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Senior School Certificate Examination

March -2018 - 19

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. Small mistake in evaluation may lead to serious problems which may affect the future of the candidates, education system and teaching profession. To avoid mistakes, it is requested that before starting evaluation, you must read and understand the spot evaluation guidelines carefully. Evaluation is a 10-12 days mission for all of us. Hence, it is desired from you to give your best in this process.

2. Evaluation is to be done as per instructions provided in the Marking Scheme. It should not be done according to one's own interpretation or any other consideration. Marking scheme should be strictly adhered to and religiously followed. However, while evaluating, answers which are based on latest information or knowledge and innovative may be assessed and marks be awarded to them.

3. The Head-Examiner has to go through the first five answer scripts evaluated by each evaluator to ensure that evaluation has been carried out as per the instructions given in the Marking Scheme. The remaining answer scripts meant for evaluation shall be given only after ensuring that there is no significant variation in the marking of individual evaluators.

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

5. If a question does not have any parts, marks must be awarded in the left hand margin and encircled.

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

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

8. Deductions up to 25% of the marks must be made if the student has not drawn formats of the Journal and Ledger and has not given the narrations.

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

10. No marks are to be deducted or awarded for writing / not writing 'TO and BY' while preparing Journal and Ledger accounts.

11. In theory questions, credit is to be given for the content and not for the format.

12. Every Examiner should stay full working hours i.e 8 hours every day and evaluate 25 answer books.

13. Avoid the following common types of errors committed by the Examiners in the past-.

- Leaving answer or part thereof unassessed in an answer script
- Giving more marks for an answer than assigned to it or deviation from the marking scheme.
- Wrong transference of marks from the inside pages of the answer book to the title page.
- Wrong question wise totaling on the title page.
- Wrong totaling of marks of the two columns on the title page
- Wrong grand total
- Marks in words and figures not tallying
- Wrong transference to marks from the answer book to award list
- Answers marked as correct but marks not awarded.
- Half or a part of answer marked correct and the rest as wrong but no marks awarded.

14. While evaluating the answer scripts if the answer is found to be totally incorrect, it should be marked as (x) and awarded zero(0) Marks.

15. Any unassessed portion, non-carrying over of marks to the title page or totalling error detected by the candidate shall damage the prestige of all the personnel engaged in the evaluation work as also of the Board. Hence in order to uphold the prestige of all concerned, It is again reiterated that the instructions be followed meticulously and judiciously.

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

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

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

Q. Set No.			Marking Scheme 2018-19 Accountancy (055) 67/2/2 Expected Answers / Value points	Distribution of marks
--	67/2/2	--		
6	1	4	**Q. What is meant by…………………….. Shares ?** **Ans :** Private placement of shares means issue and allotment of shares to a select group of persons privately. **OR** **Q. What is meant by...................'Reserve Capital'** **Ans :** Reserve Capital is a portion of a uncalled capital that is reserved by the company to be called in the event of winding up of the company.	1 **OR** 1
4	2	3	**Q. Kiya and leela…………………………………………Kiya, Leela and Kiran.** **Ans :** Sacrificing ratio of Kiya and Leela = 3:1 Kiran's Share = 1/5 Kiya's Sacrifice = 1/5 x 3/4 = 3/20 Leela's sacrifice = 1/5 x 1/4 = 1/20 New Share = Old share – Sacrifice share Kiya's new share = 3/5 – 3/20 = 9/20 Leela's new share = 2/5 – 1/20 = 7/20 Kiran's Share = 1/5 x 4/4 = 4/20 New ratio = 9 : 7 : 4	½ ½ = **(1)**
5	3	2	**Q. Dinkar, Navita……………………………………………………… every year.** **Ans :** Profits of the firm till Navita's death = 10% of 6,00,000 = 60,000 Navita's share = 2/6 x 60,000 = 20,000	½ ½ = **(1)**
3	4	1	**Q. State the main……………………………………………organization.** **Ans :** The main aim of a Not-for –profit organization is to provide service to a specific group or to the public at large. **OR** **Q. How is 'Life membership………………………………..Not-for-Profit profit organization?** **Ans :** Life membership fee is capitalized, added to Capital fund i.e. shown on the liabilities side of Balance Sheet.	1 **OR** 1

2	5	5

Q. A new partner……………………….………………… these rights.

Ans. Two main rights acquired by a newly admitted partner **(any one)** :- **1**

(i) Right to share the assets of the partnership firm;

(ii) Right to share the profits of the partnership firm.

