



		<p><b>Q. What is meant by..... Shares ?</b></p> <p><b>Ans :</b> Private placement of shares means issue and allotment of shares to a select group of persons privately.</p> <p style="text-align: center;"><b>OR</b></p> <p><b>Q. What is meant by.....'Reserve Capital'</b></p> <p><b>Ans :</b> Reserve Capital is a portion of a uncalled capital that is reserved by the company to be called in the event of winding up of the company.</p>	<p><b>1</b></p> <p><b>OR</b></p> <p><b>1</b></p>																															
		<p><b>Q. Average profits..... employed by the firm.</b></p> <p><b>Ans :</b> Goodwill at 4 years purchase of super profits = ₹1,00,000          Super Profits = ₹ <math>\frac{1,00,000}{4}</math> = ₹ 25,000</p> <p>Average Profits – Normal Profits = Super Profits          Normal Profits = Average Profits – Super profits          Normal Profits = ₹80,000 – ₹25,000 = ₹ 55,000</p> <p>Capital Employed = <math>\frac{100}{\text{NRR}} \times \text{Normal Profits}</math>          ₹55,000 x <math>\frac{100}{10}</math> = ₹ 5,50,000</p>	<p><b>1</b></p> <p><b>1</b></p> <p><b>1</b></p> <p><b>= (3)</b></p>																															
		<p><b>Q. 'UZ Ltd. .... in the books of 'UZ Ltd.'</b></p> <p><b>Ans :</b> <b>Books of UZ Ltd.</b>  <b>Journal</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 45%;">Particulars</th> <th style="width: 5%;">LF</th> <th style="width: 15%;">Dr. Amt (₹)</th> <th style="width: 25%;">Cr. Amt (₹)</th> </tr> </thead> <tbody> <tr> <td></td> <td>(i) Plant &amp; Machinery A/c Dr. To Elk Machine Ltd. (Being Machinery purchased)</td> <td></td> <td style="text-align: right;">6,90,000</td> <td style="text-align: right;">6,90,000</td> </tr> <tr> <td></td> <td>(ii) Elk Machine Ltd. Dr. To Bills Payable A/c (Being bills accepted)</td> <td></td> <td style="text-align: right;">90,000</td> <td style="text-align: right;">90,000</td> </tr> <tr> <td></td> <td>(iii) Elk Machine Ltd. Dr. Discount on debentures A/c Dr. To 6% debentures A/c (Being 6% debentures issued at 20% discount)</td> <td></td> <td style="text-align: right;">6,00,000 1,50,000</td> <td style="text-align: right;">7,50,000</td> </tr> <tr> <td></td> <td style="text-align: center;"><b>OR for (ii) &amp; (iii)</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Elk Machine Ltd. Dr. Discount on debentures A/c Dr. To Bills Payable A/c To 6% debentures A/c (Being bills accepted &amp; 6% debentures issued at 20% discount)</td> <td></td> <td style="text-align: right;">6,90,000 1,50,000</td> <td style="text-align: right;">90,000 7,50,000</td> </tr> </tbody> </table> <p><b>(No. of debentures issued = 6,00,000/80 = 7500)</b></p>	Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)		(i) Plant & Machinery A/c Dr. To Elk Machine Ltd. (Being Machinery purchased)		6,90,000	6,90,000		(ii) Elk Machine Ltd. Dr. To Bills Payable A/c (Being bills accepted)		90,000	90,000		(iii) Elk Machine Ltd. Dr. Discount on debentures A/c Dr. To 6% debentures A/c (Being 6% debentures issued at 20% discount)		6,00,000 1,50,000	7,50,000		<b>OR for (ii) &amp; (iii)</b>					Elk Machine Ltd. Dr. Discount on debentures A/c Dr. To Bills Payable A/c To 6% debentures A/c (Being bills accepted & 6% debentures issued at 20% discount)		6,90,000 1,50,000	90,000 7,50,000	<p><b>1</b></p> <p><b>½</b></p> <p><b>1 ½</b></p> <p><b>= (3)</b></p>	
Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)																														
	(i) Plant & Machinery A/c Dr. To Elk Machine Ltd. (Being Machinery purchased)		6,90,000	6,90,000																														
	(ii) Elk Machine Ltd. Dr. To Bills Payable A/c (Being bills accepted)		90,000	90,000																														
	(iii) Elk Machine Ltd. Dr. Discount on debentures A/c Dr. To 6% debentures A/c (Being 6% debentures issued at 20% discount)		6,00,000 1,50,000	7,50,000																														
	<b>OR for (ii) &amp; (iii)</b>																																	
	Elk Machine Ltd. Dr. Discount on debentures A/c Dr. To Bills Payable A/c To 6% debentures A/c (Being bills accepted & 6% debentures issued at 20% discount)		6,90,000 1,50,000	90,000 7,50,000																														

