SET 3

			Marking Scheme 2018-19	
67	67	67	Accountancy (055)	MARKS
/1	/1	/1	Delhi- 67/1/3	
/1	/2	/3	Expected Answers/ Value Points	
		1	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 st 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.	
			Ans. Order of payment:	
			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.	1 mark
		2	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?	
			Ans. It is decided mutually among the old partners and the new partner.	1 mark
			OR	



	Q. At the time of retirement, how is the new profit sharing ratio among the remaining partners calculated?	OR
	Ans . 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.	1 mark
3	Q. How are general donations treated while preparing financial statements of a not-for-profit organisation?	
	Ans. General donations are treated as revenue receipts. (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	1 mark
	Expenditure Account, full credit should be given) OR Q. What is meant by 'life membership fee'?	OR
	Ans. Life membership fee is the membership fee paid by some members as a lump sum amount instead of a periodic subscription.	1 mark
4	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 st March,	



	2019 wa	s ₹2,27,500. Calculate Seema's co	mmission.			
	Ans. Ne	et Profit before salary and commission	on	= ₹2,27,50	00	
	Less Raj	's salary ₹2,500 x 3		= ₹ <u>7,50</u>	<u>O</u>	
	Net prof	it after Raj's salary but before Seem	na's commission	= ₹ <u>2,20,00</u>	<u>)0</u>	
	Seema's	commission = 10/110 of ₹2,20,000				
		= ₹20,000				1 marl
5		and C were partners sharing prof				
	I		2 · 1 w e f 1st A	oril, 2019. On	that date,	
		ge their profit sharing ratio to 2:2			-12110	
	there wa	as a balance of ₹3,00,000 in Gener	ral Reserve and	a debit balan	ce of	
	there wa	as a balance of ₹3,00,000 in General of the Profit and Loss Account.	ral Reserve and Pass necessary	a debit balan	ce of	
	there wa	as a balance of ₹3,00,000 in Gener	ral Reserve and Pass necessary	a debit balan	ce of	
	there was	as a balance of ₹3,00,000 in General of the Profit and Loss Account. In account of change in the profit s	ral Reserve and Pass necessary	a debit balan	ce of	
	there was \$4,80,000 above of Ans.	as a balance of ₹3,00,000 in General of the Profit and Loss Account. In account of change in the profit so	ral Reserve and Pass necessary	a debit balan journal entri	ies for the	
	there was \$4,80,000 above on Date	as a balance of ₹3,00,000 in General 100 in the Profit and Loss Account. In account of change in the profit so Journal Particulars	ral Reserve and Pass necessary sharing ratio.	a debit balan journal entri	ies for the	
	there was 4,80,00 above of Date 2019	as a balance of ₹3,00,000 in General reserve A/c	ral Reserve and Pass necessary sharing ratio.	a debit balan journal entri	ce of ies for the	
	there was 4,80,00 above of Date 2019	as a balance of ₹3,00,000 in General reserve A/c To A's Capital A/c	ral Reserve and Pass necessary sharing ratio.	a debit balan journal entri	ce of ies for the Cr. (₹)	
	there was 4,80,00 above of Date 2019	as a balance of ₹3,00,000 in General reserve A/c To A's Capital A/c To B's Capital A/c	Pass necessary sharing ratio. Dr.	a debit balan journal entri	ce of ies for the Cr. (₹) 1,25,000 1,00,000	
	there was 4,80,00 above of Date 2019	as a balance of ₹3,00,000 in General reserve A/c To A's Capital A/c To C's Capital A/c To C's Capital A/c	Pass necessary sharing ratio. Dr.	a debit balan journal entri	ce of ies for the Cr. (₹) 1,25,000 1,00,000	
	there was 4,80,00 above of Date 2019	as a balance of ₹3,00,000 in General reserve A/c To A's Capital A/c To C's Capital A/c (Being general reserve distributed)	Pass necessary sharing ratio. Dr.	a debit balan journal entri	ce of ies for the Cr. (₹) 1,25,000 1,00,000	1∕2 X
	there was 4,80,00 above on Ans. Date 2019 Apr 1	as a balance of ₹3,00,000 in General reserve A/c To A's Capital A/c To C's Capital A/c (Being general reserve distributed partners in the old ratio)	Pass necessary sharing ratio. Dr.	a debit balan journal entri Dr. (₹) 3,00,000	ce of ies for the Cr. (₹) 1,25,000 1,00,000	

		To Profit and Loss A/c			4,80,000	1 mark
		(Being debit balance of	Profit and Loss account			
		debited to the old partne	ers in the old profit sharing			
		ratio)				
	37 5 %					
6	Q. What	t is meant by over subscr	iption of shares?			
	Ans Ow	argubacription of charge m	eans that the company recei	was annlicat	ions for	1 mark
					10115 101	1 IIIai K
	more ma	in the number of shares of	fered to the public for subsci	триоп.		
					13.5	
			OR			OR
					platforn	
			11635	Deview		
	O Who	tic moont by (now walve)	of a shows? Ctudent			
	Q. wna	t is meant by 'par value'	or a snare?			
		19 Endi	ia's La.			
			.1 C 1 C.1 1			
	Ans. Par	value is the nominal value	e or the face value of the sha	are.		1 mark
7			a were partners in a firm.			
			Calculate the no	_	5	
			necessary journal entries	for the abo	ve	
	transact	ions in the books of the f	irm.			
	•					
	Ans.					
			Journal			
	Date	Particulars		Dr. (₹)	Cr. (₹)	
		Cash/ Bank A/c	Dr.	80,000	9 <u>102-1</u>	

