/c 1,80,000 Vijay's Capital A/c 1,80,000			3,60,000		By Net Profit By Jay's Capital A/c (2,00,000 – 1,75,000)/ Deficiency in guaranteed fees			15,00,000 25,000				
			To Profit transferred to: Jay's Capital A/c 4.66,000 - guarantee to Karan (1,60,200)			3,05,800									
			Vijay's Capital A/c 4,66,000 - guarantee to Karan(1,06,800)			3,59,200									
			Karan's Capital A/c 2,33,000 Add guarantee 2,67,000			5,00,000									
						15,25,000					15,25,000				
			Dr. Partners' Capital Accounts											Cr.	
			Particulars		Jay (₹)	Vijay (₹)	Karan (₹)	Particulars		Jay (₹)	Vijay (₹)	Karan (₹)			
			To P/L Appr. A/c		25,000	-	-	By salary		1,80,000	1,80,000	--			
			To balance c/d		4,60,800	5,39,200	5,00,000	By P/L Appropriation A/c- Profit		3,05,800	3,59,200	5,00,000			
					4,85,800	5,39,200	5,00,000			4,85,800	5,39,200	5,00,000			
In case, the candidate has prepared the Partners Capital accounts considering the guarantee in any other way and the closing balances in their Capital Accounts are same as indicated above, full credit be given.															
13	14	15	Q. From the following Receipts and Payments A/c										<div>½ mark for each item = ½ x 8 = 4 marks 1 mark each for liabilities and asset side</div>		
Ans. Dr. Income and Expenditure A/c for the year ended March 31, 2018										Cr.					
Particulars			Amount (₹)		Particulars			Amount (₹)							
To Stationery consumed			22,400		By Subscriptions			2,00,000							
To loss on sale of old furniture			2,400		By Interest on investments			800							
To electricity expenses			10,600		Add interest accrued			160							
To expenses on lectures			30,000		By Government Grant			17,400							
To surplus			1,52,960												
			2,18,360					2,18,360							
Balance Sheet of Sears Club as on 31 st March 2018															
Liabilities			Amount (₹)		Assets			Amount (₹)							
Subscriptions received in advance			7,200		Outstanding Subscriptions			1,01,000							
Donations for building			40,000		Stock of Stationery			4,000							
Capital Fund 62,000					Cash			50,000							
					Investments			8,000							