OR

Q. How does………………………………………………………goodwill of a firm?

Ans. Effect of Nature of Business on Goodwill :-

A firm that produces high value added products or products with stable demand is able to earn more profits therefore , firm's goodwill will be more. **1**

-	6	-

Q. A,B,C ……………………………………………………………firm's dissolution.

Ans : **Books of A B C Ltd.**

Journal

Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)
Provision for Bad Debts A/c Dr. To Realisation A/c (Being Provision for Bad debts transferred to Realisation A/c)		4500	 4,500

1

8	7	9

Q. 'UZ Ltd. ………………………………. in the books of 'UZ Ltd.'

Ans : **Books of UZ Ltd.**

Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)
	(i) Plant & Machinery A/c Dr. To Elk Machine Ltd. (Being Machinery purchased)		6,90,000	 6,90,000
	(ii) Elk Machine Ltd. Dr. To Bills Payable A/c (Being bills accepted)		90,000	 90,000
	(iii) ElK Machine Ltd. Dr. Discount on debentures A/c Dr. To 6% debentures A/c (Being 6% debentures issued at 20% discount) **OR for (ii) & (iii)** ElK Machine Ltd. Dr. Discount on debentures A/c Dr. To Bills Payable A/c To 6% debentures A/c (Being bills accepted & 6% debentures issued at 20% discount)		6,00,000 1,50,000 6,90,000 1,50,000	 7,50,000 90,000 7,50,000

Marks: (i) **1**; (ii) **½**; (iii) **1 ½ = (3)**

(No. of debentures issued = 6,00,000/80 = 7500)

OR

Q . 'ZK Ltd.' …………………………………………………… in the books of 'ZK Ltd.'

Ans : **Books of ZK Ltd.**

Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)
	(i) Bank A/c Dr. To Debentures Application & Allotment A/c (Being debentures application money received)		3,80,000	 3,80,000
	(ii) Debentures Application & Allotment A/c Dr. Discount on issue of Debentures A/c Dr. Loss in issue of debentures A/c Dr. To 9% Debentures A/c To Premium on redemption of Deb. A/c (Being debenture issued at discount redeemable at premium)		3,80,000 20,000 40,000	 4,00,000 40,000
	Alternative for entry (ii) Debentures application & allotment A/c Dr. Loss on issue of debentures A/c Dr. To 9% Debentures A/c To Premium on redemption of Debentures A/c (Being debentures issued at discount redeemable at premium)		 3,80,000 60,000	 4,00,000 40,000

Marks: 1 (entry i), 2 (entry ii) = (3)

- 8 -

Q. The firm of P, Q and R..super profits.

Ans :

Average Profit = ₹ 4,00,000

Capital Employed = ₹ 6,00,000

Normal Profit 8% = ₹ 6,00,000 x 8/100 = 48,000 **1**

Super Profit = Average Profit – Normal Profit

₹ 4,00,000 – 48,000 = ₹ 3,52,000 **1**

Goodwill on the basis of Capitalisation of super profit = $\frac{\text{Super Profit x 100}}{\text{Rate of Normal Profit}}$

$= \frac{3,52,000 \times 100}{8} =$ ₹ 44,00,000 **1**

= (3)

- 9 -

Q. 'WX Ltd.' ………………………………..Companies Act, 2013

Ans.

Balance Sheet of WX Ltd.
as per Schedule III Part I Companies Act 2013

Particulars	**Note No.**	**Current Year (₹)**	**Previous Year (₹)**
EQUITY & LIABILITIES 1. Shareholders' Funds (a) Share Capital	 1	 14,35,000	 ---

1

Notes to Accounts :

NoteNo.	Particulars		Current Year (₹)	
1	Share Capital			
	Authorised Share Capital			
	2,00,000 Equity Shares of @ ₹ 10 each		20,00,000	½
	Issued Share Capital			
	1,50,000 Equity Shares @ ₹10 each		15,00,000	½
	Subscribed Capital			
	(a) Subscribed and Fully paid			½
	1,40,000 Equity shares of ₹ 10 each		14,00,000	
	(b) Subscribed but not fully paid			
	5,000 Equity shares @ ₹10 each	50,000		
	Less: Calls in arrear @ ₹3 per share	(15,000)	35,000	½ =
			14,35,000	**(3)**

-	10	-	**Q. From the following………………………………………… ₹ 25,00,000.**

Ans.

(a)

Dr. **Stock of Medicines A/c** **Cr.**

Particulars	Amount(₹)	Particulars	Amount (₹)
Balance b/d	8,00,000	Income & Expenditure A/c (Bal. figure)	**20,00,000**
Purchases A/c	27,00,000	By balance c/d	15,00,000
	35,00,000		**35,00,000**

1

Dr. **Creditors for medicines A/c** **Cr.**

Particulars	Amount (₹)	Particulars	Amount ₹
Cash / Bank A/c	25,00,000	By balance b/d	6,00,000
Balance c/d	8,00,000	By purchases (Bal. figure)	27,00,000
	33,00,000		**33,00,000**

1

Alternative Solution for (a) :

OR

Calculation of amount of medicines to be debited to ' Income & Expenditure A/c '
For the year 31/03/2018.