	To Kavita's capital A/c		80,000	
	(Being cash brought in by Kavita)			1 x 3
	Cash/ Bank A/c Dr.	5,000		_
	To Sunita's capital A/c		5,000	
	(Being cash brought in by Sunita)			
	Geeta's Capital A/c Dr.	5,000		3 marks
	To Cash/ Bank A/c		5,000	
	(Being cash withdrawn by Geeta)			
	Calculation of cash brought in or paid off Anita(₹) Geeta(₹) Sunita(₹)	₹) Lata(₹)	A Som	
	Existing capitals 80,000 85,000 75,000	- wiew		
	Adjusted capitals 80,000 80,000 80,000	0 80,000		
	Cash withdrawn/ brought in (5,000) 5,000	<u></u>		
8	Q. Hari and Krishan were partners sharing profits and los	sses in the rati	io of 2:1.	
	They admitted Shyam as a partner for 1/5th share in the p	profits Ca	lculate	
	Goodwill of the firm after adjusting the following: The pr	ofit of 2014 –	15 was	
	calculated after charging ₹10,000 for abnormal loss of goo	ds by fire.		
	Ans.			
	Year Profit (Loss) (₹)			
	2013-14 50,000			
	2014-15 = 40,000+10,000 = 50,000			



Goodwill= Average Profits x Number of years purchase = ₹40,000 x 3 = ₹1,20,000	1 mark			75,000		2015-16	
2,00,000 Average profits = ₹2,00,000/5= ₹40,000 Goodwill= Average Profits x Number of years purchase = ₹40,000 x 3 = ₹1,20,000 Q. A and B are partners in a firm sharing				(25,000)		2016-17	
Average profits = ₹2,00,000/5= ₹40,000 Goodwill= Average Profits x Number of years purchase = ₹40,000 x 3 = ₹1,20,000 Q. A and B are partners in a firm sharing				50,000		2017-18	
Goodwill= Average Profits x Number of years purchase =₹40,000 x 3 =₹1,20,000 Q. A and B are partners in a firm sharing				2,00,000			
9 Q. A and B are partners in a firm sharing	1 mark			= ₹40,000	profits = ₹2,00,000/5=	Average p	
9 Q. A and B are partners in a firm sharing		aso.		Jumber of years purchase	= Average Profits x N	Goodwill	
year ended 31 st March, 2019 ₹2,78,000 was distributed without providing for interest on capital and partners' salary. Showing your working clearly, pass the necessary adjustment entry for the above omissions. Ans. Journal Date Particulars Dr. (₹) Cr. (₹) 2019 A's Current A/c Dr. 11,200	1 mark = 1+1+1 = 3 mark	latform	Review	Olle Sendent andia's largest Student andia's largest Student andia's largest Student andia's largest Student and a student a student and a student a student and a student a student a student and a student a			
interest on capital and partners' salary. Showing your working clearly, pass the necessary adjustment entry for the above omissions. Ans. Journal Date Particulars Dr. (₹) Cr. (₹) 2019 A's Current A/c Dr. 11,200		or the	Profit	firm sharing	B are partners in a	Q. A and	9
necessary adjustment entry for the above omissions. Ans. Journal Date Particulars Dr. (₹) Cr. (₹) 2019 A's Current A/c Dr. 11,200			_				
Date Particulars Dr. (₹) Cr. (₹) 2019 A's Current A/c Dr. 11,200		passene	ung cicarry,				
2019 A's Current A/c Dr. 11,200				Journal		Ans.	
		Cr. (₹)	Dr. (₹)		Particulars	Date	
	1 ½	11,200	11,200				
(Being omission of interest on Capital and salary,	marks			nterest on Capital and salary,	(Being omission of i		



	now rectified)					
Table sho	wing Past Adjustm	ents:				
Partners	Interest on	Salary	Profits	Net e	ffect	
	Capital	(Cr.)	(Dr.)	Dr.	Cr.	1 1/2
	(Cr.)			(₹)	(₹) 5	marks
	(₹)	(₹)	(₹)			=
A	90,000	50,000	1,51,200	11,200	platforn	3 mark
В	40,000	36,000	64,800	- Review	11,200	Jillair
			stud Stud	sur.	11,200	
	1,30,000	86,000	2,16,000	11,200	11,200	
		India				
						OK
			PR			
Q. A, B a:	nd C were partne	rs in a firm. C	n 1 st April, 20	18, their capit	als stood at	
₹4,00,000	, ₹3,00,000 and ₹2	2,00,000 respe	ectively. As per	r the provision	s of the	
	ip deed			ig clearly, pass	an	
adjustme	nt entry to rectify	the above err	ror.			
Ans.		Journal				
	Particulars			Dr. (₹)	Cr. (₹)	
						1

2010	D'a Carital A /-		D.,	20.000	
2019	B's Capital A/c		Dr.	20,000	-
Mar 31	C's Capital A/c		Dr.	30,000	50.000
	To A's Capital A/c	. ~ • .			50,000
	(Being omission of inte	erest on Capita	al and salary,		
	now rectified)				
Table sho	wing Past Adjustments:				
Partners	Interest on Capital	Salary	Profits	Net	effect
	(Cr.)	(Cr.)	(Dr.)	Dr.	Cr.
	(₹)	(₹)	(₹)	(₹)	(₹)
					1 Co
A	40,000	60,000	50,000		50,000
22000		110		aview	Pla
В	30,000		50,000	20,000	-
	20.000	Large	50.000	20.000	
	20,000	Jia's La.	50,000	30,000	
	90,000	60,000	1,50,000	50,000	50,000
eex.			1,50,000		
O. Prese	nt the following items in	n the Balance	Sheet of Oue	en's Club as	at 31st
	2019 Expenditure on				
	tion work is in progress				
Ans.					
	Balanc	ce Sheet of Q	ueen's Club		
	As on 31	st March 201	9 (An extract)		
		Amount	Assets		Amount
Liabilitie	es				(35)
Liabilitie	S	(₹)			(₹)
Capital F			10% Building Fu	ınd	(₹) 1/2 4,80,000

