

**CBSE Class 12 Accountancy Question Paper Solution SET - 1
Series 1**

Marking Scheme 2018-19 Accountancy (055) 67/1/1 Expected Answers/ Value Points			MARKS					
	<p>Q. Atul and Neera are in partnership....Calculate the new profit sharing ratio.</p> <p>Ans. Mitali's share in profit= 1/10</p> <p>Atul's new share= $3/5 - 1/10 = 5/10$... 1/2 mark</p> <p>Neera's new share= 2/5</p> <p>Mitali's share=1/10</p> <p>New ratio= 5:4:1.....1/2 mark</p>	<p align="center"> $\frac{1}{2}$ $+$ $\frac{1}{2}$ $=$ </p> <p align="center">1 mark</p>						
	<p>Q. What is meant by 'Issued Capital'?</p> <p>Ans. Issued Capital is that part of the Authorised Capital which is offered to the public for subscription.</p> <p align="center">OR</p> <p>Q. What is meant by 'Employees Stock Option Plan'?</p> <p>Ans. Employees Stock Option Plan means option granted by the company to its employees and directors to subscribe to the shares of the company at a price that is lower than the market price.</p>	<p align="center">1 mark</p> <p align="center">OR</p> <p align="center">1 mark</p>						
	<p>Q. Differentiate between Dissolution of Partnership and Dissolution of a Firm on the basis of 'Court's intervention'.</p> <p>Ans.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Dissolution of Partnership</th> <th>Dissolution of a Firm</th> </tr> </thead> <tbody> <tr> <td>Court's intervention</td> <td>The court does not intervene because partnership is dissolved by mutual agreement</td> <td>The firm can be dissolved by court's order.</td> </tr> </tbody> </table>		Dissolution of Partnership	Dissolution of a Firm	Court's intervention	The court does not intervene because partnership is dissolved by mutual agreement	The firm can be dissolved by court's order.	<p>1 mark</p>
	Dissolution of Partnership	Dissolution of a Firm						
Court's intervention	The court does not intervene because partnership is dissolved by mutual agreement	The firm can be dissolved by court's order.						
	<p>Q. What is meant by 'Gaining Ratio' on retirement of a partner?</p> <p>Ans. Gaining ratio is the ratio in which the remaining partners acquire the retiring partner's share.</p> <p align="center">OR</p> <p>Q. P, Q and R were partners rate at which interest will be paid to R</p> <p>Ans. 6% p.a.</p>	<p align="center">1 mark</p> <p align="center">OR</p> <p align="center">1 mark</p>						

		<p>Q. Chhavi and Neha are partners in a firm interest on drawings.</p> <p>Ans. Journal</p> <table border="1" data-bbox="276 205 1339 361"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>Dr. (₹)</th> <th>Cr. (₹)</th> </tr> </thead> <tbody> <tr> <td></td> <td>Chhavi's Capital/ Current Account</td> <td>Dr. 900</td> <td>-</td> </tr> <tr> <td></td> <td>To Interest on drawings A/c (Being Interest on drawings charged)</td> <td>-</td> <td>900</td> </tr> </tbody> </table>	Date	Particulars	Dr. (₹)	Cr. (₹)		Chhavi's Capital/ Current Account	Dr. 900	-		To Interest on drawings A/c (Being Interest on drawings charged)	-	900	1 mark								
Date	Particulars	Dr. (₹)	Cr. (₹)																				
	Chhavi's Capital/ Current Account	Dr. 900	-																				
	To Interest on drawings A/c (Being Interest on drawings charged)	-	900																				
		<p>Q. How are Specific donations treated while preparing final accounts of a 'Not-For-Profit Organisation'?</p> <p>Ans. Specific donations are taken on the liabilities side of the Balance Sheet of a Not-For-Profit Organisation</p> <p style="text-align: center;">or</p> <p>Specific donations are capitalized while preparing the final accounts of a Not-For-Profit Organisation.</p> <p style="text-align: center;">OR</p> <p>Q. State the basis of accounting of preparing 'Income and Expenditure Account' of a Not-For-Profit Organisations.</p> <p>Ans. Accrual basis.</p>	1 mark OR 1 mark																				
		<p>Q. The capital of the firm of Anuj and Benu ... Calculate the goodwill of the firm.</p> <p>Ans. Actual profits = ₹3,60,000 – ₹1,20,000 = ₹2,40,000</p> <p>Normal profits= 15% x ₹10,00,000 = ₹1,50,000.....1 mark</p> <p>Super profits = Actual profits – Normal profits = ₹2,40,000 – ₹1,50,000 = ₹90,000.....1 mark</p> <p>Goodwill= Super profits x Number of years purchase = ₹90,000 x 2 = ₹1,80,000.....1 mark</p>	1+1+1 = 3 marks																				
		<p>Q. How the following items.... Aisko Club:</p> <p>Ans. Balance Sheet of Aisko Club as on 31st March 2018</p> <table border="1" data-bbox="276 1612 1339 1894"> <thead> <tr> <th>Liabilities</th> <th>Amount (₹)</th> <th>Assets</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>Tournament Fund</td> <td>1,50,000</td> <td>Tournament Fund Investments</td> <td>1,50,000</td> </tr> <tr> <td>Add Income from Tournament Fund Investments</td> <td>18,000</td> <td>Accrued Interest on Tournament Fund Investments</td> <td>6,000</td> </tr> <tr> <td>Add Accrued Interest</td> <td>6,000</td> <td></td> <td></td> </tr> <tr> <td>Less Tournament expenses (12,000)</td> <td>1,62,000</td> <td></td> <td></td> </tr> </tbody> </table>	Liabilities	Amount (₹)	Assets	Amount (₹)	Tournament Fund	1,50,000	Tournament Fund Investments	1,50,000	Add Income from Tournament Fund Investments	18,000	Accrued Interest on Tournament Fund Investments	6,000	Add Accrued Interest	6,000			Less Tournament expenses (12,000)	1,62,000			½ mark for each item = ½ x 6 = 3 marks
Liabilities	Amount (₹)	Assets	Amount (₹)																				
Tournament Fund	1,50,000	Tournament Fund Investments	1,50,000																				
Add Income from Tournament Fund Investments	18,000	Accrued Interest on Tournament Fund Investments	6,000																				
Add Accrued Interest	6,000																						
Less Tournament expenses (12,000)	1,62,000																						

