

**SET 3**

			<b>Marking Scheme 2018-19</b>	
<b>67</b>	<b>67</b>	<b>67</b>	<b>Accountancy (055)</b>	<b>MARKS</b>
<b>/1</b>	<b>/1</b>	<b>/1</b>	<b>Delhi- 67/1/3</b>	
<b>/1</b>	<b>/2</b>	<b>/3</b>	<b>Expected Answers/ Value Points</b>	
		<b>1</b>	<p><b>Q. B and C were partners in a firm sharing profits and losses in the ratio of 11:9. B had given a loan of ₹80,000 to the firm and the firm also took a loan of ₹1,60,000 from Mrs. C. On 31<sup>st</sup> March, 2019 the firm was dissolved and its assets realised ₹1,20,000. Assuming that the firm did not have any other third party liability, state the order of payment of B's loan and Mrs. C's loan.</b></p> <p><b>Ans.</b> Order of payment:</p> <p>First, the third party loan i.e. Mrs. C's loan will be paid. Then Partner's loan i.e. B's loan will be paid.</p>	<b>1 mark</b>
		<b>2</b>	<p><b>Q. At the time of admission of a partner, who decides the share of profit of the new partner out of the firm's profit?</b></p> <p><b>Ans.</b> It is decided mutually among the old partners and the new partner.</p> <p style="text-align: center;"><b>OR</b></p>	<b>1 mark</b>



		<p><b>Q. At the time of retirement, how is the new profit sharing ratio among the remaining partners calculated?</b></p> <p><b>Ans.</b> The new share of each of the remaining partner is calculated as his/ her own share in the firm plus the share acquired from the retiring partner.</p>	<p><b>OR</b></p> <p><b>1 mark</b></p>
3		<p><b>Q. How are general donations treated while preparing financial statements of a not-for-profit organisation?</b></p> <p><b>Ans.</b> General donations are treated as revenue receipts.</p> <p>(Note: If an examinee has given the treatment of general donations as shown in receipts side of Receipts and Payments Account and Income side of Income and Expenditure Account, full credit should be given)</p> <p><b>OR</b></p> <p><b>Q. What is meant by 'life membership fee'?</b></p> <p><b>Ans.</b> Life membership fee is the membership fee paid by some members as a lump sum amount instead of a periodic subscription.</p>	<p><b>1 mark</b></p> <p><b>OR</b></p> <p><b>1 mark</b></p>
4		<p><b>Q. Raj and Seema started a partnership firm on 1st July, 2018. They agreed that Seema was entitled to a commission of 10% of the net profit after charging Raj's salary of ₹2,500 per quarter and Seema's commission. The net profit before charging Raj's salary and Seema's commission for the year ended 31<sup>st</sup> March,</b></p>	





2019 was ₹2,27,500. Calculate Seema's commission.

Ans. Net Profit before salary and commission = ₹2,27,500

Less Raj's salary ₹2,500 x 3 = ₹7,500

Net profit after Raj's salary but before Seema's commission = ₹2,20,000

Seema's commission =  $10/110$  of ₹2,20,000

= ₹20,000

1 mark

5 Q. A, B and C were partners sharing profits in the ratio of 5 : 4 : 3. They decided to change their profit sharing ratio to 2 : 2 : 1 w.e.f. 1<sup>st</sup> April, 2019. On that date, there was a balance of ₹3,00,000 in General Reserve and a debit balance of ₹4,80,000 in the Profit and Loss Account. Pass necessary journal entries for the above on account of change in the profit sharing ratio.

Ans.

Journal

Date	Particulars	Dr. (₹)	Cr. (₹)
2019 Apr 1	General reserve A/c To A's Capital A/c To B's Capital A/c To C's Capital A/c (Being general reserve distributed among the partners in the old ratio)	Dr. 3,00,000	1,25,000 1,00,000 75,000
“	A's Capital A/c B's Capital A/c C's Capital A/c	Dr. Dr. Dr.	2,00,000 1,60,000 1,20,000

½ x 2

=





			To Profit and Loss A/c (Being debit balance of Profit and Loss account debited to the old partners in the old profit sharing ratio)		4,80,000	<b>1 mark</b>								
			.											
		<b>6</b>	<b>Q. What is meant by over subscription of shares?</b>  <b>Ans.</b> Oversubscription of shares means that the company receives applications for more than the number of shares offered to the public for subscription.			<b>1 mark</b>								
			<b>OR</b>			<b>OR</b>								
			<b>Q. What is meant by 'par value' of a share?</b>  <b>Ans.</b> Par value is the nominal value or the face value of the share.			<b>1 mark</b>								
		<b>7</b>	<b>Q. Anita, Geeta, Sunita and Lata were partners in a firm. They admitted Kavita as a new partner for .....Calculate the new capitals of Anita, Geeta, Sunita and Lata and pass necessary journal entries for the above transactions in the books of the firm.</b>  <b>Ans.</b>											
			<b>Journal</b>											
			<table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>Dr. (₹)</th> <th>Cr. (₹)</th> </tr> </thead> <tbody> <tr> <td></td> <td>Cash/ Bank A/c</td> <td>Dr. 80,000</td> <td>-</td> </tr> </tbody> </table>	Date	Particulars	Dr. (₹)	Cr. (₹)		Cash/ Bank A/c	Dr. 80,000	-			
Date	Particulars	Dr. (₹)	Cr. (₹)											
	Cash/ Bank A/c	Dr. 80,000	-											