	Building	T 1 1 00 000					
	1 1	g Fund 4,80,000		Building		3,60,000	
	Add do	nations 6,00,000					
	Add int	terest on Building Fund					
	Investm	ents <u>48,000</u>					
		11,28,000					
	Less ex	penditure on					
	construc	ction transferred					
	to Capit	tal fund $3,60,000$	7,68,000				
			1				
							3 marks
11	O. Amr	it and Preet were partr	ers in a firm	sharing profits	and losses in	n the ratio	
	** ***	On 31 st March, 2019 the		<u> </u>		To the second	
		alance Sheet showed sto				213510	
		ring assets (other than es to realisation accoun			Devio	d party	
	1		is starge	251			
	Ans.		dia's large Journal	35			
	Ans. Date	Particulars	Journal	351	Dr. (₹)	Cr. (₹)	
		Particulars Amrit's Capital A/c	Journal	Dr.	Dr. (₹) 72,000	Cr. (₹)	
			Journal	Dr.		Cr. (₹) - 72,000	
		Amrit's Capital A/c To Realisation A/c			72,000	_	
		Amrit's Capital A/c To Realisation A/c (Being 40% of the total	al stock taken o		72,000	_	
		Amrit's Capital A/c To Realisation A/c	al stock taken o		72,000	_	1 x 4
		Amrit's Capital A/c To Realisation A/c (Being 40% of the total	al stock taken o		72,000	_	1 x 4
	(i)	Amrit's Capital A/c To Realisation A/c (Being 40% of the total at 10% less than the b	al stock taken o		72,000	_	1 x 4
	(ii)	Amrit's Capital A/c To Realisation A/c (Being 40% of the total at 10% less than the b	al stock taken o	over by Amrit	72,000	_	
		Amrit's Capital A/c To Realisation A/c			72,000	_	

		5,000)				
	(iv)	Cash A/c	Dr.	90,000	-	
		To Realisation A/c		-	90,000	
		(Being stock sold for cash)				
	<u>.</u> 					
	8●8					

Q. E, F and G were partners in a firm. On 31st 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 31st March, 2016, the balance was paid to him in three equal yearly instalments with interest @ 12% p.a. The firm closes its books on 31st March every year. Prepare H's account till he is finally paid.

Ans.

Dr. H's Account

To a				Devise,	
Date	Particulars	Amount	Date	Particulars	Amount
		(₹)	405	Stude	(₹)
2015		5	2015		
Mar 31	To Bank A/c	50,000	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			2015		
Mar 31	To Bank A/c	40,800	Apr 1	By Balance b/d	90,000
			2016		
Mar 31	To Balance c/d	60,000	Mar 31	By Interest	10,800
		1,00,800			1,00,800
2017			2016		
Mar 31	To Bank A/c	37,200	Apr 1	By Balance b/d	60,000
			2017		
Mar 31	To Balance c/d	30,000	Mar 31	By Interest	7,200
		67,200			67,200
2018			2017		
Mar 31	To Bank A/c	33,600	Apr 1	By Balance b/d	30,000

1 x 4

				2018	D T		2 (00	
		3	3,600	Mar 31	By Interest		3,600	
	•						33,000	
13	premiun writing	April, 2016 X Ltd. issue of debendentries for the above trans	ntures	and inte	exclu	ding the en	tries for	
	Date	Particulars				Dr. (₹)	Cr. (₹)	
	2016	Bank A/c			Dr.	1,05,000		
	Apr 1	To 9% Debenture Appli (Being 1,000, 9% Debent					1,05,000	1 mark
	2016	premium)				1 05 000	Platfor	
	2016 Apr 1	9% Debenture Application Loss on issue of debenture To 9% debentures A/c	res A/c	Larges	Dr. Dr.	1,05,000 8,000	1,00,000	
		To Securities Premium To Premium on redemp (Being debentures issued a premium)	tion of	Debenture	50 Sept. 40:		5,000	1 mark
	2018							
	Mar 31	Surplus i.e. balance in Sta To Debenture Redempti (Being Debenture Redem profits)	ion Res	serve A/c		25,000	25,000	½ mark
	2018	8% Debenture Redemption	on Inve	estments A	/c Dr.	15,000		
	Apr.1	To Bank A/c (Being Debenture Redem	iption I	nvestment	s purchased)		15,000	½ mark
	2019	Bank A/c			Dr.	1,200		

		To Interest on Debenture Redemption Investments A/c		1,200	
		seing Interest received on Debenture Redemption vestments)			½ n
	2019 Ba	ank A/c To 8% Debenture Redemption Investments A/c	15,000	15,000	
		seing Debenture Redemption Investments sold)			1/2 m
	" 9%	% Debentures A/c Dr.	1,00,000		
		emium on redemption of Debentures A/c Dr. To Debenture holders A/c	8,000	1,08,000	
	(E	Seing amount payable to debenture holders on demption)		1,00,000	1/2 m
	" D	ebenture holders A/c Dr.	1,08,000		
		To Bank A/c Seing Debentures redeemed)		1,08,000	½ m
		terest on Debenture Redemption Investments Dr. To Statement of Profit and Loss	1,200	1,200	
		Seing Interest on Debenture Redemption Investments Insferred to Statement of Profit and Loss)	S		ma
		ebenture Redemption Reserve A/c To General Reserve A/c Seing Debenture Redemption Reserve transferred to	25,000	25,000	
		eneral reserve)			1/2 m
					6 ma
14		e following Receipts and Payments Account a			
		of Modern Health Club, prepare Income an ended 31 st March, 2019 and the Balance Sh			
	Ans				



