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Senior School Certificate Examination

March -2018 - 19

Marking Scheme – Accountancy 67/1/1, 67/1/2, 67/1/3

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 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 2

67/1/1	67/1/2	67/1/3	**Marking Scheme 2018-19** **Accountancy (055)** **Delhi- 67/1/2** **Expected Answers/ Value Points**	**MARKS**
4	**1**	**3**	**Q. What is meant by 'Gaining Ratio' on retirement of a partner?** **Ans.** Gaining ratio is the ratio in which the remaining partners acquire the retiring partner's share. **OR** **Q. P, Q and R were partners …. rate at which interest will be paid to R** **Ans.** 6% p.a.	**1 mark** **OR** **1 mark**
1	**2**	**5**	**Q. Atul and Neera are in partnership….Calculate the new profit sharing ratio.** **Ans.** Mitali's share in profit= 1/10 Atul's new share= 3/5-1/10=5/10 …1/2 mark Neera's new share= 2/5 Mitali's share=1/10 **New ratio= 5:4:1**…….1/2 mark	½ + ½ = **1 mark**
5	**3**	**2**	**Q. Chhavi and Neha are partners in a firm ….. interest on drawings.** **Ans.** **Journal** Date | Particulars | Dr. (₹) | Cr. (₹) Chhavi's Capital/ Current Account Dr. | 900 | - To Interest on drawings A/c | - | 900 (Being Interest on drawings charged) .	**1 mark**
2	**4**	**4**	**Q. What is meant by 'Issued Capital'?** **Ans.** Issued Capital is that part of the Authorised Capital which is offered to the public for subscription. **OR** **Q. What is meant by 'Employees Stock Option Plan'?** **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.	**1 mark** **OR** **1 mark**

6	5	1	**Q. How are Specific donations treated while preparing final accounts of a 'Not-For-Profit Organisation?** **Ans.** Specific donations are taken on the liabilities side of the Balance Sheet of a Not-For-Profit Organisation **or** Specific donations are capitalized while preparing the final accounts of a Not-For-Profit Organisation. **OR** **Q. State the basis of accounting of preparing 'Income and Expenditure Account' of a Not-For-Profit Organisations.** **Ans.** Accrual basis.	**1 mark** **OR** **1 mark**
-	6	-	**Q. State any two situations ….compulsorily dissolved** **Ans.** A firm is compulsorily dissolved in the following cases: **(Any two)** (i) When all the partners or all but one partner become insolvent. (ii) When the business of the firm becomes illegal (iii) When some event has taken place which makes the business of the firm unlawful for the partners to carry on the business.	**½ x 2 = 1 mark**

9 | 7 | 7

Q. Garvit Ltd. invited applications… Ltd.

Ans. **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

1 mark + 2 marks = 3 marks

OR

OR

Q. On 1st April 2015, P Ltd. issued ….. Loss on issue of 12%Debentures Account.

Ans. Dr. **Loss on issue of 12% Debentures Account** Cr.

Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)
2015 April 1	To Premium on Redemption of Debentures A/c	42,000	2016 Mar 31 Mar 31	By Statement of P/L By Balance c/d	14,000 28,000
		42,000			42,000

			2016 April 1	To balance b/d	28,000	2017 Mar 31 Mar 31	By Statement of P/L By Balance c/d	14,000 14,000
					28,000			28,000
			2017 April 1	To balance b/d	14,000	2018 Mar 31	By Statement of P/L	14,000
					14,000			14,000

1 x 3 = 3 marks

-	8	-	**Q. A firm earned average profit….average profits.** **Ans.** Actual profits = ₹3,00,000 Net Tangible Assets = Assets – Liabilities = ₹17,00,000 – ₹2,00,000 = ₹15,00,000……..…..**1 mark** Capitalised value of the firm= (Average Profits x 100)/ Normal rate of return = (₹3,00,000 x 100)/15 = ₹20,00,000……**1 mark** Goodwill= Capitalised value of the firm – Net Tangible Assets = ₹20,00,000 - ₹15,00,000 = **₹5,00,000**……**1 mark**