		<table><tr><td>Add Surplus <u>1,52,960</u></td><td>2,14,960</td><td>Interest accrued on investments</td><td>160</td></tr><tr><td></td><td></td><td>Sports Equipment</td><td>59,000</td></tr><tr><td></td><td></td><td>Books</td><td>40,000</td></tr><tr><td></td><td>2,62,160</td><td></td><td>2,62,160</td></tr></table> <p><u>Interest on 12% Investments</u></p> <p>In case, a candidate has credited Income and Expenditure Account by Rs.800 on account of Interest on 12% Investments, it may be marked correct.</p> <p><u>Working Notes:</u></p> <p style="text-align: center;">Balance Sheet of Sears Club as on 31st March 2017</p> <table><tr><td>Liabilities</td><td>Amount (₹)</td><td>Assets</td><td>Amount (₹)</td></tr><tr><td>Subscriptions received in advance</td><td>25,000</td><td>Outstanding Subscriptions</td><td>60,000</td></tr><tr><td>Capital Fund</td><td>62,000</td><td>Stock of Stationery</td><td>3,000</td></tr><tr><td></td><td></td><td>Cash</td><td>20,000</td></tr><tr><td></td><td></td><td>Furniture</td><td>4,000</td></tr><tr><td></td><td>87,000</td><td></td><td>87,000</td></tr></table> <p>Note: In case the candidate has not prepared the Opening Balance Sheet, no marks are to be deducted.</p>	Add Surplus <u>1,52,960</u>	2,14,960	Interest accrued on investments	160			Sports Equipment	59,000			Books	40,000		2,62,160		2,62,160	Liabilities	Amount (₹)	Assets	Amount (₹)	Subscriptions received in advance	25,000	Outstanding Subscriptions	60,000	Capital Fund	62,000	Stock of Stationery	3,000			Cash	20,000			Furniture	4,000		87,000		87,000	<div>1+1 = 2 marks</div> <div>= 4+2 = 6 marks</div>
Add Surplus <u>1,52,960</u>	2,14,960	Interest accrued on investments	160																																								
		Sports Equipment	59,000																																								
		Books	40,000																																								
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		Cash	20,000																																								
		Furniture	4,000																																								
	87,000		87,000																																								
16	17	16	<p>Q. DF Ltd. was registered ... the necessary Journal entries in the books of DF Ltd.</p> <p>Ans. Journal of DF Ltd.</p> <table><tr><td>Date</td><td>Particulars</td><td>Dr. (₹)</td><td>Cr. (₹)</td></tr><tr><td></td><td>Bank A/c Dr. To Equity Share Application A/c (Being application money received on 70,000 shares)</td><td>2,10,000</td><td>2,10,000</td></tr><tr><td></td><td>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 application money transferred to share capital, securities premium reserve, share allotment and the balance refunded)</td><td>2,10,000</td><td>1,00,000 50,000 15,000 45,000</td></tr><tr><td></td><td>Equity Share Allotment A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being Allotment money due on 50,000 shares)</td><td>1,50,000</td><td>1,00,000 50,000</td></tr><tr><td></td><td>Bank A/c Dr. To Equity Share Allotment A/c (Being allotment money received) OR</td><td></td><td></td></tr></table>	Date	Particulars	Dr. (₹)	Cr. (₹)		Bank A/c Dr. To Equity Share Application A/c (Being application money received on 70,000 shares)	2,10,000	2,10,000		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 application money transferred to share capital, securities premium reserve, share allotment and the balance refunded)	2,10,000	1,00,000 50,000 15,000 45,000		Equity Share Allotment A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being Allotment money due on 50,000 shares)	1,50,000	1,00,000 50,000		Bank A/c Dr. To Equity Share Allotment A/c (Being allotment money received) OR			<div>3 marks</div> <div>2 marks</div> <div>3 marks</div> <div>-</div>																			
Date	Particulars	Dr. (₹)	Cr. (₹)																																								
	Bank A/c Dr. To Equity Share Application A/c (Being application money received on 70,000 shares)	2,10,000	2,10,000																																								
	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 application money transferred to share capital, securities premium reserve, share allotment and the balance refunded)	2,10,000	1,00,000 50,000 15,000 45,000																																								
	Equity Share Allotment A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being Allotment money due on 50,000 shares)	1,50,000	1,00,000 50,000																																								
	Bank A/c Dr. To Equity Share Allotment A/c (Being allotment money received) OR																																										

			Bank A/c Calls in arrears A/c To Equity Share Allotment A/c (Being allotment money received)	Dr. Dr.				
			Equity Share First call A/c To Equity Share Capital A/c (Being First call money due on 50,000 shares)	Dr.	1,50,000		1,50,000	-
			Bank A/c To Equity Share First call A/c (Being first call money received)	Dr.	1,20,000		1,20,000	
			OR					-
			Bank A/c Calls in arrears A/c To Equity Share First call A/c (Being first call money received)	Dr. Dr.	1,20,000 30,000		1,50,000	=
			OR					
			Q. EF Ltd. calls in arrears account wherever required.					
			Ans. Journal of EF Ltd.					
			Date	Particulars	Dr. (₹)	Cr. (₹)		
				Bank A/c To Equity Share Application A/c (Being application money received on 1,20,000 shares)	Dr. 24,00,000		24,00,000	½ mark
				Equity Share Application A/c To Equity Share Capital A/c To Securities premium reserve A/c To Equity Share Allotment A/c To Bank A/c (Being application money transferred to share capital, securities premium reserve, share allotment and the balance refunded)	Dr. 24,00,000		12,00,000 4,00,000 4,00,000 4,00,000	1 mark
				Equity Share Allotment A/c To Equity Share Capital A/c To Securities Premium Reserve A/c (Being Allotment money due on 80,000 shares)	Dr. 12,00,000		8,00,000 4,00,000	½ mark
				Bank A/c Calls in arrears A/c To Equity Share Allotment A/c (Being allotment money received)	Dr. Dr. 7,60,000 40,000		8,00,000	1 mark
				Equity Share First call A/c To Equity Share Capital A/c (Being First call money due on 80,000 shares)	Dr. 12,00,000		12,00,000	½ mark
				Bank A/c	Dr. 12,10,000			