Particulars	Amount (₹)
Amount paid to creditors during the year	25,00,000
Add : Closing balance of creditors	8,00,000
Less : Opening balance of creditors	(6,00,000)
Purchases of Medicines	27,00,000
Add : Opening stock of Medicines	8,00,000
Less : Closing stock of medicines	(15,00,000)
Amount of Medicines to be debited to Income & Expenditure Account	**20,00,000**

2

			b) Balance Sheet of Charitable Hospital as at 31/03/2018	1 = (3)
-	11	-	Q. L,M and N.. of the firm.	1, 1, 1, 1 = (4)
-	12	-	Q. Manika, Rekha and Mohit.. her executors.	= (4)

b)

Balance Sheet of Charitable Hospital as at 31/03/2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors for Medicines	8,00,000	Stock of Medicines	15,00,000

1 = (3)

Q. L,M and N.. of the firm.

Ans. **Books of L , M and N**

Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)	Marks
	General Reserve A/c Dr. To L's Capital A/c To M's Capital A/c To N's Capital A/c (Being the General Reserve transferred to partners' Capital A/c)		1,17,000	 23,400 35,100 58,500	1
	L's Capital A/c Dr. M's Capital A/c Dr. N's Capital A/c Dr. To Profit & Loss A/c (Being debit balance of Profit & Loss A/c transferred to partners' Capital A/c)		7,000 10,500 17,500	 35,000	1
	M's Capital A/c Dr. To N's Capital A/c (Being adjustment for Goodwill)		50,000	 50,000	1
	Revaluation A/c Dr. To L's Capital A/c To M's Capital A/c To N's Capital A/c (Being gain on revaluation transferred to Partners' Capital A/c)		30,000	 6,000 9,000 15,000	1 = (4)

M's gain = 1/10 ; N's Sacrifice = 1/10

Q. Manika, Rekha and Mohit.. her executors.

Rekha's Capital Account

Dr. **Cr.**

Particular	Amount (₹)	Particular	Amount (₹)	Marks
To Rekha's Executors' A/c (B.F) **(1/2 mark)**	6,95,250	By Balance b/d	4,50,000	½
		By Manika Capital A/c	1,00,000	½
		By Mohit Capital A/c	20,000	½
		By Profit & Loss Suspense A/c	34,000	1
		By Interest on Capital A/c	11,250	½
		By General Reserve A/c	80,000	½
	6,95,250		**6,95,250**	= (4)

Working Notes :-

1. **Calculation of Rekha's share of Goodwill**

$$\text{Average Profit} = \frac{2,20,000 + 3,00,000 + 3,60,000 + 3,20,000}{4} = ₹\ 3,00,000$$

Rekha's Share of Goodwill = ₹ 3,00,000 x 4/10 = ₹ 1,20,000

Gaining Ratio = 5 : 1

2. Calculation of Profit share of Rekha

Average Profit of last two years = $\frac{₹360000 + ₹320000}{2} = \frac{₹6,80,000}{2} = ₹3,40,000$

Rekha's Share of Profit = $₹3,40,000 \times \frac{3}{12} \times \frac{4}{10}$ = = ₹34,000

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15 | 13 | 14

Q. Naveen, Qadir and .... clearly.

Ans.

Books of the Naveen, Qadir and Rajesh

Journal

Date	Particulars	LF	Dr. Amt. (₹)	Cr. Amt. (₹)
2018 April 1	Rajesh's Current A/c............................. Dr. To Naveen's Current A/c To Qadir's Current A/c [Being interest on Capital wrongly allowed & partners' salary omitted, now rectified]		17,800	 10,000 7,800

Marks: 2

Working:

Past Adjustment Table

Particulars	Naveen	Qadir	Rajesh	Total
A. Cancellation of Interest on Capital :				
2016-17	24,000(Dr.)	21,600(Dr.)	14,400(Dr.)	60,000(Cr.)
2017-18	24,000(Dr.)	21,600(Dr.)	14,400(Dr.)	60,000(Cr.)
TOTAL Interest on Capital	48,000(Dr.)	43,200(Dr.)	28,800(Dr.)	1,20,000(Cr.)
B. Omission of Salary :				
2016-17	14,000(Cr.)	16,000(Cr.)	---------	30,000(Dr.)
2017-18	14,000(Cr.)	16,000(Cr.)	---------	30,000(Dr.)
TOTAL Salary	28,000(Cr.)	32,000(Cr.)	---------	60,000(Dr.)
C. Profits to be credited : **A-B**				
2016-17 (3:2:1)	15,000(Cr.)	10,000(Cr.)	5,000(Cr.)	30,000(Dr.)
2017-18 (3:2:1)	15,000(Cr.)	9,000(Cr.)	6,000(Cr.)	30,000(Dr.)
TOTAL profits credited	30,000(Cr.)	19,000(Cr.)	11,000(Cr.)	60,000(Dr.)
Net Effect [A+B+C]	**10,000 (Cr.)**	**7,800(Cr.)**	17,800(Dr.)	00

Marks: 4 = (6)

Note : In case a student has presented correct working in any other form, full credit may be given.