	To Kavita's capital A/c (Being cash brought in by Kavita)		-	80,000	1 x 3  =  3 marks
	Cash/ Bank A/c To Sunita's capital A/c (Being cash brought in by Sunita)	Dr.	5,000	- 5,000	
	Geeta's Capital A/c To Cash/ Bank A/c (Being cash withdrawn by Geeta)	Dr.	5,000	- 5,000	

Calculation of cash brought in or paid off

	Anita(₹)	Geeta(₹)	Sunita(₹)	Lata(₹)
Existing capitals	80,000	85,000	75,000	80,000
Adjusted capitals	80,000	80,000	80,000	80,000
Cash withdrawn/ brought in	--	(5,000)	5,000	--

**8 Q. Hari and Krishan were partners sharing profits and losses in the ratio of 2 : 1. They admitted Shyam as a partner for 1/5th share in the profits. .... Calculate Goodwill of the firm after adjusting the following: The profit of 2014 – 15 was calculated after charging ₹10,000 for abnormal loss of goods by fire.**

**Ans.**

Year	Profit (Loss) (₹)
2013-14	50,000
2014-15	= 40,000+10,000 = 50,000









now rectified)

Table showing Past Adjustments:

Partners	Interest on Capital (Cr.) (₹)	Salary (Cr.) (₹)	Profits (Dr.) (₹)	Net effect	
				Dr. (₹)	Cr. (₹)
A	90,000	50,000	1,51,200	11,200	-
B	40,000	36,000	64,800	-	11,200
	1,30,000	86,000	2,16,000	11,200	11,200

1 ½  
marks  
=

3 marks

OR

OR

**Q. A, B and C were partners in a firm. On 1<sup>st</sup> April, 2018, their capitals stood at ₹4,00,000, ₹3,00,000 and ₹2,00,000 respectively. As per the provisions of the partnership deed .....Showing your working clearly, pass an adjustment entry to rectify the above error.**

**Ans. Journal**

Date	Particulars	Dr. (₹)	Cr. (₹)
------	-------------	---------	---------









Building Fund    4,80,000 <b>Add</b> donations    6,00,000 <b>Add</b> interest on Building Fund Investments <u>48,000</u> 11,28,000 <b>Less</b> expenditure on construction transferred to Capital fund <u>3,60,000</u>	1	Building	1/2	3,60,000	
	7,68,000				1

3 marks

**11 Q. Amrit and Preet were partners in a firm sharing profits and losses in the ratio of 5:3. On 31<sup>st</sup> March, 2019 their firm was dissolved. On the date of dissolution their Balance Sheet showed stock of ₹2,00,000 and creditors of ₹1,20,000. After transferring assets (other than cash in hand and cash at bank) and third party liabilities to realisation account the following transactions took place.**

**Ans.**

**Journal**

Date	Particulars	Dr. (₹)	Cr. (₹)
(i)	Amrit's Capital A/c To Realisation A/c (Being 40% of the total stock taken over by Amrit at 10% less than the book value)	72,000	- 72,000
(ii)	No Entry		
(iii)	Realisation A/c To Bank A/c (Being creditors paid in cash at a discount of	65,000	- 65,000

1 x 4

=

4 marks





	5,000)		
(iv)	Cash A/c	Dr.	90,000
	To Realisation A/c		-
	(Being stock sold for cash)		90,000

**12 Q. E, F and G were partners in a firm. On 31<sup>st</sup> March, 2015 G died. After doing all necessary adjustments the capital account of G showed a net balance of ₹1,40,000. ₹50,000 was immediately paid to G's executor H and starting from 31<sup>st</sup> March, 2016, the balance was paid to him in three equal yearly instalments with interest @ 12% p.a. The firm closes its books on 31<sup>st</sup> March every year. Prepare H's account till he is finally paid.**

**Ans.**

**Dr.**

**H's Account**

**Cr.**

Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)
2015 Mar 31	To Bank A/c	50,000	2015 Mar 31	By G's Capital A/c	1,40,000
Mar 31	To Balance c/d	90,000			
		1,40,000			1,40,000
2016 Mar 31	To Bank A/c	40,800	2015 Apr 1	By Balance b/d	90,000
Mar 31	To Balance c/d	60,000	2016 Mar 31	By Interest	10,800
		1,00,800			1,00,800
2017 Mar 31	To Bank A/c	37,200	2016 Apr 1	By Balance b/d	60,000
Mar 31	To Balance c/d	30,000	2017 Mar 31	By Interest	7,200
		67,200			67,200
2018 Mar 31	To Bank A/c	33,600	2017 Apr 1	By Balance b/d	30,000