Note: In case, a student has shown Income from Tournament Fund Investments as ₹24,000 instead of ₹18,000 and ₹6,000 separately and added it to the Tournament Fund, full credit should be given.

Q. Garvit Ltd. invited applications... Ltd.

Ans. Journal of Garvit Ltd.

Date	Particulars	Dr. (₹)	Cr. (₹)
	Bank A/c Dr. To Debenture Application and Allotment A/c (Being application money received on 3,600 debentures)	3,38,400 -	- 3,38,400
	Debenture Application and Allotment A/c Dr. Discount/Loss on issue of Debentures A/c Dr. To 11% Debentures To Bank A/c (Being application money adjusted)	3,38,400 18,000	- - 3,00,000 56,400

1 mark

+

2 marks

=

3 marks

OR

OR

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

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

Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)
2015 April 1	To Premium on Redemption of Debentures A/c	42,000	2016 Mar 31	By Statement of P/L	14,000
			Mar 31	By Balance c/d	28,000
		42,000			42,000
2016 April 1	To balance b/d	28,000	2017 Mar 31	By Statement of P/L	14,000
			Mar 31	By Balance c/d	14,000
		28,000			28,000
2017 April 1	To balance b/d	14,000	2018 Mar 31	By Statement of P/L	14,000
		14,000			14,000

**1 x 3
=
3 marks**

Q. Unilink Ltd. had outstanding.... year ended 31st March 2018.

Ans. Journal of Unilink Ltd.

Date	Particulars	Dr. (₹)	Cr. (₹)
2017* Apr.30	Debenture Redemption Investments A/c Dr. To Bank A/c (Being Debenture Redemption Investments purchased)	90,000	90,000

½ mark

			2018 Mar.31	Bank A/c To Debenture Redemption Investments A/c (Being Debenture Redemption Investments sold)	Dr.	90,000	90,000	1 mark																																					
			“	9% Debentures A/c Premium on redemption of Debentures A/c To Debenture holders A/c (Being Debentures due for redemption)	Dr. Dr.	6,00,000 48,000	6,48,000	1 mark																																					
			“	Debenture holders A/c To Bank A/c (Being Debentures redeemed)	Dr.	6,48,000	6,48,000	½ mark																																					
				Debenture Redemption Reserve A/c To General Reserve A/c (Being Debenture Redemption Reserve transferred to general reserve)	Dr.	1,50,000	1,50,000	-																																					
			<p>* Any date from April 1 to April 30 can be given for purchase of Debenture Redemption Investments</p> <p>Note: No marks to be deducted if the student has not transferred Debenture Redemption Reserve to General Reserve</p>						= 3marks																																				
			<p>Q. Ankit, Bobby and Kartik..... is settled at ₹12,500.</p> <p>Ans. Journal</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th></th> <th>Dr. (₹)</th> <th>Cr. (₹)</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Ankit's Capital A/c Bank/ Cash A/c To Realisation A/c (Being stock taken over by Ankit, remaining sold at a profit)</td> <td>Dr. Dr.</td> <td>32,000 52,000</td> <td>84,000</td> </tr> <tr> <td></td> <td colspan="4" style="text-align: center;">or</td> </tr> <tr> <td></td> <td>Ankit's Capital A/c To Realisation A/c (Being stock taken over by Ankit)</td> <td>Dr.</td> <td>32,000</td> <td>32,000</td> </tr> <tr> <td></td> <td>Bank/ Cash A/c To Realisation A/c (Being stock sold at a profit)</td> <td>Dr.</td> <td>52,000</td> <td>52,000</td> </tr> <tr> <td>(ii)</td> <td>Realisation A/c To Bank/ Cash A/c (Being payment made to creditors)</td> <td>Dr.</td> <td>69,000</td> <td>69,000</td> </tr> <tr> <td>(iii)</td> <td>Realisation A/c To Bank/ Cash A/c</td> <td>Dr.</td> <td>22,000</td> <td>22,000</td> </tr> </tbody> </table>						Date	Particulars		Dr. (₹)	Cr. (₹)	(i)	Ankit's Capital A/c Bank/ Cash A/c To Realisation A/c (Being stock taken over by Ankit, remaining sold at a profit)	Dr. Dr.	32,000 52,000	84,000		or					Ankit's Capital A/c To Realisation A/c (Being stock taken over by Ankit)	Dr.	32,000	32,000		Bank/ Cash A/c To Realisation A/c (Being stock sold at a profit)	Dr.	52,000	52,000	(ii)	Realisation A/c To Bank/ Cash A/c (Being payment made to creditors)	Dr.	69,000	69,000	(iii)	Realisation A/c To Bank/ Cash A/c	Dr.	22,000	22,000		1 x 4 = 4 marks
Date	Particulars		Dr. (₹)	Cr. (₹)																																									
(i)	Ankit's Capital A/c Bank/ Cash A/c To Realisation A/c (Being stock taken over by Ankit, remaining sold at a profit)	Dr. Dr.	32,000 52,000	84,000																																									
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	Ankit's Capital A/c To Realisation A/c (Being stock taken over by Ankit)	Dr.	32,000	32,000																																									
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(ii)	Realisation A/c To Bank/ Cash A/c (Being payment made to creditors)	Dr.	69,000	69,000																																									
(iii)	Realisation A/c To Bank/ Cash A/c	Dr.	22,000	22,000																																									