OR

Q. On 31st March .... clearly.

Ans.

Books of the Abhir, Bobby and Vineet

Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)
2018 Apr 1	Bobby's Capital A/c............................... Dr. To Abhir's Capital A/c To Vineet's Capital A/c [Being interest on Capital and interest on drawings omitted, now rectified]		14,402	 10,112 4,290

Marks: 1

Working:

(A) **Past Adjustment Table**

Particulars	Abhir	Bobby	Vineet	Total
Cancellation of profits	60,000(Dr.)	60,000(Dr.)	30,000(Dr.)	1,50,000 (Cr.)
Omission of IOD	6,600 (Dr.)	4,500 (Dr.)	2,500(Dr.)	13,600 (Cr.)
Omission of IOC :	76712 (Cr.)	50098 (Cr.)	36,790 (Cr.)	1,63,600 (Dr.)
Net Effect	**10,112 (Cr.)**	**14,402(Dr.)**	**4,290(Cr..)**	**00**

Marks: 2

			(B) Calculation of Opening Capital :	

Particulars	Abhir	Bobby	Vineet
Capital on 31-3-2018	8,00,000	6,00,000	4,00,000
ADD : Drawings	2,40,000	1,00,000	1,00,000
LESS : Share of profit	(60,000)	(60,000)	(30,000)
Capital on 1-4-2017	**9,80,000**	**6,40,000**	**4,70,000**

3

(C) Interest on Capital @ 10% 98,000 + 64,000 + 47,000 = ₹ 2,09,000

Profits available = ₹1,50,000 + 13,600 = ₹163,600

Therefore, Interest on Capital is given as ₹1,63,600 divided in the ratio of 98:64:47

= **(6)**

13 14 15

Q. From the following .... closing stock was ₹ 15,000.

Ans :

Dr. Income & Expenditure a/c of Gems Club for the year ended 31/03/2018 Cr.

Particulars	**Amount (₹)**	**Particulars**	**Amount (₹)**
Salaries 64,500		Subscription 3,00,000	
+ outstanding 8,000	72,500	(-) advance (2018-19) (15,000)	
Miscellaneous Expenses	52,000	+ o/s subscription (2017-18) 20,000	3,05,000
Telephone Charges	12,000	Interest on Investment 2400	
Printing & Stationery		+ Accrued Interest 1600	4,000
Opening Stock 12,000		Donations	17,000
+ Purchases 19,000		Rent Received 70,000	
- Closing Stock (15,000)	16,000	+Receivable 2,000	72,000
Surplus – Excess of		Sale of old newspaper	600
Income over expenditure	2,46,100		
	3,98,600		**3,98,600**

1 mark each for **subscriptions** and **printing & stationery** + ½ x 8 2+4 = (6)

14 15 13

Q. Ashish and Kanav.. Prepare Revaluation Account.

Ans :

Dr. **Realisation Account** Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
Sundry Assets Stock 24,000 Debtors 19,000 Furniture 40,000 Plant 2,10,000 Investment 32,000	3,25,000	Sundry Liabilities Trade Creditors 42,000 Employees Prov Fund 60,000 Mrs. Ashish's Loan 9,000 Investment Fluctuation Reserve	1,11,000 4,000
Ashish's Capital A/c (Mrs. Ashish's Loan)	9,000	Ashish Capital A/c (Furniture)	38,000
Kanav's Capital A/c (Remuneration)	12,000	Bank A/c – Assets Debtors – 18,500 Plant - 2,31,000 Stock - 15,840	2,65,340
Bank A/c (EPF)	60,000		
Partners' Capital A/c(Gain) Ashish - 12012 Kanav - 8008	20,020	Kanav's Capital A/c (Stock)	7,680
	4,26,020		**4,26,020**

1 mark each for transfer of Sundry Assets and transfer of Sundry Liablities + ½ x 8 i.e. 2+4 = (6)

Note : In case, the medium of answering of the candidate is English & he/she has prepared revaluation account using the information given in the question, full credit should be given.

Solution of Hindi version

Ans : **Realisation Account**

Particulars	Amount (₹)	Particulars	Amount (₹)
Sundry Assets Stock 24,000 Debtors 19,000 Furniture 40,000 Plant 2,10,000 Investment 32,000	3,25,000	Sundry Liabilities Trade Creditors 42,000 Employees Prov Fund 60,000 Mrs. Ashish's Loan 9,000	1,11,000
		Investment Fluctuation	4,000
Ashish's Capital A/c (Mrs. Ashish's Loan)	9,000	Ashish Capital A/c (Furniture)	38,000
Kanav's Capital A/c (Remuneration)	12,000	Bank A/c – Assets Debtors – 18,500 Plant - 2,31,000 Stock - 15,840	2,65,340
Bank A/c - Liabilities Creditors 42,000 EPF 60,000	1,02,000	Kanav's Capital A/c (Stock)	7,680
		Loss transferred to Partners' Capital A/c:- Ashish – 13,188 Kanav - 8,792	21,980
	4,48,000		**4,48,000**