3 marks

-	9	-	**Q. Present the following ….organisation.** **Ans.** Dr. **Income and Expenditure A/c for the year ended March 31, 2018** Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To Match Expenses	1,000		

1 mark

Balance Sheet as on 31st March 2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Match Fund 5,00,000 Add Donations 1,24,000 Add Sale of Match Tickets 3,75,000 Less Match expenses (9,99,000)	--		

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½ x 4 = 2 marks = 3 marks

-	10	-	**Q. Krishna Ltd. had outstanding…for the year ended 31st March 2018.** **Ans.** **Journal of Ltd.**

Date	Particulars	Dr. (₹)	Cr. (₹)
2017 Mar 31	Surplus i.e. balance in Statement of P/L Dr. To Debenture Redemption Reserve A/c (Being necessary amount transferred to Debenture	1,00,000	1,00,000

½ mark

			Redemption Reserve)			
			2017* Apr.30	Debenture Redemption Investments A/c Dr. To Bank A/c (Being Debenture Redemption Investments purchased)	1,50,000	1,50,000	½ mark
			2018 Mar.31	Bank A/c Dr. To Debenture Redemption Investments A/c (Being Debenture Redemption Investments sold)	1,50,000	1,50,000	½ mark
			"	9% Debentures A/c Dr. Premium on redemption of Debentures A/c Dr. To Debenture holders A/c (Being Debentures due for redemption)	10,00,000 1,00,000	11,00,000	1 mark
			"	Debenture holders A/c Dr. To Bank A/c (Being Debentures redeemed)	11,00,000	11,00,000	½ mark
				Debenture Redemption Reserve A/c Dr. To General Reserve A/c (Being Debenture Redemption Reserve transferred to general reserve)	2,50,000	2,50,000	-

*** Any date from April 1 to April 30 can be given for purchase of Debenture Redemption Investments**

<u>Note</u>:

1. **No marks to be deducted if the student has not transferred Debenture Redemption Reserve to General Reserve.**
2. **No marks to be deducted for writing or not writing the date for creation of Debenture Redemption Reserve.**

= 3marks

- 11 - **Q. Gaurav, Saurabh and Vaibhav….books of the firm.**

Ans. **Journal**

Date	Particulars	Dr. (₹)	Cr. (₹)
(i)	(a) Gaurav's Capital A/c Dr. To Realisation A/c (Being machinery taken over by Gaurav) (b) No entry	3,00,000	3,00,000
(ii)	Cash/ Bank A/c Dr. To Realisation A/c (Being Land and Building sold)	3,92,000	3,92,000
(iii)	Realisation A/c Dr. To Cash/ Bank A/c (Being payment made to creditors) Vaibhav's Capital A/c Dr. To Realisation A/c (Being assets taken over by Vaibhav)	76,000 17,000	76,000 17,000

1 x 4 = 4 marks

			(iv) Realisation A/c Dr. To Bank A/c (Being bank loan paid along with interest)	3,21,000 3,21,000	

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-	12	-	**Q. P, Q and R were partners …… on reconstitution of the firm.**		

Ans. JOURNAL

Date	Particulars	Dr. (₹)	Cr. (₹)	
	Profit and Loss A/c Dr. To P's Capital A/c To Q's Capital A/c To R's Capital A/c (Being Profit and Loss Account credited to Partners' Capital Accounts)	9,000	 2,250 2,250 4,500	**1 mark**
	Workmen's Compensation Reserve A/c Dr. To Workmen's Compensation Claim A/c To P's Capital A/c To Q's Capital A/c To R's Capital A/c (Being Workmen's Compensation Reserve adjusted for claim and the balance distributed among the partners)	64,000	 30,000 8,500 8,500 17,000	**1 ½ marks**
	P's Capital A/c Dr. Q's Capital A/c Dr. To R's Capital A/c (Being adjustment entry made for goodwill)	60,000 60,000	 1,20,000	**1 ½ marks**