			(Being Bobby's sister's loan paid along with interest)				
	(iv)	Kartik's loan A/c Realisation A/c To Bank/ Cash A/c (Being Kartik's loan settled)	Dr. Dr.	12,000 500		12,500	
		or					
		Kartik's loan A/c To Bank/ Cash A/c (Being Kartik's loan settled)	Dr.	12,000		12,000	
		Realisation A/c To Bank / CashA/c (Being Kartik's loan settled at a loss)	Dr.	500		500	
		Q. Radhika, Bani and Chitra ...above changes.					
		Ans. JOURNAL					
		Date	Particulars	Dr. (₹)	Cr. (₹)		
			Radhika's Capital A/c Bani's Capital A/c Chitra's Capital A/c To Profit and Loss A/c (Being undistributed loss transferred to Partners' Capital Accounts)	Dr. Dr. Dr.	8,000 12,000 4,000	24,000	
			General Reserve To Radhika's Capital A/c To Bani's Capital A/c To Chitra's Capital A/c (Being General Reserve distributed to Partners' Capital Accounts)	Dr.	1,44,000	48,000 72,000 24,000	
			Radhika's Capital A/c To Bani's Capital A/c (Being adjustment entry made for goodwill)	Dr.	30,000	30,000	
			Land A/c To Revaluation A/c (Being Land revalued)	Dr.	1,80,000	1,80,000	
			Revaluation A/c To Radhika's Capital A/c To Bani's Capital A/c To Chitra's Capital A/c (Being gain on Revaluation transferred to Partners' Capital Accounts)	Dr.	1,80,000	60,000 90,000 30,000	
						=	
						4 marks	

Q. From the following Receipts and Payments A/c

Ans. Dr. Income and Expenditure A/c for the year ended March 31, 2018 Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To Stationery consumed	22,400	By Subscriptions	2,00,000
To loss on sale of old furniture	2,400	By Interest on investments	800
To electricity expenses	10,600	Add interest accrued	160
To expenses on lectures	30,000	By Government Grant	17,400
To surplus	1,52,960		
	2,18,360		2,18,360

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

Balance Sheet of Sears Club as on 31st March 2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Subscriptions received in advance	7,200	Outstanding Subscriptions	1,01,000
Donations for building	40,000	Stock of Stationery	4,000
Capital Fund 62,000		Cash	50,000
Add Surplus 1,52,960	2,14,960	Investments	8,000
		Interest accrued on investments	160
		Sports Equipment	59,000
		Books	40,000
	2,62,160		2,62,160

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

Interest on 12% Investments

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

Working Notes:

Balance Sheet of Sears Club as on 31st March 2017

Liabilities	Amount (₹)	Assets	Amount (₹)
Subscriptions received in advance	25,000	Outstanding Subscriptions	60,000
Capital Fund	62,000	Stock of Stationery	3,000
		Cash	20,000
		Furniture	4,000
	87,000		87,000