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	TYDE
		(+) Advance for current year	Platfor
To loss on sale of furniture	1,000	74,000	
		(-) Advance for next year	
To salaries	30,000	(5,000)	
Transfer of the	Idia	(-) o/s for last year (3,000)	
To rent	18,300	(+) o/s for current yr <u>4,000</u>	60,000
To repairs	4,700	By donations	2,000
To surplus	15,000	By interest on investments	9,000
	71,000		71,000

Balance Sheet of Modern Health Club as on 31st March 2019

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



Capital Fund 2,	14,500		Investments	1,80,000
Add Life membership fee	7,000		Outstanding Subscriptions	4,000
Add Surplus	15,000	2,36,500	Books	26,500
			Building	30,000
		2,41,500		2,41,500
Working Notes: Balance Liabilities	Sheet of	Modern H Amount	lealth Club as on 31 st Mar Assets	ch 2018 Amount
Liabilities		/ Hillount (₹)		(₹)
Subscriptions received in		4,000	Cash	17,000
advance			Investments	1,80,000
Capital Fund		2,14,500	Studies Studies	1,00,000
	Indi	a's lars	Outstanding Subscriptions	3,000
			Subscriptions	
			Books	12,500
			Furniture	6,000
		2,18,500		2,18,500
•				
			he ratio of 3 : 2. Their part the Profit and Loss Appro	
1		-	9, Partners' Capital Accou	_
Account for the year ende	ca o ist iv			



Particulars		Amou	nt Particulars		Amount	
		(₹)			(₹)	
To Interest on Cap	oital		By Profit and Los	ss A/c- Net	2,82,860	
			Profit b/d1/2			
X's Current A/c	18,000 1/2					
			By Interest on Dr	awings		
Y's Current A/c	24,000 1/2	42,0				
			X's Current A/c	600		
To Salary					1 1 10	
		1/ 42 (Y's Current A/c	<u>540</u> [1/2]	1,140	3 mark
Y's Current A/c		1/2 42,0)		130	
	4 G					
To Profit transferr	ed to:		30L		platform	
3/2 - C	1 20 000		A S	Deview	P C C	
X's Current A/c	1,20,000		nonest Studen	f Ke		
V'a Current A/a	80,000 1	2,00,0	on dest Stu			
Y's Current A/c	<u>80,000</u> [1/	412'5	, CA -		2.04.000	
	6	2,84,0)00		2,84,000	
Or.	MARK.		Capital Accounts		Cr.	
Particulars	X (₹)	Y (₹)	Particulars	X (₹)	Y (₹)	
	1,80,000	2,40,000	By balance b/d	1,80,000	2,40,000	1 mar
To balance c/d	ES 3550					
To balance c/d	ES 2500					
To balance c/d	1,80,000	2,40,000		1,80,000	2,40,000	
To balance c/d	1,80,000	2,40,000		1,80,000	2,40,000	
To balance c/d Or.	1,80,000		Current Accounts	1,80,000	2,40,000 Cr.	
	1,80,000 X (₹)		Current Accounts Particulars	1,80,000 X (₹)		
Dr.		Partners			Cr.	
Or. Particulars	X (₹)	Partners Y(₹)	Particulars	X (₹)	Cr. Y (₹)	
)r.		Partners Y(₹)	Particulars		Cr.	