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= 4 marks

15	13	14	**Q. Sonu and Rajat started a partnership firm … books of Sonu and Rajat.**		

Ans. **Journal**

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	**½ mark**
	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	**½ mark**
	Profit and Loss Appropriation A/c Dr. To Partner's Salary A/c (Being salary transferred to Profit and Loss Appropriation A/c)	2,40,000	 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. **= 6 marks**

OR

Q. Jay, Vijay and Karan…. For the year ended 31st March 2018

Ans.

Dr. Profit and Loss Appropriation A/c for the year ended 31st March 2018 Cr. **OR**

Particulars	Amount (₹)	Particulars	Amount (₹)
To salary Jay's Capital A/c 1,80,000 Vijay's Capital A/c 1,80,000 To Profit transferred to: Jay's Capital A/c 4.66,000 - guarantee to Karan (1,60,200)	 3,60,000 3,05,800	By Net Profit By Jay's Capital A/c (2,00,000 – 1,75,000)/ Deficiency in guaranteed fees	15,00,000 25,000

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

Vijay's Capital A/c 4,66,000 - guarantee to Karan(1,06,800) Karan's Capital A/c 2,33,000 Add guarantee 2,67,000	3,59,200 5,00,000				+
	15,25,000		15,25,000		**1 mark for each correct Capital A/c = 1 x 3 = 3 marks = 6 marks**

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

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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 .....

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	
To electricity expenses	10,600	800	
To expenses on lectures	30,000	Add interest accrued 160	960
To surplus	1,52,960	By Government Grant	17,400
	2,18,360		2,18,360

½ mark for each item = ½ x 8 = 4 marks

Balance Sheet of Sears Club as on 31st 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
Add Surplus 1,52,960	2,14,960	Investments	8,000
		Interest accrued on investments	160
		Sports Equipment	59,000
		Books	40,000
	2,62,160		2,62,160

1 mark each for liabilities and asset side 1+1 = 2 marks

Interest on 12% Investments

In case, a candidate has credited Income and Expenditure Account byRs.800 on account of Interest on 12% Investments, it may be marked correct.

Working Notes:

Balance Sheet of Sears Club as on 31st March 2017

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

Note: In case the candidate has not prepared the Opening Balance Sheet, no marks are to be deducted.

=
4+2
=
6 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
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
"	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
			2018 Mar 31	By Interest	2,400
		42,400			42,400

2 marks

2 marks

2 marks

=
6 marks
OR

OR

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
2016 March 31	To Bank A/c	3,200	2016 Mar 31	By Interest	3,200
"	To Balance c/d	80,000			
		93,500			93,500
2017 Mar 31	To Bank A/c	44,800	2016 Apr 1	By Balance b/d	80,000
			2017		

2 marks

2 marks

"	To Balance c/d	40,000	Mar 31	By Interest	4,800
		88,800			88,800
2018 Mar 31	To Bank A/c	42,400	2017 Apr 1 2018 Mar 31	By Balance b/d By Interest	40,000 2,400
		42,400			42,400

2 marks

OR

Ans. Dr. **Zubin's Executors Account** Cr.

Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)
2015 Aug 1 2016 March 31	To Bank A/c To Balance c/d	10,300 83,200	2015 Aug 1 2016 Mar 31	By Zubin's Capital A/c By Interest accrued	90,300 3,200
		93,500			93,500
2017 Mar 31 "	To Bank A/c To Balance c/d	48,192 40,000	2016 Apr 1 2017 Mar 31	By Balance b/d By Interest	83,200 4,992
		88,192			88,192
2018 Mar 31	To Bank A/c	42,400	2017 Apr 1 2018 Mar 31	By Balance b/d By Interest	40,000 2,400
		42,400			42,400

OR

2 marks

2 marks

2 marks

=
6 marks

17 16 17

Q. Akul, Bakul and Chandan ….. of the reconstituted firm.

Ans.