=
4+2
=
6 marks

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

Q. Girija, Yatin and Zubin Zubin's Executors Account till he is finally paid.

Ans. Dr.			Zubin's Executors Account			Cr.		
Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)			
2015 Aug 1 2016 March 31	To Bank A/c	10,300	2015 Aug 1 2016 March 31	By Zubin's Capital A/c	90,300			
	To Balance c/d	83,200		By Interest accrued	3,200			
		93,500			93,500			
2017 Mar 31	To Bank A/c	48,000	2016 Apr 1 2017 Mar 31	By Balance b/d	83,200			
"	To Balance c/d	40,000		By Interest	4,800			
		88,000			88,000			
2018 Mar 31	To Bank A/c	42,400	2017 Apr 1 2018 Mar 31	By Balance b/d	40,000			
				By Interest	2,400			
		42,400			42,400			

2 marks

2 marks

2 marks

=
6 marks

OR

Ans. Dr.			Zubin's Executors Account			Cr.		
Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)			
2015 Aug 1 2016 March 31	To Bank A/c	10,300	2015 Aug 1 2016 March 31	By Zubin's Capital A/c	90,300			
"	To Bank A/c	3,200		By Interest	3,200			
	To Balance c/d	80,000			93,500			
		93,500			93,500			
2017 Mar 31	To Bank A/c	44,800	2016 Apr 1 2017 Mar 31	By Balance b/d	80,000			
"	To Balance c/d	40,000		By Interest	4,800			
		88,800			88,800			
2018 Mar 31	To Bank A/c	42,400	2017 Apr 1 2018 Mar 31	By Balance b/d	40,000			
				By Interest	2,400			
		42,400			42,400			

2 marks

2 marks

2 marks
=
6 marks

OR

Ans. Dr.			Zubin's Executors Account			Cr.		
Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)			
2015 Aug 1 2016 March 31	To Bank A/c	10,300	2015 Aug 1 2016 March 31	By Zubin's Capital A/c	90,300			
	To Balance c/d	83,200		By Interest accrued	3,200			
		93,500			93,500			
2017 Mar 31	To Bank A/c	48,192	2016 Apr 1	By Balance b/d	83,200			

OR

2 marks

						2 marks
		To Balance c/d	40,000	2017 Mar 31	By Interest	4,992
			88,192			88,192
	2018 Mar 31	To Bank A/c	42,400	2017 Apr 1 2018 Mar 31	By Balance b/d	40,000
					By Interest	2,400
			42,400			42,400
						2 marks
						=
						6 marks

Q. Sonu and Rajat started a partnership firm ... books of Sonu and Rajat.

Ans.

Journal

Date	Particulars	Dr. (₹)	Cr. (₹)
	Profit and Loss A/c Dr. To Profit and Loss Appropriation A/c (Being profit transferred from Profit and Loss A/c to Profit and Loss Appropriation A/c)	4,89,950	4,89,950
	Partner's Salary A/c Dr. To Sonu's Capital A/c (Being salary credited to Sonu's Capital A/c)	2,40,000	2,40,000
	Profit and Loss Appropriation A/c Dr. To Partner's Salary A/c (Being salary transferred to Profit and Loss Appropriation A/c)	2,40,000	2,40,000
	Partner's Commission A/c Dr. To Rajat's Capital A/c (Being commission credited to Rajat's Capital A/c)	1,00,000	1,00,000
	Profit and Loss Appropriation A/c Dr. To Partner's Commission A/c (Being salary transferred to Profit and Loss Appropriation A/c)	1,00,000	1,00,000
	Interest on Capital A/c Dr. To Sonu's Capital A/c To Rajat's Capital A/c (Being interest on capital credited to Partners' Capital A/c)	1,12,000	64,000 48,000
	Profit and Loss Appropriation A/c Dr. To Interest on Capital A/c (Being Interest on Capital transferred to Profit and Loss Appropriation A/c)	1,12,000	1,12,000
	Sonu's Capital A/c Dr. Rajat's Capital A/c Dr. To Interest on Drawings A/c (Being Interest on drawings charged)	400 1,650	2,050

½ mark

½ mark

½ mark

½ mark

½ mark

½ mark

½ mark

1 mark

Interest on Drawings A/c To Profit and Loss Appropriation A/c (Being Interest on drawings transferred to Profit and Loss Appropriation A/c)	Dr.	2,050	2,050
Profit and Loss Appropriation A/c To Sonu's Capital A/c To Rajat's Capital A/c (Being Profit credited to Partners' Capital accounts)	Dr.	40,000	24,000 16,000

½ mark

1 mark

=
6 marks

Note: If a combined entries has been passed for Partner's commission, Partner's salary, Interest on Capital and Interest on Drawings, no mark is to be deducted.

OR

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

Ans.

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

Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To salary Jay's Capital A/c 1,80,000 Vijay's Capital A/c 1,80,000	3,60,000	By Net Profit By Jay's Capital A/c (2,00,000 – 1,75,000)/ Deficiency in guaranteed fees	15,00,000 25,000
To Profit transferred to: Jay's Capital A/c 4,66,000 - guarantee to Karan (1,60,200)	3,05,800		
Vijay's Capital A/c 4,66,000 - guarantee to Karan(1,06,800)	3,59,200		
Karan's Capital A/c 2,33,000 Add guarantee 2,67,000	5,00,000		
	15,25,000		15,25,000

½ mark
for each
correct
item

=
½ x 6
= 3 marks

+

Dr. Partners' Capital Accounts Cr.