OR

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

**Ans :** Books of ZK Ltd.  
Journal

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

1  
2  
=  
(3)

**Q. Willow Ltd..... Companies Act, 2013.**

**Ans :** Willow Ltd  
Balance Sheet as at 31<sup>st</sup> March, 2018 (an extract)

Particulars	Note No.	Amount ₹ Current year
<b>EQUITY &amp; LIABILITIES</b>		
<b>1. Shareholders' Funds</b>		
(a) Share Capital	1	7,44,000

1

**Notes to Accounts :**

Note No.	Particulars	Amount (₹)
1	<u>Share Capital</u>	
	(i) Authorised Capital 1,00,000 Equity Shares of Rs 10 each	<u>10,00,000</u>
	(ii) Issued Capital 80,000 Equity Shares of Rs 10 each	<u>8,00,000</u>
	(iii) Subscribed Capital	
	a. Subscribed and Fully paid 72,000 equity shares of ₹ 10 each	7,20,000
	b. Subscribed but not fully paid 3000 Equity shares of 10 each   30,000 Less : Calls in arrears         (6000)	24,000
		<b>7,44,000</b>

½  
½  
½  
½  
=  
(3)



			<b>April 1</b>	Hari's Capital A/c	Dr.	2500	5,000	1
			Kunal's Capital A/c	Dr.	1500			
				Uma's Capital A/c	Dr.	1000		
				To Revaluation A/c (Being loss on revaluation transferred)				
			<b>April 1</b>	Kunal's Capital A/c	Dr.	60,000	90,000	1 = (4)
				Uma's Capital A/c	Dr.	30,000		
				To Hari's Capital A/c (Being treatment of goodwill on change in profit sharing ratio)				

**Q. Meera, Sarthak ..... presented to his executors.**  
**Ans.**

**Sarthak's Capital Account**

Dr.		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)
Sarthak's Executors A/c (Bal. figure) <b>(1/2 mark)</b>	6,58,750	Balance b/d	3,50,000
		Meera's Capital A/c	1,60,000
		Rohit's Capital A/c	80,000
		P & L Suspense A/c	20,000
		Interest on Capital A/c	8,750
		Contingency Reserve A/c	40,000
	<b>6,58,750</b>		<b>6,58,750</b>

½  
½  
½  
1  
½  
½  
  
=  
4 Marks

**Working :,**

(i) **Goodwill**

Average profit for 4 years

$$\frac{1,20,000 + 2,00,000 + 2,60,000 + 2,20,000}{4} = \frac{8,00,000}{4} = 2,00,000$$

$$\text{Goodwill} = 2,00,000 \times 3 = 6,00,000$$

$$\text{Sarthak's Share of Goodwill} = 6,00,000 \times \frac{2}{5} = 2,40,000$$

(ii) **Sarthak's Share of Profit**

$$\frac{4,80,000}{2} = 2,40,000 \times \frac{2.5}{12} \times \frac{2}{5} = 20,000$$

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

Ans :

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

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

1 mark each for subscriptions and printing & stationery +  $\frac{1}{2} \times 8$  2+4 = (6)

Q. Ashish and Kanav..... Prepare Revaluation Account.

Ans :

Dr. Realisation Account Cr.

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

1 mark each for transfer of Sundry Assets and transfer of Sundry Liabilities +  $\frac{1}{2} \times 8$  i.e. 2+4 = (6)

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

**Solution of Hindi version**

**Ans :**

**Realisation Account**

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

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

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

**Ans.**

**Books of the Naveen, Qadir and Rajesh**

**Journal**

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

2

**Working:**

**Past Adjustment Table**

Particulars	Naveen	Qadir	Rajesh	Total
<b>A. Cancellation of Interest on Capital :</b>				
2016-17	24,000(Dr.)	21,600(Dr.)	14,400(Dr.)	60,000(Cr.)
2017-18	24,000(Dr.)	21,600(Dr.)	14,400(Dr.)	60,000(Cr.)
<b>TOTAL Interest on Capital</b>	48,000(Dr.)	43,200(Dr.)	28,800(Dr.)	1,20,000(Cr.)
<b>B. Omission of Salary :</b>				
2016-17	14,000(Cr.)	16,000(Cr.)	-----	30,000(Dr.)
2017-18	14,000(Cr.)	16,000(Cr.)	-----	30,000(Dr.)
<b>TOTAL Salary</b>	28,000(Cr.)	32,000(Cr.)	-----	60,000(Dr.)
<b>C. Profits to be credited : A-B</b>				
2016-17 (3:2:1)	15,000(Cr.)	10,000(Cr.)	5,000(Cr.)	30,000(Dr.)
2017-18 (3:2:1)	15,000(Cr.)	9,000(Cr.)	6,000(Cr.)	30,000(Dr.)