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

Particulars	Amount (₹)	Particulars	Amount (₹)
To Provision for doubtful debts	7,000	By Plant and Machinery	20,000
To Furniture	3,000		
To Profit transferred to:			
Akul's Capital A/c 4,000			
Bakul's Capital A/c 4,000			
Chandan's Capital A/c 2,000	10,000		
	20,000		20,000

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

Dr. **Partners Capital Accounts** Cr.

Particulars	Akul (₹)	Bakul (₹)	Chandan (₹)	Particulars	Akul (₹)	Bakul (₹)	Chandan (₹)
To Bakul Capital A/c	80,000	-	40,000	By balance b/d By General Reserve	1,60,000 8,000	1,20,000 8,000	92,000 4,000
				By Revaluation A/c	4,000	4,000	2,000
To Bakul loan A/c	-	2,52,000	-	By Akul Capital A/c	-	80,000	-
To balance c/d	92,000		58,000	By Chandan Capital A/c	-	40,000	-
	1,72,000	2,52,000	98,000		1,72,000	2,52,000	98,000
To Bank A/c	-	-	8,000	By balance b/d	92,000	-	58,000

1 mark for each capital A/c
+
1 mark for capital adjustment
=
3+1

To balance c/d	1,00,000	-	50,000	By Bank A/c	8,000	-	-
	1,00,000	-	58,000		1,00,000	-	58,000

=

4 marks

Note: If the candidate has not extended the Capital Accounts but done the Capital Adjustment correctly, full credit be given.

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	9,000	51,000
Capitals			Stock		80,000
Akul	1,00,000		Furniture		87,000
Chandan	50,000	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:			By Stock	30,000
Sanjana's Capital A/c	24,000			
Alok's Capital A/c	16,000	40,000		
		70,000		70,000

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 A/c	-	3,00,000	-	By Cash A/c	-	-	3,00,000
To Cash A/c	50,000	-	-	By Premium for goodwill A/c	60,000	40,000	-
To Balance c/d	5,40,000	3,60,000	3,00,000	By Workmen's Compensation Reserve A/c	36,000	24,000	-
				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	2,000	1,44,000
Alok	3,60,000		Stock		1,80,000
Nidhi	3,00,000	12,00,000			

½ x 6 = 3 marks = 2+3+3

				Furniture	2,70,000	= 8 marks
			12,60,000		12,60,000	

16 17 16 Q. DF Ltd. was registered … the necessary Journal entries in the books of DF Ltd.

Ans. **Journal of DF Ltd**.

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	**3 marks**
	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	**2 marks**
	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	**3 marks**
	Bank A/c Dr. To Equity Share Allotment A/c (Being allotment money received) OR Bank A/c Dr. Calls in arrears A/c Dr. To Equity Share Allotment A/c (Being allotment money received)			**-**
	Equity Share First call A/c Dr. To Equity Share Capital A/c (Being First call money due on 50,000 shares)	1,50,000	1,50,000	**-**
	Bank A/c Dr. To Equity Share First call A/c (Being first call money received) OR Bank A/c Dr. Calls in arrears A/c Dr. To Equity Share First call A/c (Being first call money received	1,20,000 1,20,000 30,000	1,20,000 1,50,000	**-** **=** **8 marks**