Particulars	Jay (₹)	Vijay (₹)	Karan (₹)	Particulars	Jay (₹)	Vijay (₹)	Karan (₹)
To P/L Appr. A/c To balance c/d	25,000	-	-	By salary By P/L Appropriation A/c- Profit	1,80,000	1,80,000	-- 5,00,000
	4,60,800	5,39,200	5,00,000		3,05,800	3,59,200	5,00,000
	4,85,800	5,39,200	5,00,000		4,85,800	5,39,200	5,00,000

1 mark for
each
correct
Capital A/c

=
1 x 3
= 3 marks

=

In case, the candidate has prepared the Partners Capital accounts considering the guarantee in any other way and the closing balances in their Capital Accounts are

		same as indicated above, full credit be given.	3+3 = 6 marks																												
		<p>Q. DF Ltd. was registered ... the necessary Journal entries in the books of DF Ltd.</p> <p>Ans. Journal of DF Ltd.</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>Dr. (₹)</th> <th>Cr. (₹)</th> </tr> </thead> <tbody> <tr> <td></td> <td>Bank A/c Dr. To Equity Share Application A/c (Being application money received on 70,000 shares)</td> <td>2,10,000</td> <td>2,10,000</td> </tr> <tr> <td></td> <td>Equity Share Application A/c Dr. To Equity Share Capital A/c To Securities premium reserve A/c To Equity Share Allotment A/c To Bank A/c (Being application money transferred to share capital, securities premium reserve, share allotment and the balance refunded)</td> <td>2,10,000</td> <td>1,00,000 50,000 15,000 45,000</td> </tr> <tr> <td></td> <td>Equity Share Allotment A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being Allotment money due on 50,000 shares)</td> <td>1,50,000</td> <td>1,00,000 50,000</td> </tr> <tr> <td></td> <td>Bank A/c Dr. To Equity Share Allotment A/c (Being allotment money received) OR Bank A/c Dr. Calls in arrears A/c Dr. To Equity Share Allotment A/c (Being allotment money received)</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Equity Share First call A/c Dr. To Equity Share Capital A/c (Being First call money due on 50,000 shares)</td> <td>1,50,000</td> <td>1,50,000</td> </tr> <tr> <td></td> <td>Bank A/c Dr. To Equity Share First call A/c (Being first call money received) OR Bank A/c Dr. Calls in arrears A/c Dr. To Equity Share First call A/c (Being first call money received</td> <td>1,20,000 1,20,000 30,000</td> <td>1,20,000 1,50,000</td> </tr> </tbody> </table>	Date	Particulars	Dr. (₹)	Cr. (₹)		Bank A/c Dr. To Equity Share Application A/c (Being application money received on 70,000 shares)	2,10,000	2,10,000		Equity Share Application A/c Dr. To Equity Share Capital A/c To Securities premium reserve A/c To Equity Share Allotment A/c To Bank A/c (Being application money transferred to share capital, securities premium reserve, share allotment and the balance refunded)	2,10,000	1,00,000 50,000 15,000 45,000		Equity Share Allotment A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being Allotment money due on 50,000 shares)	1,50,000	1,00,000 50,000		Bank A/c Dr. To Equity Share Allotment A/c (Being allotment money received) OR Bank A/c Dr. Calls in arrears A/c Dr. To Equity Share Allotment A/c (Being allotment money received)				Equity Share First call A/c Dr. To Equity Share Capital A/c (Being First call money due on 50,000 shares)	1,50,000	1,50,000		Bank A/c Dr. To Equity Share First call A/c (Being first call money received) OR Bank A/c Dr. Calls in arrears A/c Dr. To Equity Share First call A/c (Being first call money received	1,20,000 1,20,000 30,000	1,20,000 1,50,000	<p>3marks</p> <p>2 marks</p> <p>3 marks</p> <p>-</p> <p>-</p> <p>-</p> <p>=</p> <p>8 marks</p> <p>OR</p>
Date	Particulars	Dr. (₹)	Cr. (₹)																												
	Bank A/c Dr. To Equity Share Application A/c (Being application money received on 70,000 shares)	2,10,000	2,10,000																												
	Equity Share Application A/c Dr. To Equity Share Capital A/c To Securities premium reserve A/c To Equity Share Allotment A/c To Bank A/c (Being application money transferred to share capital, securities premium reserve, share allotment and the balance refunded)	2,10,000	1,00,000 50,000 15,000 45,000																												
	Equity Share Allotment A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being Allotment money due on 50,000 shares)	1,50,000	1,00,000 50,000																												
	Bank A/c Dr. To Equity Share Allotment A/c (Being allotment money received) OR Bank A/c Dr. Calls in arrears A/c Dr. To Equity Share Allotment A/c (Being allotment money received)																														
	Equity Share First call A/c Dr. To Equity Share Capital A/c (Being First call money due on 50,000 shares)	1,50,000	1,50,000																												
	Bank A/c Dr. To Equity Share First call A/c (Being first call money received) OR Bank A/c Dr. Calls in arrears A/c Dr. To Equity Share First call A/c (Being first call money received	1,20,000 1,20,000 30,000	1,20,000 1,50,000																												
		OR																													

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

Ans.