1 mark each for transfer of Sundry Assets and transfer of Sundry Liablities + ½ x 8 i.e. 2+4 = (6)

16	16	17	**Q. Denspar Ltd. Invited……………………………………………………………books of Denspar Ltd.**

Ans :

Books of Denspar Ltd.
Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)	
	Bank A/c Dr. To Equity Share Application A/c (Being application money received)		3,60,000	 3,60,000	½
	Equity Share Application A/c Dr. To Equity Share Capital A/c (Being application money transferred)		3,60,000	 3,60,000	½
	Equity Share Allotment A/c Dr. To Equity Share Capital A/c To Security Premium Reserve A/c (Being allotment money due)		23,40,000	 5,40,000 18,00,000	½
	Bank A/c Dr. Calls in Arrears A/c Dr. To Equity Share Allotment A/c To Calls in Advance A/c (Being allotment money received)		23,24,000 91,000	 23,40,000 75,000	1
	Equity Share Ist Call A/c Dr. To Equity Share Capital A/c To Security Premium Reserve A/c (Being share first call due)		12,60,000	 3,60,000 9,00,000	½
	Bank A/c Dr. Calls in Advance A/c Dr. To Equity Share First Call A/c To Calls in arrear A/c (Being call money received)		13,16,000 35,000	 12,60,000 91,000	1
	Equity Share Second & Final Call A/c Dr. To Equity Share Capital A/c To Security Premium Reserve A/c (Being second and final call money due)		14,40,000	 5,40,000 9,00,000	½
	Bank A/c Dr. Calls in arrear A/c Dr. Calls in advance A/c Dr. To Equity Share 2nd & Final Call A/c (Being call money received)		13,84,000 16,000 40,000	 14,40,000	1
	Equity Share Capital A/c Dr. Security Premium Reserve A/c Dr. To Calls in arrear A/c To Share forfeited A/c (Being 2,000 shares forfeited)		20,000 10,000	 16,000 14,000	1
	Bank A/c Dr. Share forfeited A/c Dr. To Share Capital A/c		12,000 3,000	 15,000	1

	(Being 1,500 shares reissued)				
	Share forfeited A/c Dr. To Capital Reserve A/c (Being balance in share forfeited account for 1,500 shares transferred to Capital Reserve)		7,500	 7,500	½ = **(8)**

Note : In case, an examinee has passed entries without opening calls in arrear account, full credit is to be given.

OR

Q. 'KLN Ltd.' invited …………………………………………….. books of 'KLN Ltd.'

Books of 'KLN Ltd.'

Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)	
	Bank A/c Dr. To Equity Share Application A/c (Being application money received on 1,90,000 shares @ ₹3 per share)		5,70,000	 5,70,000	½
	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, share allotment and the balance refunded)		5,70,000	 2,00,000 1,00,000 1,50,000 1,20,000	1
	Equity Share Allotment A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being allotment money due)		4,00,000	 3,00,000 1,00,000	½
	Bank A/c Dr. Calls in Arrear Ac Dr. To Equity Share Allotment A/c (Being allotment money received **)** **Or** Bank A/c Dr. To Equity Share Allotment A/c (Being allotment money received **)**		2,43,500 6,500 2,43,500	 2,50,000 2,43,500	1
	Equity Share First Call A/c Dr. To Equity Share Capital A/c (Being call money due)		3,00,000	 3,00,000	½
	Bank A/c Dr. Calls in Arrears A/c Dr. To Equity Share First Call A/c (Being call money received) Or		2,85,000 15,000	 3,00,000	½

	Bank A/c Dr. To Equity Share First Call A/c (Being call money received)		2,85,000	 2,85,000	
	Equity Share Capital A/c Dr. Securities Premium Reserve A/c Dr. To Share Forfeited A/c To Calls in Arrear A/c (Being share forfeited) or Equity Share Capital A/c Dr. Securities Premium Reserve A/c Dr. To Share Forfeited A/c To Share Allotment A/c To Share First Call A/c (Being share forfeited)		16,000 2,000 16,000 2,000	 5,500 12,500 5,500 6,500 6,000	1
	Equity Share Second & Final Call A/c Dr. To Equity Share Capital A/c (Being second & final call due)		1,96,000	 1,96,000	½
	Bank A/c Dr. Calls in Arrear A/c Dr. To Equity Share Second & Final Call A/c (Being call money received) **Or** Bank A/c Dr. To Equity Share Second & Final Call A/c (Being call money received)		1,90,000 6,000 1,90,000	 1.96,000 1,90,000	½
	Equity Share Capital A/c Dr. To Share Forfeited A/c To Calls in Arrears (Being shares forfeited) **Or** Equity Share Capital A/c Dr. To Share Forfeited A/c To Equity Share First call A/c To Equity Share Second and Final Call A/c (Being shares forfeited)		30,000 30,000	 15,000 15,000 15,000 9,000 6,000	1
	Bank A/c Share Forfeited A/c To Equity Share Capital A/c (Being forfeited shares reissued)		32,000 8,000	 40,000	½
	Share forfeited A/c Dr. To Capital Reserve A/c (Being balance in share forfeited account transferred to capital reserve)		9,750	 9,750	½ = (8)

17	17	16	**Q. Mohan, Vinay and Nitya... reconstituted firm.**	

Ans.