OR

OR

Q. EF Ltd. …. calls in arrears account wherever required.

Ans. **Journal of EF Ltd.**

Date	Particulars	Dr. (₹)	Cr. (₹)	
	Bank A/c Dr. To Equity Share Application A/c (Being application money received on 1,20,000 shares)	24,00,000	 24,00,000	**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 (Being application money transferred to share capital, securities premium reserve, share allotment and the balance refunded)	24,00,000	 12,00,000 4,00,000 4,00,000 4,00,000	**1 mark**
	Equity Share Allotment A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being Allotment money due on 80,000 shares)	12,00,000	 8,00,000 4,00,000	**½ mark**
	Bank A/c Dr. Calls in arrears A/c Dr. To Equity Share Allotment A/c (Being allotment money received)	7,60,000 40,000	 8,00,000	**1 mark**
	Equity Share First call A/c Dr. To Equity Share Capital A/c (Being First call money due on 80,000 shares)	12,00,000	 12,00,000	**½ mark**
	Bank A/c Dr. Calls in arrears A/c (First call) Dr. To Equity Share First call A/c To Calls in Arrears A/c (Allotment) (Being first call money received)	12,10,000 30,000	 12,00,000 40,000	**1 ½ marks**
	Equity Share Capital A/c Dr. To Share Forfeiture A/c To Calls in Arrears A/c (Being Sahaj's shares forfeited for non payment of first call)	80,000	 50,000 30,000	**1 mark**
	Bank A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being Sahaj's shares reissued for ₹60 per share)	1,20,000	 1,00,000 20,000	**1 mark**
	Share Forfeiture A/c Dr. To Capital Reserve A/c (Being balance in Share forfeiture account transferred to capital reserve)	50,000	 50,000	**1 mark**

Note: In case a candidate has attempted one or both the alternatives and struck off one or both of them, both the answers may be evaluated and the answer in which the candidate has secured more marks may be retained.

= 8 marks

PART B
OPTION 1
Analysis of Financial Statements

-	18	-	**Q. What is meant by 'Cash Flows'?** **Ans.** Cash Flows imply movement of cash in and out due to some non cash items.	**1 mark**

Q. K Ltd., a manufacturing company…investing activities.

Ans.

Cash Flows from Financing Activities

Particulars	Details (₹)	Amount (₹)
Loan raised	6,00,000	
Net Cash Inflows from Financing Activities		6,00,000

½ mark

+

Cash Flows from Investing activities

Particulars	Details (₹)	Amount (₹)
Loan Advanced	(1,00,000)	
Machinery purchased	(5,00,000)	
Net Cash used in Investing Activities		(6,00,000)

½ mark
=
1 mark

.

Q. Prepare a Comparative….

Ans. **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 Add Other income	10,00,000 2,50,000	12,00,000 3,00,000	2,00,000 50,000	20 20	**1 mark**
Total Revenue Less Employee benefit expenses	12,50,000 3,75,000	15,00,000 6,00,000	2,50,000 2,25,000	20 60	**1 mark**
Profit before Tax Less Tax	8,75,000 3,50,000	9,00,000 3,60,000	25,000 10,000	2.86 2.86	**1 mark**
Profit after Tax	5,25,000	5,40,000	15,000	2.86	**1 mark**

=
4 marks

.

20	**21**	**22**	**Q. Explain briefly any four objectives of 'Analysis of Financial Statements'.** **Ans. Objectives of 'Financial Statements Analysis': (Any four)** (i) Assessing the earning capacity or profitability (ii) Assessing the managerial efficiency (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. **(If the candidate has not given the headings but has given the correct explanation, full credit may be given)**	**½ mark for heading + ½ mark for its explanation = 1 x 4 = 4 marks**
			OR **Q. State under which major headings and sub-headings ……..developed by the company.** **Ans.**	**OR**

	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

½ x 8 = 4 marks

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……. **1 mark** Quick ratio = Quick Assets/ Current Liabilities=1.5:1 Therefore, Quick Assets =₹6,00,000 Inventory= Current Assets - Quick Assets =₹8,00,000 - ₹6,00,000 =₹2,00,000…….. **1 mark** 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 marks** +

=₹3,00,000

So, Revenue from operations = ₹12,00,000 +₹3,00,000

= **₹15,00,000……1 mark**

(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. — **1 mark**

Ans. 'Purchase of goods costing ₹20,000' will not change the operating ratio.