Journal of EF Ltd.

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

½ mark

1 mark

½ mark

1 mark

½ mark

1 ½ marks

1 mark

1 mark

1 mark

**=
8 marks**

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

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

Ans.

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

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

In case, the student has calculated 'Provision for doubtful debts' correctly, full credit is to be given.

Dr.				Partners Capital Accounts				Cr.			
Particulars	Akul (₹)	Bakul (₹)	Chandan (₹)	Particulars	Akul (₹)	Bakul (₹)	Chandan (₹)	Particulars	Akul (₹)	Bakul (₹)	Chandan (₹)
To Bakul Capital A/c	80,000	-	40,000	By balance b/d	1,60,000	1,20,000	92,000				
To Bakul loan A/c	-	2,52,000	-	By General Reserve	8,000	8,000	4,000				
To balance c/d	92,000		58,000	By Revaluation A/c	4,000	4,000	2,000				
				By Akul Capital A/c	-	80,000	-				
				By Chandan Capital A/c	-	40,000	-				
	1,72,000	2,52,000	98,000		1,72,000	2,52,000	98,000				
To Bank A/c	-	-	8,000	By balance b/d	92,000	-	58,000				
To balance c/d	1,00,000	-	50,000	By Bank A/c	8,000	-	-				
	1,00,000	-	58,000		1,00,000	-	58,000				

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

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

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

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

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

OR

OR

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

Ans.

Dr.	Revaluation A/c	Cr.
-----	-----------------	-----

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

½ x 4
=
2 marks

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

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

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

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

½ x 6
=
3 marks

=
2+3+3

=
8 marks

PART B OPTION 1

Analysis of Financial Statements

Q. Mevo Finance LtdInvesting Activities.

Ans. Cash Flows from Investing activities

Particulars	Amount (₹)	Amount (₹)
Sale of Machinery	69,000	
Purchase of machinery	<u>(9,00,000)</u>	
Net Cash used in Investing Activities		(8,31,000)

1 mark

Q. State the meaning of 'Cash Equivalents'.

Ans. Cash Equivalents mean short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

1 mark

		<p>Q. Explain briefly any four objectives of ‘Analysis of Financial Statements’.</p> <p>Ans. Objectives of ‘Financial Statements Analysis’: (Any four)</p> <p>(i) Assessing the earning capacity or profitability (ii) Assessing the managerial efficiency (iii) Assessing the short term and the long-term solvency of the enterprise (iv) Inter- firm comparison. (v) Forecasting and preparing budgets. (vi) Ascertaining the relative importance of different components of the financial position of the firm.</p> <p>(If the candidate has not given the headings but has given the correct explanation, full credit may be given)</p> <p style="text-align: center;">OR</p> <p>Q. State under which major headings and sub-headingsdeveloped by the company.</p> <p>Ans.</p> <table border="1" data-bbox="272 974 1338 1575"> <thead> <tr> <th></th> <th>Item</th> <th>Head</th> <th>Sub-Head</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Prepaid Insurance</td> <td>Current Assets</td> <td>Other Current Assets</td> </tr> <tr> <td>(ii)</td> <td>Investment in Debentures</td> <td>Non Current Assets</td> <td>Non Current Investments</td> </tr> <tr> <td>(iii)</td> <td>Calls-in-arrears</td> <td>Shareholders’ Funds</td> <td>Share Capital/ Subscribed Capital</td> </tr> <tr> <td>(iv)</td> <td>Unpaid dividend</td> <td>Current Liabilities</td> <td>Other Current Liabilities</td> </tr> <tr> <td>(v)</td> <td>Capital Reserve</td> <td>Shareholders’ Funds</td> <td>Reserves and Surplus</td> </tr> <tr> <td>(vi)</td> <td>Loose Tools</td> <td>Current Assets</td> <td>Inventories</td> </tr> <tr> <td>(vii)</td> <td>Capital work-in-progress</td> <td>Non Current Assets</td> <td>Fixed Assets</td> </tr> <tr> <td>(viii)</td> <td>Patents being developed by the company</td> <td>Non Current Assets</td> <td>Fixed Assets- Intangible Assets under development</td> </tr> </tbody> </table>		Item	Head	Sub-Head	(i)	Prepaid Insurance	Current Assets	Other Current Assets	(ii)	Investment in Debentures	Non Current Assets	Non Current Investments	(iii)	Calls-in-arrears	Shareholders’ Funds	Share Capital/ Subscribed Capital	(iv)	Unpaid dividend	Current Liabilities	Other Current Liabilities	(v)	Capital Reserve	Shareholders’ Funds	Reserves and Surplus	(vi)	Loose Tools	Current Assets	Inventories	(vii)	Capital work-in-progress	Non Current Assets	Fixed Assets	(viii)	Patents being developed by the company	Non Current Assets	Fixed Assets- Intangible Assets under development	<p>$\frac{1}{2}$ mark for heading + $\frac{1}{2}$ mark for its explanation = 1 x 4 = 4 marks</p> <p style="text-align: center;">OR</p> <p>$\frac{1}{2}$ x 8 = 4 marks</p>
	Item	Head	Sub-Head																																				
(i)	Prepaid Insurance	Current Assets	Other Current Assets																																				
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		<p>(a) Calculate Revenue from operations 25% on cost.</p> <p>Ans. Current ratio =2:1 and Current assets = ₹8,00,000 Current ratio = Current Assets/ Current Liabilities=2:1 Therefore, Current Liabilities =₹4,00,000</p> <p>Quick ratio = Quick Assets/ Current Liabilities=1.5:1 Therefore, Quick Assets =₹6,00,000</p>																																					