Dr. Revaluation Account Cr.

Particulars	**Amount (₹)**	**Particulars**	**Amount (₹)**
To Plant & Machinery A/c	6,000	By Bank A/c (computer sold)	4,000
To Provision for Bad Debts- [**Bad debts 1,000** **Provision for bad debts 3,000]**	4,000	By Partners'Capital A/c (Loss) Mohan 3,000 Vinay 2,000 Nitya 1,000	6,000
	10,000		**10,000**

2

Dr. Partners' Capital A/c Cr.

Particulars	**Mohan**	**Vinay**	**Nitya**	**Particulars**	**Mohan**	**Vinay**	**Nitya**
To Mohan's Capital A/c		48,000	42,000	By Bal c/d	1,20,000	100,000	90,000
To revaluation A/c (loss)	3,000	2,000	1,000	By Contingency Reserve	15,000	10,000	5,000
To Mohan's Loan A/c	2,22,000			By Vinay's Capital	48,000		
To Bal c/d		60,000	52,000	By, Nitiya's Capital	42,000		
	2,25,000	**1,10,000**	**95,000**		**2,25,000**	**1,10,000**	**95,000**
				By Balance B/d		60,000	52,000
To Bank A/c		6,000	16,000				
To Balance c/d		54,000	36,000				
		60,000	**52,000**			**60,000**	**52,000**

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

4

Note: in case the candidate has not extended the Capital A/c but has done the capital adjustment correctly, full credit is to be given.

Balance Sheet as at 31st March, 2018

Liabilities	Amount (₹)	Assets		Amount (₹)
Creditors	48,000	Cash at Bank (31,000 +4,000 – 6000 – 16,000)		13,000
Employees Provident Fund	1,70,000	Bills Receivable		54,000
Mohan's Loan A/c	2,22,000	Book Debts	63,000	
Vinay's Capital A/c	54,000	Less : Bad Debts	3,000	
Nitya'S Capita A/c	36,000	Less: Provision for Bad Debts	3,000	57,000
		Plant & Machinery		1,14,000
		Land & Building		2,92,000
	5,30,000			**5,30,000**

1 mark for correct assets side +1 mark for correct Liabilities Side

2 = (8)

OR

OR

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

Particulars	Amount (₹)	Particulars		Amount (₹)
To Stock A/c	16,000	By Loss transferred to Partners' Capital A/c		
To claim for workmen Compensation	40,000	Leena	33,600	
		Rohit	22,400	56,000
	56,000			**56,000**

2

Dr. **Partners' Capital A/c** **Cr.**

Particulars	Leena	Rohit	Manoj	Particulars	Leena	Rohit	Manoj
To Revaluation A/c (Loss)	33,600	22,400		By Balance b/d	1,60,000	1,40,000	
To Balance c/d	1,93,400	1,75,600		By General Reserve	27,000	18,000	
				By Premium for Goodwill	40,000	40,000	
	2,27,000	**1,98,000**			**2,27,000**	**1,98,000**	
				By Balance b/d	1,93,400	1,75,600	
				By Cash/Bank A/c			92,250
To Balance c/d	1,93,400	1,75,600	92,250				
	1,93,400	**1,75,600**	**92,250**		**1,93,400**	**1,75,600**	**92,250**

1 mark for each capital A/c

3

Balance Sheet as at 31st March, 2018

Liabilities	Amount (₹)	Assets	Amount (₹)

1 ½ mark for correct assets side +1 ½ mark for correc

			Creditors Bills Payable Claim for workmen compensation Partners' Capital A/cs. : Leena 1,93,400 Rohit 1,75,600 Manoj 92,250	80,000 38,000 40,000 4,61,250	Cash (42,000 +80,000 + 92,250) Debtors 1,32,000 Less : Provision for Doubtful Debts 7,000 Plant & Machinery Stock	2,14,250 1,25,000 1,50,000 1,30,000	t Liabilities Side 3 = (8)
				6,19,250		**6,19,250**	

Working :

Sacrificing Share = Old Share – New Share

Leena's Sacrifice = 3/5 – 5/10 = 1/10

Rohit's Sacrifice = 2/5 – 3/10 = 1/10

Sacrificing Ratio = 1 : 1

PART B
OPTION - I
(Financial Statements Analysis)