24,000

18,000

By Interest on

To Interest on

Complete the Profit and Loss Appropriation A/c of X and Y for the year ended 31 st March, 2019. Ans.	= 3+1+2 = 6 marks
Appropriation A/c- Profit 2 2,16,000 2,15,000 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 31st March, 2019. Ans. Dr. Profit and Loss Appropriation A/c for the year ended 31st March 2019 Cr. Particulars Amount (₹) To Interest on Capital X's Current A/c 45,000	= 6 marks
A/c- Profit	= 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 31st March, 2019. Ans. Dr. Profit and Loss Appropriation A/c for the year ended 31st March 2019 Cr. Particulars Amount (*) To Interest on Capital X's Current A/c 45,000	= 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 st March, 2019. Ans. Dr. Profit and Loss Appropriation A/c for the year ended 31 st March 2019 Cr. Particulars Amount (₹) To Interest on Capital X's Current A/c 45,000	= 6 marks
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 31st March, 2019. Ans. Dr. Profit and Loss Appropriation A/c for the year ended 31st March 2019 Cr. Particulars Amount (₹) To Interest on Capital X's Current A/c 45,000 Y's Current A/c 27,000 Profit b/d	= 6 marks
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 st March, 2019. Ans. Dr. Profit and Loss Appropriation A/c for the year ended 31 st March 2019 Cr. Particulars Amount (₹) To Interest on Capital X's Current A/c 45,000	
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 st March, 2019. Ans. Dr. Profit and Loss Appropriation A/c for the year ended 31 st March 2019 Cr. Particulars Amount (₹) To Interest on Capital X's Current A/c 45,000[/2] Y's Current A/c 27,000[/2] Y's Current A/c 27,000[/2]	
Complete the Profit and Loss Appropriation A/c of X and Y for the year ended 31 st March, 2019. Ans. Dr. Profit and Loss Appropriation A/c for the year ended 31 st March 2019 Cr. Particulars Amount (₹) To Interest on Capital X's Current A/c 45,0001/2 Y's Current A/c 27,0001/2 Y272,000	OR
Complete the Profit and Loss Appropriation A/c of X and Y for the year ended 31 st March, 2019. Ans. Dr. Profit and Loss Appropriation A/c for the year ended 31 st March 2019 Cr. Particulars Amount (₹) To Interest on Capital X's Current A/c 45,0001/2 Y's Current A/c 27,0001/2 Y272,000	OR
(₹) (₹) To Interest on Capital By Profit and Loss A/c- Net X's Current A/c 45,0001/2 Profit b/d Y's Current A/c 27,0001/2 13,00,000 Y272,000 13,00,000	
Ans. Dr. Profit and Loss Appropriation A/c for the year ended 31^{st} March 2019 Cr. Particulars Amount (₹) To Interest on Capital X's Current A/c $45,000.1/2$ Y's Current A/c $27,000.1/2$ Profit b/d Amount Profit and Loss A/c- Net Profit b/d	
Particulars Amount (₹) Position A/c for the year ended 31^{st} March 2019 Cr. Particulars Amount (₹) To Interest on Capital X's Current A/c $45,0001/2$ Y's Current A/c $27,0001/2$ Profit b/d Profit b/d	
Particulars Amount (₹) Particulars Amount (₹) To Interest on Capital By Profit and Loss A/c- Net Profit b/d 13,00,000 X's Current A/c 45,0001/2 Profit b/d Y's Current A/c 27,0001/2 1/272,000	
Particulars Amount (₹) Particulars Amount (₹) To Interest on Capital X's Current A/c 45,0001/2 Y's Current A/c 27,0001/2 By Profit and Loss A/c- Net Profit b/d 13,00,000	
(₹) (₹) To Interest on Capital By Profit and Loss A/c- Net X's Current A/c 45,0001/2 Profit b/d Y's Current A/c 27,0001/2 13,00,000 Y272,000 13,00,000	
X's Current A/c 45,0001/2 Profit b/d Y's Current A/c 27,0001/2	
X's Current A/c 45,0001/2 Profit b/d Y's Current A/c 27,0001/2	
X's Current A/c 45,0001/2 Profit b/d Y's Current A/c 27,0001/2 1/272,000	
By Interest on Drawings	
To Salary X's Current A/c 3,600 1/2	
X's Current A/c	
	6 marks
To General Reserve	
To Profit transferred to:	
X's Current A/c1,15,2801/2	
Y's Current A/c 57,640 1/2 1,72,920	



3,07,920

3,07,920

• •

Q. Lisa, Moni the ratio of 2								
and the Balar	ice Sheet o	of the reco	nstitute	d firm on Mo	nika's ret	irement		
Ans.								
Dr.			Reval	uation A/c			Cr.	
Particulars			Amou	nt Particula:	rs		Amount	
			(₹)				(₹)	
To Machiner	y		1,20,0	00 By Land	and Buildi	ing	2,40,000	
To Provision	for doubti	ful debts	20,0	00			latforr	
To Profit tran	isferred to			8 6 W	Jent Re	view		½ x 4
Lisa's Capita	1 A/c	40,000	's La	agest 5				2 marl
		Indi	13					
Monika's Ca	pital A/c	40,000						
Nisha's Capi	tal A/c	20,000	1,00,0	00				
			2,40,0	00			2,40,000	
Dr.		P	artners	Capital Acco	unts		Cr.	
Particulars	Lisa	Monika	Nisha	Particulars	Lisa	Monika	Nisha	
	(₹)	(₹)	(₹)	375 Str. 603 Sept. 100	(₹)	(₹)		
To Stock A/c	-	5,00,000		By balance b/d	14,00,000	14,00,000	3,60,000	
To Monika's				By Revaluation	40,000	40,000	20,000	
Capital A/c	80,000		40,000	A/c				1 x 3
						<u></u>		



loan A/c	:	10,60,000		By Lisa's Capital A/c	_	80,000	
To balance c/d 18	8,00,000		9,00,000	By Nisha's Capital A/c		40,000	
				By Current A/c	4,40,000		5,60,000
18	8,80,000	15,60,000	9,40,000		18,80,000	15,60,000	9,40,000
Liabilities Trade Creditors			Amoui (₹)		d Building		Amount (₹) 2,40,000
Bills Payable			2,44,0	00 Machin		P	0,80,000
Employees Prov	vident Fu	und	76,0	00 Stock	dent Re	view	5,00,000
Monika's Loan		Ind	10,60,0		4,00 ovision for	,000	
Capitals Lisa 18,00	00,000			doubtfu	1 debts 20.	,000	3,80,000
Nisha 9,00	0,000		27,00,0	00 Bank			40,000
				Lisa's C	Current A/c		4,40,000
				Nisha's	Current A/c		5,60,000
							2,40,000



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	2,000
To Stock	3,000	recovered	N.O.S.
		By Patents	2,000
		. Review	
	-de	By Loss transferred to:	
() di	a's Lary	Madan's Capital A/c 2,400	
		Mohan's Capital A/c 1,600	4,000
	8,000		8,000

Dr. Partners Capital Accounts Cr.