**1 x 4**

**=**

**4 marks**









		Mar 31	To Interest on Debenture Redemption Investments A/c (Being Interest received on Debenture Redemption Investments)		1,200	½ mark
		2019 Mar.31	Bank A/c Dr. To 8% Debenture Redemption Investments A/c (Being Debenture Redemption Investments sold)	15,000	15,000	½ mark
		“	9% Debentures A/c Dr. Premium on redemption of Debentures A/c Dr. To Debenture holders A/c (Being amount payable to debenture holders on redemption)	1,00,000 8,000	1,08,000	½ mark
		“	Debenture holders A/c Dr. To Bank A/c (Being Debentures redeemed)	1,08,000	1,08,000	½ mark
		“	Interest on Debenture Redemption Investments Dr. To Statement of Profit and Loss (Being Interest on Debenture Redemption Investments transferred to Statement of Profit and Loss)	1,200	- 1,200	½ mark
		“	Debenture Redemption Reserve A/c Dr. To General Reserve A/c (Being Debenture Redemption Reserve transferred to general reserve)	25,000	25,000	½ mark
		.				= 6 marks
		14	<b>Q. From the following Receipts and Payments Account and additional information of Modern Health Club, prepare Income and Expenditure Account for the year ended 31<sup>st</sup> March, 2019 and the Balance Sheet as at 31<sup>st</sup> March, 2019.</b>			
			<b>Ans.</b>			





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

Particulars	Amount (₹)	Particulars	Amount (₹)
To depreciation on books	2,000	By Subscriptions	60,000
To loss on sale of furniture	1,000	(+) Advance for current year	4,000
To salaries	30,000	(-) Advance for next year	(5,000)
To rent	18,300	(-) o/s for last year	(3,000)
To repairs	4,700	(+) o/s for current yr	<u>4,000</u>
To surplus	15,000	By donations	2,000
		By interest on investments	9,000
	71,000		71,000

**3 marks**

**Balance Sheet of Modern Health Club as on 31<sup>st</sup> March 2019**

Liabilities	Amount (₹)	Assets	Amount (₹)
Subscriptions received in advance	5,000	Cash	1,000





Capital Fund	2,14,500		Investments	1,80,000	<b>1 ½ marks</b>
<b>Add</b> Life membership fee	7,000		Outstanding Subscriptions	4,000	
<b>Add</b> Surplus	<u>15,000</u>	2,36,500	Books	26,500	
			Building	30,000	
		2,41,500		2,41,500	

Working Notes:

**Balance Sheet of Modern Health Club as on 31<sup>st</sup> March 2018**

Liabilities	Amount (₹)	Assets	Amount (₹)
Subscriptions received in advance	4,000	Cash	17,000
Capital Fund	2,14,500	Investments	1,80,000
		Outstanding Subscriptions	3,000
		Books	12,500
		Furniture	6,000
	2,18,500		2,18,500

**1 ½ marks**  
=  
**3+ 1 ½ + 1 ½**  
=  
**6 marks**

**15 Q. X and Y are partners sharing profits in the ratio of 3 : 2. Their partnership deed provided .....Complete the Profit and Loss Appropriation Account for the year ended 31st March, 2019, Partners' Capital Accounts and Current Accounts.**

**Ans.**





**Dr. Profit and Loss Appropriation A/c for the year ended 31<sup>st</sup> March 2019 Cr.**

Particulars	Amount (₹)	Particulars	Amount (₹)
<u>To Interest on Capital</u>		By Profit and Loss A/c- Net Profit b/d.. $\frac{1}{2}$	<b>2,82,860</b>
X's Current A/c <b>18,000..<math>\frac{1}{2}</math></b>			
Y's Current A/c <b>24,000..<math>\frac{1}{2}</math></b>	<b>42,000</b>	<u>By Interest on Drawings</u>	
<u>To Salary</u>		X's Current A/c <b>600</b>	
Y's Current A/c	$\frac{1}{2}$ .. <b>42,000</b>	Y's Current A/c <b>540.. <math>\frac{1}{2}</math></b>	<b>1,140</b>
<u>To Profit transferred to:</u>			
X's Current A/c    1,20,000			
Y's Current A/c <b>80,000 ..<math>\frac{1}{2}</math></b>	<b>2,00,000</b>		
	2,84,000		2,84,000

**3 marks**

**Dr. Partners' Capital Accounts Cr.**

Particulars	X (₹)	Y (₹)	Particulars	X (₹)	Y (₹)
To balance c/d	<b>1,80,000</b>	<b>2,40,000</b>	By balance b/d	<b>1,80,000</b>	<b>2,40,000</b>
	<b>1,80,000</b>	<b>2,40,000</b>		<b>1,80,000</b>	<b>2,40,000</b>

**1 mark**

**Dr. Partners' Current Accounts Cr.**

Particulars	X (₹)	Y (₹)	Particulars	X (₹)	Y (₹)
To Bank A/c (Drawings)	10,000	9,000	By balance b/d	78,000	69,000
To Interest on			By Interest on	18,000	24,000





drawings $\frac{1}{2}$	600	540	Capital		
			By Salary $\frac{1}{2}$	-	42,000
To balance c/d $\frac{1}{2}$	2,05,400	2,05,460	By P/L		
			Appropriation	1,20,000	80,000
			A/c- Profit $\frac{1}{2}$		
	2,16,000	2,15,000		2,16,000	2,15,000

2 marks

=  
3+1+2

=  
6 marks

OR

**Q. X and Y are partners in a firm sharing profits and losses in the ratio of 2 : 1. Complete the Profit and Loss Appropriation A/c of X and Y for the year ended 31<sup>st</sup> March, 2019.**

Ans.