4

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<b>TOTAL profits credited</b>	30,000(Cr.)	19,000(Cr.)	11,000(Cr.)	60,000(Dr.)
<b>Net Effect [A+B+C]</b>	<b>10,000 (Cr.)</b>	<b>7,800(Cr.)</b>	<b>17,800(Dr.)</b>	<b>00</b>

(6)

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

OR

Q. On 31<sup>st</sup> March ,..... clearly.

Ans.

**Books of the Abhir, Bobby and Vineet  
Journal**

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

1

**Working:**

(A)

**Past Adjustment Table**

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

2

(B) Calculation of Opening Capital :

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

3

(C) Interest on Capital @ 10% 98,000 + 64,000 + 47,000 = ₹ 2,09,000  
Profits available = ₹1,50,000 + 13,600 = ₹163,600

= (6)

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

Q. Denspar Ltd. Invited.....books of Denspar Ltd.

Ans :

**Books of Denspar Ltd.  
Journal**

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)
	Bank A/c Dr. To Equity Share Application A/c (Being application money received)		3,60,000	3,60,000
	Equity Share Application A/c Dr. To Equity Share Capital A/c (Being application money transferred)		3,60,000	3,60,000
	Equity Share Allotment A/c Dr. To Equity Share Capital A/c To Security Premium Reserve A/c (Being allotment money due)		23,40,000	5,40,000 18,00,000

½

½

½



Bank A/c Calls in Arrears A/c To Equity Share Allotment A/c To Calls in Advance A/c (Being allotment money received)	Dr. Dr.	23,24,000 91,000	23,40,000 75,000	1
Equity Share 1st Call A/c To Equity Share Capital A/c To Security Premium Reserve A/c (Being share first call due)	Dr.	12,60,000	3,60,000 9,00,000	½
Bank A/c Calls in Advance A/c To Equity Share First Call A/c To Calls in arrear A/c (Being call money received)	Dr. Dr.	13,16,000 35,000	12,60,000 91,000	1
Equity Share Second & Final Call A/c To Equity Share Capital A/c To Security Premium Reserve A/c (Being second and final call money due)	Dr.	14,40,000	5,40,000 9,00,000	½
Bank A/c Calls in arrear A/c Calls in advance A/c To Equity Share 2 <sup>nd</sup> & Final Call A/c (Being call money received)	Dr. Dr. Dr.	13,84,000 16,000 40,000	14,40,000	1
Equity Share Capital A/c Security Premium Reserve A/c To Calls in arrear A/c To Share forfeited A/c (Being 2,000 shares forfeited)	Dr. Dr.	20,000 10,000	16,000 14,000	1
Bank A/c Share forfeited A/c To Equity Share Capital A/c (Being 1,500 shares reissued)	Dr. Dr.	12,000 3,000	15,000	1
Share forfeited A/c To Capital Reserve A/c (Being balance in share forfeited account for 1,500 shares transferred to Capital Reserve)	Dr.	7,500	7,500	½ = (8)

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

**OR**

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

Books of 'KLN Ltd.'

Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)
	Bank A/c Dr. To Equity Share Application A/c (Being application money received on 1,90,000 shares @ ₹3 per share )		5,70,000	5,70,000
	Equity Share Application A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c To Equity Share Allotment A/c To Bank A/c (Being application money transferred to share capital, share allotment and the balance refunded)		5,70,000	2,00,000 1,00,000 1,50,000 1,20,000
	Equity Share Allotment A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being allotment money due)		4,00,000	3,00,000 1,00,000
	Bank A/c Dr. Calls in Arrear Ac Dr. To Equity Share Allotment A/c (Being allotment money received ) <b>Or</b> Bank A/c Dr. To Equity Share Allotment A/c (Being allotment money received )		2,43,500 6,500	2,50,000 2,43,500
	Equity Share First Call A/c Dr. To Equity Share Capital A/c (Being call money due)		3,00,000	3,00,000
	Bank A/c Dr. Calls in Arrears A/c Dr. To Equity Share First Call A/c (Being call money received) <b>Or</b> Bank A/c Dr. To Equity Share First Call A/c (Being call money received)		2,85,000 15,000	3,00,000 2,85,000
	Equity Share Capital A/c Dr. Securities Premium Reserve A/c Dr. To Share Forfeited A/c To Calls in Arrear A/c (Being share forfeited) <b>or</b> Equity Share Capital A/c Dr. Securities Premium Reserve A/c Dr.		16,000 2,000	5,500 12,500