Particulars	Madan	Mohan	Gopal	Particulars	Madan	Mohan	Gopal
	(₹)	(₹)	(₹)		(₹)	(₹)	(₹)
To Revaluation	2,400	1,600	L.=	By Balance b/d	60,000	40,000	
A/c							
				By Premium for			
To Balance c/d	63,600	52,400	23,200	goodwill A/c	-	10,000	
				By General Reserve	6,000	4,000	
				A/c			
			(5)				



 $\frac{1}{2} \times 4$

2 marks

 1×3

			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 31st March 2018

Liabilities	Amount	Assets	Amount	
	(₹)		(₹)	
Creditors	28,000	Cash at bank	45,200	
Employees Provident Fund	22,000	Debtors 65,000 Less Provision for	AS.	
Workmen's compensation claim	5,000	doubtful debts 5,000	60,000	
	110	O COM	brario	$1\frac{1}{2} \times 2$
Capitals:		Stock	30,000	=
Madan 63,600		et Studen		3 mark
Mohan 52,400	Large	Patents	59,000	=
Gopal 23,200	1,39,200			2+3+3
				=
	1,94,200		1,94,200	8 mark

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 Allotmen	t 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 consecurities premium reserve, calls and the balance	- **	11,50,000	2,00,000 4,00,000 4,82,000 68,000	1½ marks
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) Bank A/c	Dr.	5,11,600	8,00,000 2,00,000	1 mark
Calls in arrears A/c Calls in advance A/c To Equity Share First and Final call A/c (Being first call money received) or Bank A/c	Dr. Dr. Dr. Dr.	6,400 4,82,000 5,11,600	10,00,000	1 ½ marks
Calls in advance A/c To Equity Share First and Final call A/c (Being first call money received)	Dr.	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 fina (Being Bali's shares forfeited for non payment final call)		10,000 2,000	5,600 6,400	1 mark
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 shar	re fully paid)		
	Share Forfeiture A/c To Capital Reserve A/c (Being balance in Share forfeiture account tra	Dr.	5,600	5,600
	OR			
	on the same of the same of the same and the same same of the same of the same same same same same same same sam			
	0,000 equity shares of 10 each. 70,000 oPas			3 6
above t	ransactions in the books of 'Venus Ltd'	•		
Ans.	In the books of Ven Journal	us Ltd.	Review	Platfor
Date	Particulars	f Stur	Dr. (₹)	Cr. (₹)
	Building A/c To M/s Star Ltd. (Being building purchased from M/s Star	Dr.	7,00,000	7,00,000
	M/s Star Ltd. To Equity Share Capital A/c (Being 70,000 shares issued as fully paid for payment of building purchased)	Dr. to Star Ltd.	7,00,000	7,00,000
	Bank A/c To Equity Share Application A/c (Being application money received on 2,0 shares)	Dr.	6,00,000	6,00,000

uity Share Allotment A/c o Equity Share Capital A/c eing Allotment money due on 2,00,000 nk A/c o Equity Share Allotment A/c eing allotment money received) or nk A/c o Equity Share Allotment A/c eing allotment money received) uity Share Allotment A/c o Equity Share Allotment A/c eing allotment money received) uity Share First call A/c o Equity Share Capital A/c	Dr.	3,80,000 3,80,000 20,000	4,00,000	½ mar
o Equity Share Capital A/c eing Allotment money due on 2,00,000 nk A/c o Equity Share Allotment A/c eing allotment money received) or nk A/c lls in arrears A/c o Equity Share Allotment A/c eing allotment money received) uity Share First call A/c	Dr. Dr. Student	3,80,000 20,000 Review	3,80,000	
nk A/c o Equity Share Allotment A/c eing allotment money received) or nk A/c lls in arrears A/c o Equity Share Allotment A/c eing allotment money received) uity Share First call A/c	Dr. Dr. Dr.	3,80,000 20,000	3,80,000	
nk A/c o Equity Share Allotment A/c eing allotment money received) or nk A/c nk A/c lls in arrears A/c o Equity Share Allotment A/c eing allotment money received) uity Share First call A/c	Dr. Dr. Dr.	3,80,000 20,000	13.50rm	
o Equity Share Allotment A/c eing allotment money received) or nk A/c lls in arrears A/c o Equity Share Allotment A/c eing allotment money received) uity Share First call A/c	Dr. Dr.	3,80,000 20,000	13.50rm	½ mai
or nk A/c lls in arrears A/c o Equity Share Allotment A/c eing allotment money received) uity Share First call A/c	Dr.	20,000	13.50rm	½ mai
or nk A/c lls in arrears A/c o Equity Share Allotment A/c eing allotment money received) uity Share First call A/c	Dr.	20,000	4,00,000	½ mai
nk A/c lls in arrears A/c o Equity Share Allotment A/c eing allotment money received) uity Share First call A/c	Dr.	20,000	4,00,000	½ mai
lls in arrears A/c o Equity Share Allotment A/c eing allotment money received) uity Share First call A/c	Dr.	20,000	4,00,000	
eing allotment money received) uity Share First call A/c	Student	Review	4,00,000	
eing allotment money received) uity Share First call A/c	Student Dr.	4.00.000	4,00,000	
uity Share First call A/c	Student Dr.	4.00.000		
- dia	Stude". Dr.	4.00.000		
- dia	Dr.	4.00.000		
o Equity Share Capital A/c		.,00,000		
			4,00,000	½ mar
eing First call money due on 2,00,000	shares)			
nk A/c	Dr.	3,20,000		
o Equity Share First call A/c	171.	3,20,000	3,20,000	
eing first call money received)			5,20,000	
onig institutioney received;				1 mar
	Dr.	3,20,000		
	Dr.			
			4,00,000	
	Dr.	6,00,000		
uity Share Second and Final call A/c			6,00,000	
	nk A/c lls in arrears A/c o Equity Share First call A/c eing first call money received uity Share Second and Final call A/c	nk A/c lls in arrears A/c o Equity Share First call A/c eing first call money received	nk A/c lls in arrears A/c o Equity Share First call A/c eing first call money received Dr. 3,20,000 80,000	nk A/c lls in arrears A/c o Equity Share First call A/c eing first call money received uity Share Second and Final call A/c Dr. 3,20,000 4,00,000 4,00,000