**Dr. Profit and Loss Appropriation A/c for the year ended 31<sup>st</sup> March 2019 Cr.**

Particulars	Amount (₹)	Particulars	Amount (₹)
To Interest on Capital		By Profit and Loss A/c- Net Profit b/d	1..3,00,000
X's Current A/c 45,000.. $\frac{1}{2}$			
Y's Current A/c 27,000.. $\frac{1}{2}$	$\frac{1}{2}$ ..72,000		
To Salary		By Interest on Drawings	
X's Current A/c	$\frac{1}{2}$ ..48,000	X's Current A/c 3,600 $\frac{1}{2}$	$\frac{1}{2}$
		Y's Current A/c 4,320 $\frac{1}{2}$	7,920
To General Reserve	15,000		
To Profit transferred to:			
X's Current A/c 1,15,280.. $\frac{1}{2}$			
Y's Current A/c 57,640 .. $\frac{1}{2}$	$\frac{1}{2}$ 1,72,920		
	3,07,920		3,07,920

6 marks

..





16 Q. Lisa, Monika and Nisha were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1...Prepare Revaluation Account, Partners' Capital Accounts and the Balance Sheet of the reconstituted firm on Monika's retirement.

Ans.

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

Particulars	Amount (₹)	Particulars	Amount (₹)
To Machinery	1,20,000	By Land and Building	2,40,000
To Provision for doubtful debts	20,000		
To Profit transferred to:			
Lisa's Capital A/c	40,000		
Monika's Capital A/c	40,000		
Nisha's Capital A/c	<u>20,000</u>		
	1,00,000		
	2,40,000		2,40,000

½ x 4

=

2 marks

Dr. **Partners Capital Accounts** Cr.

Particulars	Lisa (₹)	Monika (₹)	Nisha (₹)	Particulars	Lisa (₹)	Monika (₹)	Nisha (₹)
To Stock A/c	-	5,00,000	-	By balance b/d	14,00,000	14,00,000	3,60,000
To Monika's Capital A/c	80,000	-	40,000	By Revaluation A/c	40,000	40,000	20,000

1 x 3

=





To Monika's loan A/c	-	10,60,000	-	By Lisa's Capital A/c	-	80,000	-
To balance c/d	18,00,000		9,00,000	By Nisha's Capital A/c	-	40,000	-
				By Current A/c	4,40,000		5,60,000
	18,80,000	15,60,000	9,40,000		18,80,000	15,60,000	9,40,000

**3 marks**

**Balance Sheet of the reconstituted firm as on 31<sup>st</sup> March 2019**

Liabilities	Amount (₹)	Assets	Amount (₹)
Trade Creditors	1,60,000	Land and Building	12,40,000
Bills Payable	2,44,000	Machinery	10,80,000
Employees Provident Fund	76,000	Stock	5,00,000
Monika's Loan	10,60,000	Debtors 4,00,000	
Capitals		Less Provision for doubtful debts <u>20,000</u>	3,80,000
Lisa 18,00,000		Bank	40,000
Nisha <u>9,00,000</u>	27,00,000	Lisa's Current A/c	4,40,000
		Nisha's Current A/c	5,60,000
	44,20,000		42,40,000

$1\frac{1}{2} \times 2$

=

**3 marks**

=

$2+3+3$

=

**8 marks**

**OR**

**OR**

**Q. On 31st March, 2019 the Balance Sheet of Madan and Mohan who share**





profits and losses in the ratio of 3 : 2 .....Prepare Revaluation Account, Capital Accounts of the Partners and the Balance Sheet of the new firm.

Ans.

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

Particulars	Amount (₹)	Particulars	Amount (₹)
To Workmen's compensation claim	5,000	By Bank /bad debts recovered	2,000
To Stock	3,000	By Patents	2,000
		By Loss transferred to:	
		Madan's Capital A/c 2,400	
		Mohan's Capital A/c <u>1,600</u>	4,000
	8,000		8,000

$\frac{1}{2} \times 4$   
=  
**2 marks**

**Dr.** **Partners Capital Accounts** **Cr.**

Particulars	Madan (₹)	Mohan (₹)	Gopal (₹)	Particulars	Madan (₹)	Mohan (₹)	Gopal (₹)
To Revaluation A/c	2,400	1,600	-	By Balance b/d	60,000	40,000	-
To Balance c/d	63,600	52,400	23,200	By Premium for goodwill A/c	-	10,000	-
				By General Reserve A/c	6,000	4,000	-

**1 x 3**  
=  
**3 marks**





				By Bank A/c			23,200
	66,000	54,000	23,200		66,000	54,000	23,200

**Note: If the goodwill premium brought by the partner has been credited to his account first and then credited to his capital accounts in the sacrificing ratio, full credit be given.**

**Balance Sheet of the reconstituted firm as on 31<sup>st</sup> March 2018**

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	28,000	Cash at bank	45,200
Employees Provident Fund	22,000	Debtors 65,000	
Workmen's compensation claim	5,000	Less Provision for doubtful debts 5,000	60,000
Capitals:		Stock	30,000
Madan 63,600		Patents	59,000
Mohan 52,400			
Gopal 23,200	1,39,200		
	1,94,200		1,94,200

1½ x 2  
=  
3 marks  
=  
2+3+3  
=  
8 marks

**17 Q. Rathee Ltd. invited applications for issuing 1,00,000 equity shares of ₹10 each. The shares were issued at a premium of 60%. Pass necessary journal entries for the above transactions in the books of Rathee Ltd.**

**Ans.**

**In the books of Rathee Ltd.**

**Journal**

Date	Particulars	Dr. (₹)	Cr. (₹)
	Bank A/c Dr.	11,50,000	
	To Equity Share Application and Allotment A/c		11,50,000