	<p>Inventory= Current Assets - Quick Assets =₹8,00,000 - ₹6,00,000 =₹2,00,000</p> <p>Inventory Turnover Ratio=6 times Cost of Revenue from operations/ Average Inventory = 6 times Cost of Revenue from operations/ ₹2,00,000 = 6 Cost of Revenue from operations =₹12,00,000 Gross Profit is 25% on cost =25% of ₹12,00,000 =₹3,00,000 So, Revenue from operations = ₹12,00,000 +₹3,00,000 = ₹15,00,000</p> <p>(b) The Operating ratio of a company is 60%. State whether ‘Purchase of goods costing ₹20,000’ will increase, decrease or not change the operating ratio.</p> <p>Ans. ‘Purchase of goods costing ₹20,000’ will not change the operating ratio.</p> <p style="text-align: center;">OR</p> <p>Q. Calculate ‘Total Assets to Debt.....’</p> <p>Ans. Total Assets= Total Liabilities= Equity Share Capital + Long Term borrowings + Surplus +General reserve + Current Liabilities + Long term Provisions =₹4,00,000 + ₹1,80,000 + ₹1,00,000 + ₹70,000 + ₹30,000 + ₹1,20,000 =₹9,00,000</p> <p>Debt= Long Term borrowings+ Long term Provisions = ₹1,80,000 + ₹1,20,000 = ₹3,00,000</p> <p>Total assets to debt Ratio= Total assets/ debt =₹9,00,000/₹3,00,000 =3:1</p> <p>(b) The Debt Equity ratio..... Debt Equity Ratio.</p> <p>Ans. Issue of bonus Shares will not change the ratio.</p>	<p>3 marks</p> <p>+</p> <p>1 mark =</p> <p>4 marks</p> <p>OR</p> <p>3 marks</p> <p>+</p> <p>1 mark =</p> <p>4 marks</p>
	<p>Q. From the following information extracted from the Statement of Profit and Loss for....</p>	

Ans.

**Comparative Statement of Profit and Loss
for the years ended 31st March 2017 and 31st March 2018**

Particulars	2016-17 (₹)	2017-18 (₹)	Absolute Increase/ Decrease (₹)	Percentage Increase/ Decrease (%)
Revenue from operations	5,00,000	6,00,000	1,00,000	20
Add Other income	1,00,000	1,20,000	20,000	20
Total Revenue	6,00,000	7,20,000	1,20,000	20
Less Employee benefit expenses	1,80,000	2,88,000	1,08,000	60
Profit before Tax	4,20,000	4,32,000	12,000	2.86
Less Tax	2,10,000	2,16,000	6,000	2.86
Profit after Tax	2,10,000	2,16,000	6,000	2.86

1 mark

1 mark

1 mark

1 mark

=
4 marks

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

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

Particulars	Amount (₹)	Amount (₹)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before Tax	4,58,000	
Add depreciation on Plant and Machinery	5,000	
Interest on 12% Debentures	50,000	
<i>Operating profit before Working Capital changes</i>	5,13,000	
Less Increase in Trade Receivables	(2,90,000)	
<i>Cash generated from operations</i>	2,23,000	
Less tax paid	(46,000)	
Cash Inflows from Operating activities		1,77,000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Plant and Machinery	(3,50,000)	
Purchase of Goodwill	(98,000)	
Cash used in Investing activities		(4,48,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of Shares	2,10,000	
Issue of 12% Debentures	2,00,000	
Bank overdraft raised	73,000	
Interest paid on 12% Debentures	(50,000)	
Cash Inflows from Financing activities		4,33,000