(Being First call money due on 2,00,000 share	es)			mark
Bank A/c	Dr.	3,00,000		
To Equity Share Second and Final call A/c			3,00,000	
(Being first call money received)				
or				
				1 mark
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				
			3 5	
Equity Share Capital A/c	Dr.	1,00,000	1 Co	
To Share Forfeiture A/c			30,000	
To Equity Share Allotment A/c		ijeW	20,000	
To Equity Share first call A/c	dent	Sea	20,000	
To Equity Share Second and Final call A/c	CUU		30,000	
(Being shares forfeited)				
or				1 mark
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)			½ mark
Share Forfeiture A/c	Dr.	30,000		

		To Capital Reserve A/c	30,000	
		(Being balance in Share forfeiture account tran	sferred	½ mark
		to capital reserve)		
	2			=
				8 marks
		PART B		
		OPTION 1		
		Analysis of Financial Stater	nents	
18	Q. Wh	at is meant by Cash Flow Statement?		
	90			
		ash Flow Statement is a statement showing inflo	ws and outflows of cash and	1 mark
	cash ec	uivalents during a particular period.		
10	O Cos	hior of V I td withdraw 2 00 000 from the har	lz Will this transaction	
19		hier of Y Ltd withdrew 2,00,000 from the bar into inflow, outflow or no flow of cash? Give i	- MISAA	
	answei	o flow of cash as there is no change in cash and	cash equivalents.	1 mark
20	Q. Uno	ler which sub-headings will the following iten	as be presented in the	
20		der which sub-headings will the following itented the sub-headings will the following itented the sub-headings will the following itented the sub-headings will the following item to the sub-headings will the sub-headings will the sub-headings will the sub-headings will be sub-head		
20				
20	Balanc			
20	Balance 2013?	e Sheet of a company as per Schedule-III, Pa		
20	Balance 2013?	se Sheet of a company as per Schedule-III, Par	rt-I of the Companies Act,	
20	Balance 2013?	Item General Reserve Sheet of a company as per Schedule-III, Paragraphic Schedule-III, Paragra	rt-I of the Companies Act,	
20	Balance 2013? Ans. (i)	Item Seneral Reserve Rank drafts in hand	rt-I of the Companies Act, bub Head Reserves and Surplus	



(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

Q. Prepare a Common-Size Statement of Profit and Loss of 'Hari Darshan Ltd.' from the following information:

Ans. In the books of 'Hari Darshan Ltd.'

Common Size Statement of Profit and Loss

for the years ended 31st March 2018 and 31st March 2019

Particulars	Absolute	amount	Percei		
		Stude	Ur.	ue from ations	
Indi	2017-18 (₹)	2018-19 (₹)	2017-18 (%)	2017-18 (%)	
Revenue from operations	10,00,000	20,00,000	100	100	1/2
Add Other income	50,000	60,000	5	3	1/2
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	1/2
Changes in inventories	80,000	1,20,000	8	6	1/2
Other expenses	30,000	52,000	3	2.6	1/2
					1/2

Total Expenses	5,30,000	9,42,000	53	47.1	
					1/2
Profit before Tax	5,20,000	11,18,000	52	55.9	
					1/2
Less Tax @50%	2,60,000	5,59,000	26	27.95	
					=
Profit after Tax	2,60,000	5,59,000	26	27.95	½ x 8

4marks

OR

OR

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

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

Particulars	2017-18	2018-19	Absolute	Percentage
In.	(₹)	(₹)	Increase/	Increase/
			Decrease	Decrease
			(₹)	(%)
Revenue from operations	45,00,000	60,00,000	15,00,000	33.33
Less				
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
\$500,000 No. 10. 10. 10. 10. 10. 10. 10. 10. 10. 10	SOME PARKS WAS AND ASSESSMENT		90000 NA 870KUNASSAWA 18040 18040 18040	
Total Expenses	38,50,000	53,00,000	14,50,000	37.66



Profit before Tax 6,50,000 7,00,000 Less Tax @50% 3,25,000 3,50,000	50,000	7.69	1
Less Tax @50% 3,25,000 3,50,000	25,000	7.69	
Profit after Tax 3,25,000 3,50,000	25,000	7.69	1/2

- 22 Q. From the given information, calculate the following ratios:
 - (i) Operating Ratio
 - (ii) Inventory Turnover Ratio

Ans.

(i) Operating ratio = Cost of Revenue from operations + Operating expenses x 100

Net Revenue from operations

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 322,00,000 = 32,20,000

Gross profit = 40% of 322,00,000

= ₹8,80,000

So, Cost of Revenue from operations = 313,20,000



Operating ratio = $\frac{13,20,000}{22,000,000} \times 100$

2 marks

+

2 marks

=

4marks

=70%

(ii) Inventory Turnover ratio = <u>Cost of Revenue from operations</u>

Average Inventory

= 313,20,000/31,60,000

=8.25 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.

(A) Return on Investment = <u>Profit before interest and tax</u> x 100 Capital employed

Profit before interest and tax =₹1,00,000 + ₹1,00,000 + ₹40,000

= ₹2,40,000



		Capital employed = ₹8,00,000
		Therefore, Return on Investment = ₹2,40,000/₹8,00,000 x 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 = ₹20,00,000/ ₹10,00,000 = 2 times
	2	Q. Following is the Balance Sheet of X Ltd. as at 31 st March, 2018 Prepare a Cash Flow Statement.
		Ans. Cash Flow Statement of X Ltd. for the year ended 31st March 2018
ver		109