**1 mark**





			(Being application money received)				
			Equity Share Application and Allotment A/c To Equity Share Capital A/c To Securities Premium Reserve A/c To Calls in Advance A/c To Bank A/c (Being application money transferred to share capital, securities premium reserve, calls and the balance refunded)	Dr.	11,50,000	2,00,000 4,00,000 4,82,000 68,000	<b>1½ marks</b>
			Equity Share First and Final call A/c To Equity Share Capital A/c To Securities Premium Reserve A/c (Being First call money due)	Dr.	10,00,000	8,00,000 2,00,000	<b>1 mark</b>
			Bank A/c Calls in arrears A/c Calls in advance A/c To Equity Share First and Final call A/c (Being first call money received)	Dr. Dr. Dr.	5,11,600 6,400 4,82,000	10,00,000	<b>1 ½ marks</b>
			Bank A/c Calls in advance A/c To Equity Share First and Final call A/c (Being first call money received)	Dr. Dr.	5,11,600 4,82,000	9,93,600	
			Equity Share Capital A/c Securities Premium Reserve A/c To Share Forfeiture A/c To Calls in Arrears A/c/ Equity Share first and final call A/c (Being Bali's shares forfeited for non payment of first and final call)	Dr. Dr.	10,000 2,000	5,600 6,400	<b>1 mark</b>
			Bank A/c To Equity Share Capital A/c To Securities Premium Reserve A/c	Dr.	15,000	10,000 5,000	





	(Being Bali's shares reissued for ₹15 per share fully paid)			
	Share Forfeiture A/c	Dr.	5,600	
	To Capital Reserve A/c			5,600
	(Being balance in Share forfeiture account transferred to capital reserve)			

1 mark

1 mark

=

8 marks

OR

OR

**Q. 'Venus Ltd' was registered with an authorised capital of ₹40,00,000 divided into 4,00,000 equity shares of 10 each. 70,000 of these shares were issued as fully paid.....Pass necessary journal entries for the above transactions in the books of 'Venus Ltd'.**

**Ans.**

**In the books of Venus Ltd.**

**Journal**

Date	Particulars		Dr. (₹)	Cr. (₹)
	Building A/c	Dr.	7,00,000	
	To M/s Star Ltd.			7,00,000
	(Being building purchased from M/s Star Ltd.)			
	M/s Star Ltd.	Dr.	7,00,000	
	To Equity Share Capital A/c			7,00,000
	(Being 70,000 shares issued as fully paid to Star Ltd. for payment of building purchased)			
	Bank A/c	Dr.	6,00,000	
	To Equity Share Application A/c			6,00,000
	(Being application money received on 2,00,000 shares)			
	Equity Share Application A/c	Dr.	6,00,000	

½ mark

½ mark

½ mark





			To Equity Share Capital A/c (Being application money transferred to share capital)		6,00,000	<b>½ mark</b>
			Equity Share Allotment A/c To Equity Share Capital A/c (Being Allotment money due on 2,00,000 shares)	Dr.	4,00,000 4,00,000	<b>½ mark</b>
			Bank A/c To Equity Share Allotment A/c (Being allotment money received)	Dr.	3,80,000 3,80,000	<b>½ mark</b>
			<b>or</b>			<b>½ mark</b>
			Bank A/c Calls in arrears A/c To Equity Share Allotment A/c (Being allotment money received)	Dr. Dr.	3,80,000 20,000 4,00,000	
			Equity Share First call A/c To Equity Share Capital A/c (Being First call money due on 2,00,000 shares)	Dr.	4,00,000 4,00,000	<b>½ mark</b>
			Bank A/c To Equity Share First call A/c (Being first call money received)	Dr.	3,20,000 3,20,000	<b>1 mark</b>
			<b>or</b>			<b>1 mark</b>
			Bank A/c Calls in arrears A/c To Equity Share First call A/c (Being first call money received)	Dr. Dr.	3,20,000 80,000 4,00,000	
			Equity Share Second and Final call A/c To Equity Share Capital A/c	Dr.	6,00,000 6,00,000	<b>½</b>





			(Being First call money due on 2,00,000 shares)			<b>mark</b>
			Bank A/c Dr. 3,00,000 To Equity Share Second and Final call A/c 3,00,000 (Being first call money received)			<b>1 mark</b>
			<b>or</b> Bank A/c Dr. 3,00,000 Calls in arrears A/c Dr. 3,00,000 To Equity Share Second and Final call A/c 6,00,000 (Being first call money received)			
			Equity Share Capital A/c Dr. 1,00,000 To Share Forfeiture A/c 30,000 To Equity Share Allotment A/c 20,000 To Equity Share first call A/c 20,000 To Equity Share Second and Final call A/c 30,000 (Being shares forfeited)			<b>1 mark</b>
			<b>or</b> Equity Share Capital A/c Dr. 1,00,000 To Share Forfeiture A/c 30,000 To Calls in Arrears A/c 70,000 (Being shares forfeited)			
			Bank A/c Dr. 1,20,000 To Equity Share Capital A/c 1,00,000 To Securities Premium Reserve A/c 20,000 (Being shares reissued for ₹12 per share fully paid)			<b>½ mark</b>
			Share Forfeiture A/c Dr. 30,000			