=

4 marks

OR

OR

Q. Calculate 'Total Assets to Debt ……

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……**1 mark**

Debt= Long Term borrowings+ Long term Provisions

= ₹1,80,000 + ₹1,20,000

= ₹3,00,000……**1 mark**

3 marks

Total assets to debt Ratio= Total assets/ debt

=₹9,00,000/₹3,00,000

=3:1……1 mark

+

(b) The Debt Equity ratio ….. Debt Equity Ratio. — **1 mark**

Ans. Issue of bonus Shares will not change the ratio.

=

4 marks

23 23 23

Q. Following are the Balance Sheets of Kiero Ltd…. debentures were issued on 1st September 2017.

Ans. Cash Flow Statement of Kiero Ltd. for the year ended 31st March 2018

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		
Purchase of Plant and Machinery	(3,50,000)	
Purchase of Goodwill	(98,000)	
Cash used in Investing activities		(4,48,000)

2 marks

1 mark

			CASH FLOWS FROM FINANCING ACTIVITIES			
			Issue of Shares	2,10,000		
			Issue of 12% Debentures	2,00,000		
			Bank overdraft raised	73,000		**1 ½ marks**
			Interest paid on 12% Debentures	(50,000)		
			Cash Inflows from Financing activities		4,33,000	
			Net increase in Cash and Cash equivalents		1,62,000	
			Add Opening balance of Cash and Cash equivalents			
			Current Investments	70,000		**½ mark**
			Cash and Cash equivalents	63,000	1,33,000	
			Closing balance of Cash and Cash equivalents			
			Current Investments	1,40,000		
			Cash and Cash equivalents	1,55,000	2,95,000	

Working Notes:

Calculation of Net Profit before Tax: **1 mark**

Net profit	2,60,000
Add Amount transferred to reserve	80,000
Add Provision for Tax	1,18,000
	4,58,000

= **6 marks**

PART B
OPTION 2
Computerised Accounting

-	**18**	-	**Q. What is a Spread Sheet?** **Ans**. A spreadsheet without any formula is a collection of data which are arranged in rows and columns like a calendar, time table or simple list etc.	**1 mark**
-	**19**	-	**Q. Give the meaning of 'Database design'.** **Ans.** It means description of the structure of different parts of the overall database.	**1 mark**
-	**20**	-	**Q. Explain 'Payroll accounting system' and ' Management Information System'.** **Ans.** Payroll Accounting Sub-System It deals with payment of wages and salary to employees. A typical wage report details information about basic pay, dearness allowance, and other allowance 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. Management Information System Management information system (MIS) deals with generation and processing of reports that are vital for management decision-making. The information system should be so flexible as to provide customised reports to support various managerial functions	**2 marks** **2 marks**

			such as planning organising, staffing, oversight, control and decision- making including operational, functional and strategic nature.	= **4 marks**
22	**21**	22	**Q. Explain 'Transparency control' and 'Scalability' as….** **Ans.** Transparency and control 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. Scalability 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. **OR** **Q. Explain 'Payroll Accounting Subsystem' and ' Costing Subsystem'.** **Ans.** Payroll Accounting Sub-system 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. Costing Sub-system 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.	**2 marks** **2 marks** = **4 marks** **OR** **2 marks** **2 marks** = **4 marks**
21	**22**	21	**Q. Explain "Null Values and Complex attributes".** **Ans**. Null Values: 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. Complex Attributes**:** 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. **OR**	**2 marks** **2 marks** = **4 marks**

			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 31st 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.	**OR** **2 marks** **2 marks** **=** **4 marks**
23	**23**	23	**Q. Name and explain the function which returns the future value of an investment which has constant payment and interest.** **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.	**6 marks**