Balance Sheet of the reconstituted firm as on 31st March 2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditors	45,000	Cash at bank	42,000
Employees Provident Fund	13,000	Debtors 60,000	
Bakul's Loan	2,52,000	Less Provision for doubtful debts <u>9,000</u>	51,000
Capitals		Stock	80,000
Akul 1,00,000		Furniture	87,000
Chandan <u>50,000</u>	1,50,000	Plant and Machinery	2,00,000
	4,60,000		4,60,000

1 mark for
correct assets
side
+
1 mark for
correct
liability side
=
2 marks
=
2+4+2
=
8 marks

OR

OR

Q. Sanjana and Alok are partners Nidhi's admission.

Ans.

Dr.	Revaluation A/c		Cr.
Particulars	Amount (₹)	Particulars	Amount (₹)
To Furniture	30,000	By Investments	40,000
To Profit transferred to: Sanjana's Capital A/c 24,000		By Stock	30,000
Alok's Capital A/c <u>16,000</u>	40,000		
	70,000		70,000

½ mark for
each amount
=
½ x 4
=
2 marks

Dr.				Partners Capital Accounts			Cr.
Particulars	Sanjana (₹)	Alok (₹)	Nidhi (₹)	Particulars	Sanjana (₹)	Alok (₹)	Nidhi (₹)
To Cash A/c	30,000	20,000	-	By Balance b/d	5,00,000	4,00,000	-
To Investments	-	3,00,000	-	By Cash A/c	-	-	3,00,000
A/c				By Premium for goodwill A/c	60,000	40,000	-
To Cash A/c	50,000	-	-	By Workmen's Compensation Reserve A/c	36,000	24,000	-
To Balance c/d	5,40,000	3,60,000	3,00,000	By Revaluation A/c	24,000	16,000	-
				By Cash	-	2,00,000	
	6,20,000	6,80,000	3,00,000		6,20,000	6,80,000	3,00,000

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

Balance Sheet of the reconstituted firm as on 31st March 2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	60,000	Cash at bank	6,66,000
Capitals:		Debtors 1,46,000	
Sanjana 5,40,000		Less Provision for doubtful debts <u>2,000</u>	1,44,000
Alok 3,60,000		Stock	1,80,000
Nidhi <u>3,00,000</u>	12,00,000	Furniture	2,70,000
	12,60,000		12,60,000