			<p>To Capital Reserve A/c (Being balance in Share forfeiture account transferred to capital reserve)</p>		30,000	<p>½ mark  = 8 marks</p>																
			<p><b>PART B</b> <b>OPTION 1</b> <b>Analysis of Financial Statements</b></p>																			
		18	<p><b>Q. What is meant by Cash Flow Statement?</b></p> <p><b>Ans.</b> Cash Flow Statement is a statement showing inflows and outflows of cash and cash equivalents during a particular period.</p>				1 mark															
		19	<p><b>Q. Cashier of Y Ltd withdrew 2,00,000 from the bank. Will this transaction result into inflow, outflow or no flow of cash? Give reason in support of your answer.</b></p> <p><b>Ans.</b> No flow of cash as there is no change in cash and cash equivalents.</p>				1 mark															
		20	<p><b>Q. Under which sub-headings will the following items be presented in the Balance Sheet of a company as per Schedule-III, Part-I of the Companies Act, 2013?</b></p> <p><b>Ans.</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;"></th> <th style="width: 55%;">Item</th> <th style="width: 40%;">Sub Head</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>General Reserve</td> <td>Reserves and Surplus</td> </tr> <tr> <td>(ii)</td> <td>Bank drafts in hand</td> <td>Cash and Cash Equivalents</td> </tr> <tr> <td>(iii)</td> <td>9% loan from a financial institution</td> <td>Long Term borrowings</td> </tr> <tr> <td>(iv)</td> <td>Furniture</td> <td>Fixed assets- Tangible</td> </tr> </tbody> </table>					Item	Sub Head	(i)	General Reserve	Reserves and Surplus	(ii)	Bank drafts in hand	Cash and Cash Equivalents	(iii)	9% loan from a financial institution	Long Term borrowings	(iv)	Furniture	Fixed assets- Tangible	
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		(v)	Debenture Redemption Reserve		Reserves and Surplus				1 x 3																																																				
		(vi)	Trade Marks		Fixed assets- Intangible				=																																																				
		(vii)	Sundry Creditors		Trade Payables																																																								
		(viii)	Bills Receivables		Trade Receivables				4 marks																																																				
21	<p><b>Q. Prepare a Common-Size Statement of Profit and Loss of 'Hari Darshan Ltd.' from the following information:</b></p> <p><b>Ans. In the books of 'Hari Darshan Ltd.'</b></p> <p style="text-align: center;"><b>Common Size Statement of Profit and Loss</b> for the years ended 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2019</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">Absolute amount</th> <th colspan="2">Percentage of Revenue from operations</th> <th rowspan="2"></th> </tr> <tr> <th>2017-18 (₹)</th> <th>2018-19 (₹)</th> <th>2017-18 (%)</th> <th>2017-18 (%)</th> </tr> </thead> <tbody> <tr> <td>Revenue from operations</td> <td>10,00,000</td> <td>20,00,000</td> <td>100</td> <td>100</td> <td>½</td> </tr> <tr> <td>Add Other income</td> <td>50,000</td> <td>60,000</td> <td>5</td> <td>3</td> <td>½</td> </tr> <tr> <td>Total Revenue</td> <td>10,50,000</td> <td>20,60,000</td> <td>105</td> <td>103</td> <td></td> </tr> <tr> <td>Less Expenses:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Purchase of stock in trade</td> <td>4,20,000</td> <td>7,70,000</td> <td>42</td> <td>38.5</td> <td>½</td> </tr> <tr> <td>Changes in inventories</td> <td>80,000</td> <td>1,20,000</td> <td>8</td> <td>6</td> <td>½</td> </tr> <tr> <td>Other expenses</td> <td>30,000</td> <td>52,000</td> <td>3</td> <td>2.6</td> <td>½</td> </tr> </tbody> </table>									Particulars	Absolute amount		Percentage of Revenue from operations			2017-18 (₹)	2018-19 (₹)	2017-18 (%)	2017-18 (%)	Revenue from operations	10,00,000	20,00,000	100	100	½	Add Other income	50,000	60,000	5	3	½	Total Revenue	10,50,000	20,60,000	105	103		Less Expenses:						Purchase of stock in trade	4,20,000	7,70,000	42	38.5	½	Changes in inventories	80,000	1,20,000	8	6	½	Other expenses	30,000	52,000	3	2.6	½
Particulars	Absolute amount		Percentage of Revenue from operations																																																										
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Total Expenses	5,30,000	9,42,000	53	47.1
Profit before Tax	5,20,000	11,18,000	52	55.9
Less Tax @50%	2,60,000	5,59,000	26	27.95
Profit after Tax	2,60,000	5,59,000	26	27.95

$\frac{1}{2}$   
 $\frac{1}{2}$   
 =  
 $\frac{1}{2} \times 8$   
 =  
**4marks**  
**OR**

**OR**

**Q. Following information is extracted from the Statement of Profit and Loss of Delko Ltd. for the year ended 31<sup>st</sup> March, 2019:**

**In the books of Delko Ltd.**  
**Comparative Statement of Profit and Loss**  
**for the years ended 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2019**

Particulars	2017-18 (₹)	2018-19 (₹)	Absolute Increase/ Decrease (₹)	Percentage Increase/ Decrease (%)
Revenue from operations	45,00,000	60,00,000	15,00,000	33.33
<b>Less</b>				
Employee benefit expenses	22,50,000	30,00,000	7,50,000	33.33
Depreciation	6,00,000	7,50,000	1,50,000	25
Other expenses	10,00,000	15,50,000	5,50,000	55
Total Expenses	38,50,000	53,00,000	14,50,000	37.66