2 marks

1 mark

1 ½ marks

		<table border="1"> <tr> <td>Net increase in Cash and Cash equivalents</td> <td></td> <td>1,62,000</td> </tr> <tr> <td><i>Add Opening balance of Cash and Cash equivalents</i></td> <td>70,000</td> <td></td> </tr> <tr> <td> Current Investments</td> <td><u>63,000</u></td> <td><u>1,33,000</u></td> </tr> <tr> <td> Cash and Cash equivalents</td> <td></td> <td></td> </tr> <tr> <td><i>Closing balance of Cash and Cash equivalents</i></td> <td>1,40,000</td> <td></td> </tr> <tr> <td> Current Investments</td> <td><u>1,55,000</u></td> <td><u>2,95,000</u></td> </tr> <tr> <td> Cash and Cash equivalents</td> <td></td> <td></td> </tr> </table>	Net increase in Cash and Cash equivalents		1,62,000	<i>Add Opening balance of Cash and Cash equivalents</i>	70,000		Current Investments	<u>63,000</u>	<u>1,33,000</u>	Cash and Cash equivalents			<i>Closing balance of Cash and Cash equivalents</i>	1,40,000		Current Investments	<u>1,55,000</u>	<u>2,95,000</u>	Cash and Cash equivalents			½ mark
Net increase in Cash and Cash equivalents		1,62,000																						
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Cash and Cash equivalents																								
		<p><u>Working Notes:</u> <u>Calculation of Net Profit before Tax:</u></p> <table> <tr> <td>Net profit</td> <td>2,60,000</td> </tr> <tr> <td>Add Amount transferred to reserve</td> <td>80,000</td> </tr> <tr> <td>Add Provision for Tax</td> <td><u>1,18,000</u></td> </tr> <tr> <td></td> <td><u>4,58,000</u></td> </tr> </table>	Net profit	2,60,000	Add Amount transferred to reserve	80,000	Add Provision for Tax	<u>1,18,000</u>		<u>4,58,000</u>	1 mark = 6 marks													
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		PART B OPTION II Computerised Accounting																						
		<p>Q. What is meant by ‘Data base design’?</p> <p>Ans. It means description of the structure of different parts of the overall database.</p>	1 mark																					
		<p>Q. What is meant by a ‘Summary Query’?</p> <p>Ans. Summary Query is used to extract aggregate of data items for a group of records rather than a detailed set of records.</p>	1 mark																					
		<p>Q. Why is it necessary....data security.</p> <p>Ans. To maintain the secrecy of accounting data it is necessary to have security features in accounting software.</p> <p><u>Tools which provide data security are: (Any two)</u></p> <p>(i) <u>Password security:</u> Password is widely accepted security control to access the data. Only the authorised person can access the data. Any user who does not know the password cannot retrieve information from the system. It ensures data integrity. It uses a binary encoding format of storage and offers access to the data base.</p> <p>(ii) <u>Data Audit:</u> Audit feature of accounting software provides the user with administrator right in order to keep track of unauthorised access to the data base. It audit for the correctness of entries. Once entries are audited</p>	2 +2 marks																					

	<p>with adulterations, if any, the software displays all entries along with the name of the auditor user and date and time of alteration.</p> <p>(iii) <u>Data vault</u>:</p> <p>Software provides additional security for the imputed data and this feature is referred as data vault. Data vault ensures that original information is presented and is not tempered. Data vault password cannot be broken. Some software uses data encryption method. 4 marks</p>	<p>=</p> <p>4 marks</p>
	<p>Q. Explain “Null Values and Complex attributes”.</p> <p>Ans. Null Values: Absence of data item is represented by a special value called Null Value. There are three situations which may require the use of null value.</p> <ul style="list-style-type: none"> - When a particular attribute does not apply to an entity. - Value of an attribute is unknown, although it exist; - Unknown because it does not exist. <p>Complex Attributes: The composite and multi value attributes may be nested (or grouped) to constitute complex ones. The parenthesis [] are used for showing grouping of components of composite attributes. The braces { } are used for showing the multi value attributes.</p> <p style="text-align: center;">OR</p> <p>Q. Explain closing entries and adjusting entries.</p> <p>Ans. Closing entry: The closing entries for completing the profit and loss account are:</p> <p>(i) Debit profit and loss account. Credit the various expenses account appearing in the Trail Balance.</p> <p>(a) Debit account showing incomes or gains Credit the profit and loss account.</p> <p>This will close the profit and loss account. <u>Entries required to make the trading account and profit and loss account are known as closing entries because their effect is to close the books of account for the year concerned.</u></p> <p>Adjusting Entry: The Adjusting entry is recorded to relate the figures to the trading period. Suppose, premises have been sublet on March 31, and three months’ rent, has been received in advance amounting to Rs. 9000. While preparing accounts up to 31st March, one should take into account only one month’s rent for preparing the profit and loss account (accounting period concept); the rest two month’s rent, already received is for the next year and will be credited to profit and loss account next year. The adjusting entry will be:</p> <p style="text-align: center;">Rent Account Dr To Advance Rent Account</p> <p>Rent Received in advance Account is a ‘Liability’ and is shown in the balance sheet.</p>	<p>2 marks</p> <p>+</p> <p>2 marks</p> <p>=</p> <p>4 marks</p> <p>OR</p> <p>2 marks</p> <p>+</p> <p>2 marks</p> <p>=</p> <p>4 marks</p>

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