½ mark for
each correct
amount
=
½ x 6
=
3 marks

=

				2+3+3 = 8 marks																																								
			PART B OPTION 1 Analysis of Financial Statements																																									
-	-	18	Q. How will commission received'? Ans. It will be treated as Cash flows from operating activities	1 mark																																								
-	-	19	Q. How is 'dividend paid' treated...? Ans. Dividend paid is treated as a financing activity.	1 mark																																								
-	-	20	Q. Prepare a Comparative.... Ans. <div style="text-align: center;"> Comparative Statement of Profit and Loss for the years ended 31st March 2017 and 31st March 2018 </div> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th><th style="text-align: center;">2016-17 (₹)</th><th style="text-align: center;">2017-18 (₹)</th><th style="text-align: center;">Absolute Increase/ Decrease (₹)</th><th style="text-align: center;">Percentage Increase/ Decrease (%)</th></tr> </thead> <tbody> <tr> <td>Revenue from operations</td><td style="text-align: right;">10,00,000</td><td style="text-align: right;">15,00,000</td><td style="text-align: right;">5,00,000</td><td style="text-align: right;">50</td></tr> <tr> <td>Add Other income</td><td style="text-align: right;">5,00,000</td><td style="text-align: right;">9,00,000</td><td style="text-align: right;">4,00,000</td><td style="text-align: right;">80</td></tr> <tr> <td>Total Revenue</td><td style="text-align: right;">15,00,000</td><td style="text-align: right;">24,00,000</td><td style="text-align: right;">9,00,000</td><td style="text-align: right;">60</td></tr> <tr> <td>Less Employee benefit expenses</td><td style="text-align: right;">4,50,000</td><td style="text-align: right;">9,60,000</td><td style="text-align: right;">5,10,000</td><td style="text-align: right;">113.33</td></tr> <tr> <td>Profit before Tax</td><td style="text-align: right;">10,50,000</td><td style="text-align: right;">14,40,000</td><td style="text-align: right;">3,90,000</td><td style="text-align: right;">37.14</td></tr> <tr> <td>Less Tax</td><td style="text-align: right;">4,20,000</td><td style="text-align: right;">5,76,000</td><td style="text-align: right;">1,56,000</td><td style="text-align: right;">37.14</td></tr> <tr> <td>Profit after Tax</td><td style="text-align: right;">6,30,000</td><td style="text-align: right;">8,64,000</td><td style="text-align: right;">2,34,000</td><td style="text-align: right;">37.14</td></tr> </tbody> </table>	Particulars	2016-17 (₹)	2017-18 (₹)	Absolute Increase/ Decrease (₹)	Percentage Increase/ Decrease (%)	Revenue from operations	10,00,000	15,00,000	5,00,000	50	Add Other income	5,00,000	9,00,000	4,00,000	80	Total Revenue	15,00,000	24,00,000	9,00,000	60	Less Employee benefit expenses	4,50,000	9,60,000	5,10,000	113.33	Profit before Tax	10,50,000	14,40,000	3,90,000	37.14	Less Tax	4,20,000	5,76,000	1,56,000	37.14	Profit after Tax	6,30,000	8,64,000	2,34,000	37.14	1 mark 1 mark 1 mark 1 mark = 4 marks
Particulars	2016-17 (₹)	2017-18 (₹)	Absolute Increase/ Decrease (₹)	Percentage Increase/ Decrease (%)																																								
Revenue from operations	10,00,000	15,00,000	5,00,000	50																																								
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Profit after Tax	6,30,000	8,64,000	2,34,000	37.14																																								
21	22	21	(a) Calculate Revenue from operations 25% on cost. Ans. Current ratio =2:1 and Current assets = ₹8,00,000 Current ratio = Current Assets/ Current Liabilities=2:1 Therefore, Current Liabilities =₹4,00,000 Quick ratio = Quick Assets/ Current Liabilities=1.5:1 Therefore, Quick Assets =₹6,00,000																																									

			<p>Inventory= Current Assets - Quick Assets $= ₹8,00,000 - ₹6,00,000$ $= ₹2,00,000$</p> <p>Inventory Turnover Ratio=6 times Cost of Revenue from operations/ Average Inventory = 6 times Cost of Revenue from operations/ ₹2,00,000 = 6 Cost of Revenue from operations = ₹12,00,000 Gross Profit is 25% on cost =25% of ₹12,00,000 $= ₹3,00,000$ So, Revenue from operations = ₹12,00,000 + ₹3,00,000 $= ₹15,00,000$</p> <p>(b) The Operating ratio of a company is 60%. State whether ‘Purchase of goods costing ₹20,000’ will increase, decrease or not change the operating ratio.</p> <p>Ans. ‘Purchase of goods costing ₹20,000’ will not change the operating ratio.</p> <p style="text-align: center;">OR</p> <p>Q. Calculate ‘Total Assets to Debt.....’</p> <p>Ans. Total Assets= Total Liabilities= Equity Share Capital + Long Term borrowings + Surplus +General reserve + Current Liabilities + Long term Provisions $= ₹4,00,000 + ₹1,80,000 + ₹1,00,000 + ₹70,000 + ₹30,000 + ₹1,20,000$ $= ₹9,00,000$</p> <p>Debt= Long Term borrowings+ Long term Provisions $= ₹1,80,000 + ₹1,20,000$ $= ₹3,00,000$</p> <p>Total assets to debt Ratio= Total assets/ debt $= ₹9,00,000/₹3,00,000$ $= 3:1$</p> <p>(b) The Debt Equity ratio..... Debt Equity Ratio.</p> <p>Ans. Issue of bonus Shares will not change the ratio.</p>	<p>3 marks</p> <p style="text-align: center;">+</p> <p>1 mark = 4 marks</p> <p style="text-align: center;">OR</p> <p>3 marks</p> <p style="text-align: center;">+</p> <p>1 mark = 4 marks</p>
20	21	22	<p>Q. Explain briefly any four objectives of ‘Analysis of Financial Statements’.</p> <p>Ans. Objectives of ‘Financial Statements Analysis’: (Any four)</p> <p>(i) Assessing the earning capacity or profitability (ii) Assessing the managerial efficiency</p>	<p>½ mark for heading</p>