-	18	-	**Q. While preparing……………………………. Non-financial enterprise?** **Ans** : Investing Activity.	1
-	19	-	**Q. What is meant by 'Cash & Cash Equivalents'?** **Ans :** Cash comprises of cash on hand and demand deposits with bank and cash equivalents are short term highly liquid investments (up to three months) that are readily convertible into known amount of cash and which are subject to an insignificant risk of change in value.	1
21	**20**	**21**	**Q. (i) From the following... Rs. 1,00,000.** **Ans.** Interest Coverage Ratio = $\frac{\text{Net Profits before Interest \& Tax}}{\text{Interest on long term debts}}$ **(Rs.)** Net Profits after Interest and Tax -- 1,20,000 Add : Tax @ 40% -- 80,000 Interest on debt -- 27,000 (15,000 + 12,000) Profits before Interest & Tax = 2,27,000	2

Interest Coverage Ratio = $\frac{2,27,000}{27,000}$ = **8.4 times**

Q. (ii) A company .... purchase of goods.

Ans.

After purchase of goods on credit :

Current Assets = Rs.3,00,000 + Rs.20,000 = Rs. 3,20,000

Current Liabilities = **Rs.1,40,000** +Rs.20,000 = Rs.1,60,000

Current Ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}}$ = $\frac{3,20,000}{1,60,000}$ = **2:1**

2 = (4)

OR

EFFECT	**REASON**
(i) Decrease	As quick assets will decrease with no change in current liabilities.
(ii) Decrease	As current liabilities will increase with no change in quick assets.
(iii) Increase	As quick assets will increase with no change in current liabilities.
(iv) No change	As neither quick assets nor current liabilities are changing.

1 x 4 = (4)

20 | 21 | 20

Q. Under which major..................................... Part I of the Companies Act, 2013?

Ans.

Items	Heads	Sub-heads
(i) Interest accrued and due on debentures	Current liabilities	Other Current Liabilities
(ii) Loose Tools	Current Assets	Inventories
(iii) Accrued Interest on Calls in advance	Current Liabilities	Other Current Liabiliites
(iv) Interest due on calls in arrears	Current Assets	Other Current Assets
(v) Trademarks	Non Current Assets	Fixed Assets-Intangible
(vi) Premium on redemption of debentures	Non Current liabilities	Other Non Current Liabilities
(vii) Plant and Machinery	Non Current Assets	Fixed Assets-Tangible
(viii) Patents	Non Current Assets	Fixed Assets-Intangible

½ X 8 = (4)

OR

Q. Explain briefly.. of Financial Statements.

Ans. Limitations of Financial Statements are : (any four)

(i) It is a **Historical Analysis** as it analyses what has happened till date. It doesn't reflect the future.

(ii) It **ignores price level changes** as a change in price level makes analysis of financial statements of different accounting years invalid.

(iii) It **ignores qualitative aspect** as the quality of management, quality of staff etc. are ignored while carrying out the analysis of financial statements.

(iv) It suffers from the **limitations of financial statements** as the analysis is based on the information given in the financial statements.

(v) It is **not free from bias** of accountants such as method of inventory valuation, method of depreciation etc.

1x4 = (4)

(vi) It may lead to **window dressing** i.e. showing a better financial position than what actually is by manipulating the books of accounts.

(vii) It **may be misleading** without the knowledge of the changes in accounting procedure by a firm.

22

Q. Prepare a Comparative………………………………………… 31st March, 2018

Ans.

Comparative Statement of Profit & Loss for the year ended 31st March, 2018

Particulars	31.03.2017 (₹)	31.03.2018 (₹)	Absolute Charge (₹)	% Absolute Charge	
Revenue from operation	12,00,000	17,60,000	5,60,000	46.67	1
Less : Cost of Materials Consumed Other Expenses	 4,00,000 80,000	 4,40,000 1,32,000	 40,000 52,000	 10.00 65.00	1
Total Expenses	**4,80,000**	**5,72,000**	**92,000**	**19.17**	1
Profit before tax Less 50% tax	7,20,000 3,60,000	11,88,000 5,94,000	4,68,000 2,34,000	65.00 65.00	1
Profit after tax	**3,60,000**	**5,94,000**	**2,34,000**	**65.00**	= (4)

23 23 23

Q. From the following Balance Sheet........................ Cash Flow Statement.

Ans.

DCX Ltd.

Cash flow Statement for the year ending 31st March, 2018

Particulars	Details (₹)	Amount (₹)	
A. Cash flows from Operating Activities :			
Net Profit before Tax	(24,000)		
Add : Depreciation on Machinery	4,20,000		
Add : Interest on Debentures	64,000		
Less : Gain on sale of machinery	(1,60,000)		
Operating profit before the working Capital changes	3,00,000		
Add: Increase in Trade Payables	50,000		
Less: Increase in Inventories	(4,00,000)		
Cash generated from Operations before tax	(50,000)		
Less: Tax Paid	(56,000)		
Net Cash used in Operating Activities		**(1,06,000)**	1½
B. Cash flows from Investing Activities :			
Purchase of Machinery	(16,00,000)		
Purchase of Intangible Assets	(1,00,000)		
Sale of Machinery	6,40,000	**(10,60,000)**	1
Net Cash used in investing activities			