$\frac{1}{2}$   
 $\frac{1}{2}$   
 $\frac{1}{2}$   
 $\frac{1}{2}$





						½	
		Profit before Tax	6,50,000	7,00,000	50,000	7.69	½
		Less Tax @50%	3,25,000	3,50,000	25,000	7.69	½
		Profit after Tax	3,25,000	3,50,000	25,000	7.69	=
							½ x 8
							=
							<b>4 marks</b>
22	Q. From the given information, calculate the following ratios: (i) Operating Ratio (ii) Inventory Turnover Ratio  Ans.  (i) Operating ratio = $\frac{\text{Cost of Revenue from operations} + \text{Operating expenses}}{\text{Net Revenue from operations}} \times 100$  Cash Revenue from operations = ₹10,00,000  Credit Revenue from operations = ₹12,00,000  Therefore, Total Revenue from operations = ₹22,00,000  Operating expenses = 10% of ₹22,00,000 = ₹2,20,000  Gross profit = 40% of ₹22,00,000  = ₹8,80,000  So, Cost of Revenue from operations = ₹13,20,000						





$$\text{Operating ratio} = \frac{\text{₹}13,20,000 + \text{₹}2,20,000}{\text{₹}22,00,000} \times 100$$

$$= 70\%$$

(ii) Inventory Turnover ratio =  $\frac{\text{Cost of Revenue from operations}}{\text{Average Inventory}}$

$$= \frac{\text{₹}13,20,000}{\text{₹}1,60,000}$$

$$= 8.25 \text{ times}$$

OR

**Q. (A)** Net profit after interest and tax of M Ltd. was ₹1,00,000. Its Current Assets were ₹4,00,000 and Current Liabilities were ₹2,00,000. Tax rate was 50%. Its Total Assets were ₹10,00,000 and 10% Long term debt was ₹4,00,000. Calculate Return on Investment.

**(B)** Rate of Gross profit on Revenue from operations of a company is 25%. Its Gross profit is ₹5,00,000. Its Shareholders' Funds are ₹25,00,000; Non-current Liabilities are ₹8,00,000 and Non-current Assets are ₹23,00,000.

Calculate its Working Capital Turnover Ratio.

**Ans.**

$$\text{(A) Return on Investment} = \frac{\text{Profit before interest and tax} \times 100}{\text{Capital employed}}$$

$$\text{Profit before interest and tax} = \text{₹}1,00,000 + \text{₹}1,00,000 + \text{₹}40,000$$

$$= \text{₹}2,40,000$$

2 marks

+

2 marks

=

4marks





Capital employed = ₹8,00,000

Therefore, Return on Investment =  $\frac{₹2,40,000}{₹8,00,000} \times 100$

= **30%**

(B) Working Capital Turnover ratio = Revenue from operations/ Working Capital

Gross Profit = ₹5,00,000

So, Revenue from operations = ₹20,00,000

Working Capital = Shareholders Funds + Non Current Liabilities – Non Current Assets

= ₹25,00,000 + ₹8,00,000 - ₹23,00,000

= ₹10,00,000

Working Capital Turnover ratio =  $\frac{₹20,00,000}{₹10,00,000} = 2 \text{ times}$

**23 Q. Following is the Balance Sheet of X Ltd. as at 31<sup>st</sup> March, 2018..... Prepare a Cash Flow Statement.**

**Ans. Cash Flow Statement of X Ltd. for the year ended 31<sup>st</sup> March 2018**





Particulars	Amount (₹)	Amount (₹)	
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Net Profit before Tax	5,00,000		
<b>Add</b> depreciation on Machinery	1,40,000		
Interest on 12% Debentures	60,000		
Goodwill written off	1,00,000		
Less Profit on sale of machinery	<u>(10,000)</u>		
<i>Operating profit before Working Capital changes</i>	7,90,000		<b>1 ½</b>
Less Increase in Inventories	<u>(1,30,000)</u>		<b>marks</b>
<i>Cash generated from operations</i>	6,60,000		
Less Tax paid	<u>(1,65,000)</u>		
<b>Cash Inflows from Operating activities</b>		4,95,000	
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Sale of Machinery	50,000		
Purchase of Machinery	(6,80,000)		<b>1 mark</b>
Purchase of Investments	<u>(1,00,000)</u>		
<b>Cash used in Investing activities</b>		(7,30,000)	
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Issue of Shares	2,00,000		
Issue of 12% Debentures	1,00,000		<b>1 ½</b>
Bank overdraft repaid	(5,000)		<b>marks</b>
Interest paid on 12% Debentures	<u>(60,000)</u>		
<b>Cash Inflows from Financing activities</b>		<u>2,35,000</u>	





<b>Net increase in Cash and Cash equivalents</b>		--	
<i>Add Opening balance of Cash and Cash equivalents</i>			
Current Investments	1,70,000		
Cash and Cash equivalents	<u>40,000</u>	<u>2,10,000</u>	
<i>Closing balance of Cash and Cash equivalents</i>			
Current Investments	1,40,000		
Cash and Cash equivalents	<u>70,000</u>	<u>2,10,000</u>	

½ mark

Working Notes:

Calculation of Net Profit before Tax:

	(₹)
Net profit	3,00,000
Add Provision for Tax	<u>2,00,000</u>
	<u>5,00,000</u>

½ mark

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

Particulars	Amount (₹)	Particulars	Amount (₹)
To balance b/d	20,00,000	By Cash (sale)	50,000
To Profit on sale	10,000	By Accumulated depreciation	40,000
To Bank (purchase)	6,80,000	By balance c/d	26,00,000
	<u>26,90,000</u>		<u>26,90,000</u>

½ mark

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





Particulars	Amount (₹)	Particulars	Amount (₹)	
To Machinery A/c	40,000	By balance b/d	1,00,000	<b>½ mark</b>
To balance c/d	2,00,000	By depreciation	1,40,000	
	2,40,000		2,40,000	
<b>6 marks</b>				
<b>PART B</b>				
<b>OPTION II</b>				
<b>Computerised Accounting</b>				
<b>18</b>	<b>Q. Name the data element in accounting transaction.</b>			<b>1 mark</b>
	<p>Ans. A data element is the smallest named unit of data in the information system. In accounting, a transaction consists of four data elements, such as name of the account, accounting code, date of transaction and amount.</p>			
<b>19</b>	<b>Q. What is meant by 'Primary Key'?</b>			<b>1 mark</b>
	<p>Ans. Primary key is a key in the relational database that is unique for each record. It consists of minimum possible one or more than one attributes of a table such as telephone number with area code.</p>			
<b>20</b>	<b>Q. State the features of a good accounting software.</b>			
	<p>Ans. <u>Following are the features of accounting software:</u> <b>(Any four)</b></p> <p>(i) Does all basic accounting functions.</p>			





	<p>(ii) Manages your stores.</p> <p>(iii) Does job costing.</p> <p>(iv) Manages payroll.</p> <p>(v) Get many MIS (Management Information System)</p> <p>(vi) Filing of tax returns.</p> <p>(vii) Maintaining budgets.</p> <p>(viii) Calculation of pending amount of interest.</p> <p>(ix) Manages and synchronises data over different locations.</p> <p style="text-align: center;"><b>OR</b></p> <p><b>Q. State the steps involved in installation of a computerised accounting system.</b></p> <p><b>Ans.</b> For installation of computerised accounting system the following steps are required:</p> <p>(i) Insert CD in the system.</p> <p>(ii) After inserting CD select the option in following steps;</p> <p style="padding-left: 40px;">a) Select any (C:or E:or D: )from My computer icon on the desktop double click on install.exe .</p> <p style="text-align: center;"><b>OR</b></p> <p style="padding-left: 40px;">a) Select start&gt;run&gt;type the file name E:\install.exe</p>	<p style="text-align: center;"><b>1 x 4</b> <b>=</b> <b>4 marks</b></p> <p style="text-align: center;"><b>OR</b></p> <p style="text-align: center;"><b>4 marks</b></p>
21	<p><b>Q. Explain the terms ‘Password Security’ and ‘Data Vault’.</b></p> <p><b>Ans.</b> <u>Password Security</u></p>	









	<p style="text-align: center;"><b>OR</b></p> <p><b>Q. State the element which is considered while calculating ‘earning’ for current payroll period.</b></p> <p><b>Ans.</b> Elements which is considered while calculating ‘Earning’ for the current payroll period are:</p> <p>(i) Basic Pay (BP): It is the pay in the pay scale plus grade pay but does not include special pay.</p> <p>(ii) Grade pay (GP): It is the pay to be added to the basic pay according to the designation of the employee and applicable pay band of pay.</p> <p>(iii) Dearness pay (DP): It is that portion of dearness allowance which has been declared and deemed to have been merged with basic pay.</p> <p>(iv) Dearness allowance (DA): It is a compensation for erosion in the purchasing power of wage earner due to price rise. It is granted by the government periodically as a percentage of (basic pay+ dearness pay, if applicable).</p> <p>(v) House rent allowance (HRA): It is an amount paid to facilitate employee in acquiring on lease of residential accommodation.</p> <p>(vi) Transport allowance (TRA): It is an amount paid to facilitate commuting to the place of work i.e. Delhi, Bhopal, Haridwar etc.</p> <p>(vii) Any other earning: It may include any other allowance not included in the above but declared from time to time such as education allowance, medical allowance, washing allowance etc.</p>	<p style="text-align: center;"><b>OR</b></p> <p style="text-align: center;"><b>4 marks</b></p> <p style="text-align: center;"><b>4 marks</b></p>
<p style="text-align: center;"><b>23</b></p>	<p><b>Q. Identify the error that appears when there are invalid numeric values in a formula or function. How can this error be rectified? Explain.</b></p> <p><b>Ans.</b> The error is #NUM! Error.</p> <p>The steps to correct it:</p> <ol style="list-style-type: none"> <li>Optionally, click the cell that displays the error, click the button that appears and then click <b>Show calculation steps</b> .</li> <li>Review the following causes and solutions:</li> </ol>	





		<ul style="list-style-type: none"><li>• Using an unacceptable argument in the function that requires a numeric argument.</li><li>• Make sure that the arguments used in the function are numbers.</li><li>• Using a worksheet function that iterates, such as IRR or RATE, and the function cannot find the result.</li><li>• Use a different starting value for the worksheet function.</li></ul> <p>3. Then click the Microsoft button &gt;Excel option and then click the formulas category.</p>	<b>6 marks</b>
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