		<div>(iii) Assessing the short term and the long-term solvency of the enterprise (iv) Inter- firm comparison. (v) Forecasting and preparing budgets. (vi) Ascertaining the relative importance of different components of the financial position of the firm.</div> <div>(If the candidate has not given the headings but has given the correct explanation, full credit may be given)</div> <div>OR</div> <div>Q. State under which major headings and sub-headingsdeveloped by the company.</div> <div>Ans.</div> <table><tr><td></td><td>Item</td><td>Head</td><td>Sub-Head</td></tr><tr><td>(i)</td><td>Prepaid Insurance</td><td>Current Assets</td><td>Other Current Assets</td></tr><tr><td>(ii)</td><td>Investment in Debentures</td><td>Non Current Assets</td><td>Non Current Investments</td></tr><tr><td>(iii)</td><td>Calls-in-arrears</td><td>Shareholders' Funds</td><td>Share Capital/ Subscribed Capital</td></tr><tr><td>(iv)</td><td>Unpaid dividend</td><td>Current Liabilities</td><td>Other Current Liabilities</td></tr><tr><td>(v)</td><td>Capital Reserve</td><td>Shareholders' Funds</td><td>Reserves and Surplus</td></tr><tr><td>(vi)</td><td>Loose Tools</td><td>Current Assets</td><td>Inventories</td></tr><tr><td>(vii)</td><td>Capital work-in-progress</td><td>Non Current Assets</td><td>Fixed Assets</td></tr><tr><td>(viii)</td><td>Patents being developed by the company</td><td>Non Current Assets</td><td>Fixed Assets- Intangible Assets under development</td></tr></table>		Item	Head	Sub-Head	(i)	Prepaid Insurance	Current Assets	Other Current Assets	(ii)	Investment in Debentures	Non Current Assets	Non Current Investments	(iii)	Calls-in-arrears	Shareholders' Funds	Share Capital/ Subscribed Capital	(iv)	Unpaid dividend	Current Liabilities	Other Current Liabilities	(v)	Capital Reserve	Shareholders' Funds	Reserves and Surplus	(vi)	Loose Tools	Current Assets	Inventories	(vii)	Capital work-in-progress	Non Current Assets	Fixed Assets	(viii)	Patents being developed by the company	Non Current Assets	Fixed Assets- Intangible Assets under development	<div>+ ½ mark for its explanation = 1 x 4 = 4 marks</div> <div>OR</div> <div>½ x 8 = 4 marks</div>			
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23	23	<div>23</div> <div>Q. Following are the Balance Sheets of Kiero Ltd.... debentures were issued on 1st September 2017.</div> <div>Ans. Cash Flow Statement of Kiero Ltd. for the year ended 31st March 2018</div> <table><tr><td>Particulars</td><td>Amount (₹)</td><td>Amount (₹)</td></tr><tr><td>CASH FLOWS FROM OPERATING ACTIVITIES</td><td></td><td></td></tr><tr><td>Net Profit before Tax</td><td>4,58,000</td><td></td></tr><tr><td>Add depreciation on Plant and Machinery</td><td>5,000</td><td></td></tr><tr><td>Interest on 12% Debentures</td><td>50,000</td><td></td></tr><tr><td>Operating profit before Working Capital changes</td><td>5,13,000</td><td></td></tr><tr><td>Less Increase in Trade Receivables</td><td>(2,90,000)</td><td></td></tr><tr><td>Cash generated from operations</td><td>2,23,000</td><td></td></tr><tr><td>Less tax paid</td><td>(46,000)</td><td></td></tr><tr><td>Cash Inflows from Operating activities</td><td></td><td>1,77,000</td></tr><tr><td>CASH FLOWS FROM INVESTING ACTIVITIES</td><td>(3,50,000)</td><td></td></tr><tr><td>Purchase of Plant and Machinery</td><td>(98,000)</td><td></td></tr><tr><td>Purchase of Goodwill</td><td></td><td>(4,48,000)</td></tr></table>	Particulars	Amount (₹)	Amount (₹)	CASH FLOWS FROM OPERATING ACTIVITIES			Net Profit before Tax	4,58,000		Add depreciation on Plant and Machinery	5,000		Interest on 12% Debentures	50,000		Operating profit before Working Capital changes	5,13,000		Less Increase in Trade Receivables	(2,90,000)		Cash generated from operations	2,23,000		Less tax paid	(46,000)		Cash Inflows from Operating activities		1,77,000	CASH FLOWS FROM INVESTING ACTIVITIES	(3,50,000)		Purchase of Plant and Machinery	(98,000)		Purchase of Goodwill		(4,48,000)	<div>2 marks</div> <div>1 mark</div>
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[illegible]