			C. Cash flows from financing Activities			
			Issue of shares	9,00,000		1
			Issue of Debentures	3,00,000		
			Interest paid on debentures	(64,000)	**11,36,000**	
			Cash Inflows from Financing Activities			
			Net Decrease in Cash and Cash Equivalents		**(30,000)**	
			Add: Opening Balance of Cash and Cash equivalents			
			Current Investments	78,000		
			Cash & cash equivalents	78,000	**1,56,000**	1
			Closing Balance of Cash and Cash equivalents			
			Current Investments	89,000		
			Cash & cash equivalents	37,000	**1,26,000**	

Working Notes:

Calculation of Profit before Tax :

Net Profit for the year = (1,00,000)

Add: Provision for tax = 76,000

Net profit before tax = (24,000) ½

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

Particulars	₹	Particulars	₹
To Balance b/d	25,00,000	By Acc. depreciation	3,20,000
To Gain on sale	1,60,000	By Bank	6,40,000
To Bank A/c (Bal. Fig.)	16,00,000	By balance c/d	33,00,000
	42,60,000		**42,60,000**

½

Accumulated Depreciation A/c

Particulars	₹	Particulars	₹
Machinery A/c	3,20,000	By balance b/d	5,00,000
Balance c/d	6,00,000	Statement of P & L (Bal. figure)	4,20,000
	9,20,000		**9,20,000**

½

=6 marks

PART B

OPTION - II

(Computerized Accounting)

-	18	-	**Q. What is...............................processing mode?** **Ans.** The activity sequence of the basic information mode is collect data, organise and process it and then communicate the information extracted.	**1 Mark**
-	19	-	**Q. What is meant...............................'Data Validation'?** **Ans:** Data Validation is the process of ensuring that a program operates on clean, correct and useful data. It uses validation rules and constraints to check for the correctness, meaningfulness and security of data that are input to the system.	**1 Mark**

-	20	---	**Q. Give four.. accounting system.** **Ans :** Advantages of Computerised Accounting System: 1. Timely generation of reports and information in desired format 2. Efficient record keeping. 3. Ensures effective control over the system. 4. Economy in the processing of accounting data.	**4 Marks**
22	21	22	**Q. State the steps .... in Tally.** **Ans:** The following are the steps to construct BRS in tally: 1. Bring up the monthly summary of bank book. 2. Bring your cursor to the first month and press enter. This brings up the vouchers for the month. Since this is a bank account, an additional button F5: reconcile will be visible on the right Press F5. 3. The display now becomes an Edit screen in Reconciliation mode. The primary components are: A column for the 'Bankers Date' 4. Amounts not reflected in banks 5. Balance as per bank **OR** **Q. Explain composite.. attributes.** **Ans :** **1. Composite Vs simple (or atomic) attributes:** The composite attributes can be divided into smaller sub-parts to represent some more basic attributes with independent meanings. The simple attributes cannot be further sub-divided. For example, Name of a person that is normally sub-divided into first name, middle name and last name is a composite attributes. Height of a person is a simple attribute as it devoid of further sub-division. **2. Single-valued Vs Multi-valued attributes:** An attribute with a single value for an entity is single-valued as opposed to those which multiple values. For example, height of a person is single-valued attribute while qualifications of that person are a multi-valued attribute.	**4 Marks** **OR** **2x2= 4 marks**
21	22	21	**Q. Explain any two...information system.** **Ans: (Any Two)** • Cash and bank sub- system • Sales and accounts receivable sub-system • Inventory sub-system	

			• Purchase and accounts payable sub-system • Payroll accounting sub-system • Fixed assets accounting sub-system • Expense accounting sub-system • Tax accounting sub-system • Final accounts sub-system • Costing sub-system • Budget sub-system **(With suitable explanation)** **OR** **Q. List the elements .... a given period.** **Ans :** Elements considered while calculating 'deductions' for current payroll period are: (i) PT professional tax applicable in state. (ii) TDS- Tax deduction at source which is a statutory deduction and deducted towards monthly income tax liability. (iii) Recovery of loan instalment if taken up by employee. (iv) Any other deduction e.g 'advance against salary or festival advance etc.	**4 Marks** **OR** **4 Marks**
23	**23**	**23**	**Q. What is meant.. three benefits.** **Ans :** A format change, such as background cell shading or font colour that is applied to a cell when a specified condition for the data in the cell is true. **<u>Conditional formatting</u>** is often applied to worksheets to find: • Data that is above or below a certain value. Duplicate data values. • Cells containing specific text. Data that is above or below average. • Data that falls in the top ten or bottom ten values. **<u>Benefits of using conditional formatting</u>**: i) Helps in answering questions which are important for taking decisions. ii) Guides with help of using visuals. iii) Helps in understanding distribution and variation of critical data.	**6 marks**