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

I	rease in Cash	n and Cash equ	ivalents			
1110	aning balance	a of Cash and C	Tach conjugatore			
N.==0	Current Invest	20	Cash equivalents	1 70 000		½ m
				1,70,000 40,000	2,10,000	/2 1117
	Cash and Casl	n equivalents		40,000	2,10,000	
Closing	g balance of C	ash and Cash e	equivalents			
	Current Invest			1,40,000		
(Cash and Cash	n equivalents		70,000	2,10,000	
Working	<u>Notes:</u>					
Coloulat	ion of Not Dro	fit bafara Tax			125	
Carculati	ion of net Pro	fit before Tax:	(₹\			
Net prof	ĩ†		3,00,000		platforn	½ m
rvet prom			3,00,000	Revie	W	, 2
Add Pro	vision for Tax		2,00,000	Jeur,		
			465			
		*	5,00,000			
		India	5,00,000			
Dr.		India	5,00,000 Machinery A/c		Cr.	
Dr.		India			Cr.	
Dr. Particul	lars	india' Amount (₹)			Cr. Amount (₹)	
	lars	1	Machinery A/c			
Particul	lars Ince b/d	Amount (₹)	Machinery A/c			1./
Particul To bala	nce b/d	Amount (₹) 20,00,000	Machinery A/c Particulars By Cash (sale)		Amount (₹) 50,000	1/2 m
Particul To bala		Amount (₹) 20,00,000	Machinery A/c Particulars	lepreciation	Amount (₹)	1/ ₂ m
Particul To bala To Prof	nce b/d fit on sale	Amount (₹) 20,00,000 10,000	Machinery A/c Particulars By Cash (sale) By Accumulated of	lepreciation	Amount (₹) 50,000 40,000	1/2 m
Particul To bala To Prof	nce b/d	Amount (₹) 20,00,000 10,000	Machinery A/c Particulars By Cash (sale) By Accumulated of	lepreciation	Amount (₹) 50,000	1/2 m
Particul To bala To Prof	nce b/d fit on sale	Amount (₹) 20,00,000 10,000 6,80,000	Machinery A/c Particulars By Cash (sale) By Accumulated of	depreciation	Amount (₹) 50,000 40,000 26,00,000	1/2 m
To bala To Prof	nce b/d fit on sale	Amount (₹) 20,00,000 10,000	Machinery A/c Particulars By Cash (sale) By Accumulated of	depreciation	Amount (₹) 50,000 40,000	½ m
To bala To Prof	nce b/d fit on sale	Amount (₹) 20,00,000 10,000 6,80,000	Machinery A/c Particulars By Cash (sale) By Accumulated of	lepreciation	Amount (₹) 50,000 40,000 26,00,000	½ m



	Particulars	Amount (₹)	Particulars	Amount (₹)	
	To Machinery A/c	40,000	By balance b/d	1,00,000	
	To balance c/d	2,00,000	By depreciation	1,40,000	½ mark
		2,40,000		2,40,000	
					= 6 marks
			PART B	e a E	
			OPTION II	1 d.8.	
		Compu	terised Accounting		
18	Q. Name the data element is		nting transaction. amed unit of data in the information	on system. In	1 mark
	accounting, a transact accounting code, date	SIL	Four data elements, such as name of and amount.	of the account,	
19	Q. What is meant by	'Primary Key	??		
		possible one or	ional database that is unique for eamore than one attributes of a table	93.0	1 mark
20	Q. State the features	of a good acco	unting software.		
	Ans. Following are th	e features of acc	counting software: (Any four)		
	(i) Does all basic acco	unting function	S.		



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



	It is a widely accepted security control to access the data Only an	
	authorized person can access the data. Any user who does not know the	2 marks
	password cannot retrieve information from the system. It ensures data	
	integrity. It uses a binary encoding format of storage and offers access to	
	the database.	
	Data vault	
	Software provides additional security for the imputed data and this feature	
	is referred to as data vault. Data vault ensures that original information is	2 marks
	presented and is not tempered. Data vault password cannot be broken. Some	=
	software uses data encryption method.	
		2+2 = 4 marks
22	Q. Explain 'Sequential' and 'Mnemonic' codes.	
	Ans. CO India's largest Student Res India'	
	These are codes in which code numbers and/or letters are assigned in a consecutive	
	order. These codes are applied primarily to source documents such as cheques,	
	invoices etc. This facilitates document searches. This process enables either	2 marks
	identification of missing codes (numbers) relating to a particular document or a relevant document can be traced.	
	Mnemonic codes	
	These codes consist of alphabets or abbreviations as symbols to codify a piece of	2 marks
	information. SJ for sales journal, HQ for Headquarters are examples of mnemonic	_
	codes.	2+2
		=
	114	<u>-</u>



		4 marks
	OR	OR
	Q. State the element which is considered while calculating 'earning' for current payroll period.	
	Ans. Elements which is considered while calculating 'Earning' for the current payroll period are: (i) Basic Pay (BP): It is the pay in the pay scale plus grade pay but does not include special pay. (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. (iii) Dearness pay (DP): It is that portion of dearness allowance which has been declared and deemed to have been merged with basic pay. (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). (v) House rent allowance (HRA): It is an amount paid to facilitate employee in acquiring on lease of residential accommodation. (vi) Transport allowance (TRA): It is an amount paid to facilitate commuting to the	4 marks
	place of work i.e. Delhi, Bhopal, Haridwar etc. (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.	
23	Q. Identify the error that appears when there are invalid numeric values in a formula or function. How can this error be rectified? Explain.	
	Ans. The error is #NUM! Error. The steps to correct it: 1.Optionally, click the cell that displays the error, click the button that appears and then click Show calculation steps.	
	2.Review the following causes and solutions: 115	



•	Using an unacceptable argument in the function that requires a numeric
	argument.

- Make sure that the arguments used in the function are numbers.
- Using a worksheet function that iterates, such as IRR or RATE, and the function cannot find the result.
- Use a different starting value for the worksheet function.
- 3. Then click the Microsoft button >Excel option and then click the formulas category.