			Expected level of secrecy (software and Data)	Low	Relatively high	= 4 marks	
			Number of user and their interface	Limited	As per specifications		
			Linkage to other information system	Restricted	Yes		
			Adaptability	High	Relatively high		
			Training requirements	Low	Medium		
21	22	21	Q. Explain “Null Values and Complex attributes”. Ans. <u>Null Values</u> : Absence of data item is represented by a special value called Null Value. There are three situations which may require the use of null value. - When a particular attribute does not apply to an entity. - Value of an attribute is unknown, although it exist; - Unknown because it does not exist. <u>Complex Attributes</u> : The composite and multi value attributes may be nested (or grouped) to constitute complex ones. The parenthesis [] are used for showing grouping of components of composite attributes. The braces { } are used for showing the multi value attributes. 2x2=4 marks OR Q. Explain closing entries and adjusting entries. Ans. <u>Closing entry</u> : The closing entries for completing the profit and loss account are: (i) Debit profit and loss account. Credit the various expenses account appearing in the Trail Balance. (a) Debit account showing incomes or gains Credit the profit and loss account. This will close the profit and loss account. <u>Entries required to make the trading account and profit and loss account are known as closing entries because their effect is to close the books of account for the year concerned.</u> <u>Adjusting Entry</u> : The Adjusting entry is recorded to relate the figures to the trading period. Suppose, premises have been sublet on March 31, and three months’ rent, has been received in advance amounting to Rs. 9000. While preparing accounts up to 31 st March, one should take into account only one month’s rent for preparing the profit and loss account (accounting period concept); the rest two month’s rent, already received is for the next year and will be credited to profit and loss account next year. The adjusting entry will be: Rent Account Dr To Advance Rent Account Rent Received in advance Account is a ‘Liability’ and is shown in the balance sheet.				2 marks <

				4 marks
22	21	22	<p>Q. Explain ‘Transparency control’ and ‘Scalability’ as....</p> <p>Ans. <u>Transparency and control</u> CAS provides sufficient time to plan, increases data accessibility and enhances user satisfaction. With computerised accounting, the organisation will have greater transparency for day to day business operations and access to the vital information.</p> <p><u>Scalability</u> CAS enables in changing the volume of data processing in tune with the change in the size of the business. The software can be used for any size the business and type of the organisation.</p> <p style="text-align: center;">OR</p> <p>Q. Explain ‘Payroll Accounting Subsystem’ and ‘ Costing Subsystem’.</p> <p>Ans. <u>Payroll Accounting Sub-system</u> It deals with payment of wages and salary to employees. A typical was report details information about basic pay, dearness. Allowance, and other allowances and deductions from salary and wages on account of provident fund, taxes, loans, advances and other charges. The system generates reports about wage bill, overtime payment and payment on account of leave encashment, etc.</p> <p><u>Costing Sub-system</u> It deals with the ascertainment of cost of goods produced. It has linkages with other accounting Sub-systems for obtaining the necessary information about cost of material, labour, and other expenses. This system generates information about changes in the cost that takes place during the period under review.</p>	<p>2 marks</p> <p>2 marks = 4 marks</p> <p>OR</p> <p>2 marks</p> <p>2 marks = 4 marks</p>
23	23	23	<p>Q. Name and explain the function which returns the future value of an investment which has constant payment and interest.</p> <p>Ans. PMT The PMT function calculates the periodic payment for an annuity assuming equal payments and a constant rate of interest. The syntax of PMT function is as follows: =PMT (rate, nper, pv, [fv], [type]) where Rate is the interest rate per period, Nper is the number of periods, Pv is the present value or the amount the future payments are worth presently, future value or cash balance that after the last payment is made (a future value of zero when we omit this optional argument) Type is the value 0 for payments made at the end of the period or the value 1 for payments made at the beginning of the period. The PMT function is often used to calculate the payment for mortgage loans that have a fixed rate of interest.</p>	6 marks