½

1

½

1

½

½

1

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

<b>Q. Mohan, Vinay and Nitya..... reconstituted firm.</b>			
<b>Ans.</b>			
<b>Dr.</b>		<b>Cr.</b>	
<b>Revaluation Account</b>			
<b>Particulars</b>	<b>Amount (₹)</b>	<b>Particulars</b>	<b>Amount (₹)</b>
To Plant & Machinery A/c To Provision for Bad Debts <b>[Bad debts 1,000</b>	6,000  4,000	By Bank A/c By Partners' Capital A/c Mohan 3,000 Vinay 2,000 Nitya <u>1,000</u>	4,000   6,000
<b>Provision for bad debts 3,000]</b>			
	<b>10,000</b>		<b>10,000</b>

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

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

4

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

**Balance Sheet as at 31<sup>st</sup> March, 2018**

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

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

2 = (8)

OR

Dr.		Revaluation A/c		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
To Stock A/c	16,000	By Loss transferred to Partners' Capital A/c			
To claim for workmen Compensation	40,000	Leena	33,600		
		Rohit	<u>22,400</u>		
	<b>56,000</b>		<b>56,000</b>		

2

Dr.				Partners' Capital A/c				Cr.			
Particulars	Leena	Rohit	Manoj	Particulars	Leena	Rohit	Manoj				
To Revaluation A/c (Loss)	33,600	22,400		By Balance b/d	1,60,000	1,40,000					
To Balance c/d	1,93,400	1,75,600		By General Reserve	27,000	18,000					
				By Premium for Goodwill	40,000	40,000					
	<b>2,27,000</b>	<b>1,98,000</b>			<b>2,27,000</b>	<b>1,98,000</b>					
To Balance c/d	1,93,400	1,75,600	92,250	By Balance b/d	1,93,400	1,75,600					

1 mark for each capital A/c

				By Cash/Bank A/c			92,250
	1,93,400	1,75,600	92,250		1,93,400	1,75,600	92,250

3

**Balance Sheet as at 31<sup>st</sup> March, 2018**

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	80,000	Cash	2,14,250
Bills Payable	38,000	(42,000 + 80,000 + 92,250)	
Claim for workmen compensation	40,000	Debtors 1,32,000	1,25,000
Partners' Capital A/cs. :		Less : Provision for Doubtful Debts 7,000	
Leena 1,93,400		Plant & Machinery	
Rohit 1,75,600		Stock	1,30,000
Manoj 92,250	4,61,250		
	<b>6,19,250</b>		<b>6,19,250</b>

1 ½ mark for correct assets side +1 ½ mark for correct Liabilities Side  
3

= (8)

**Working :**

**Sacrificing Share = Old Share – New Share**

**Leena's Sacrifice = 3/5 – 5/10 = 1/10**

**Rohit's Sacrifice = 2/5 – 3/10 = 1/10**

**Sacrificing Ratio = 1 : 1**

**PART B  
OPTION - I  
(Financial Statements Analysis)**

**Q. 'Under which type .....Cash Flow Statement?**

**Ans.** Investing Activity

1

**Q. State the primary ..... 'Cash Flow Statement.'**

**Ans.** The primary objective of Cash Flow Statement is to provide useful information about Cash Flows (Inflows & outflow) of an enterprise during a particular period under various heads i.e operating , investing & financing activities.

1

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

**Ans.**

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

½ X 8  
= (4)

**OR**

**Q. Explain briefly..... of Financial Statements.**

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

- (i) It is a **Historical Analysis** as it analyses what has happened till date. It doesn't reflect the future.
- (ii) It **ignores price level changes** as a change in price level makes analysis of financial statements of different accounting years invalid.
- (iii) It **ignores qualitative aspect** as the quality of management, quality of staff etc. are ignored while carrying out the analysis of financial statements.
- (iv) It suffers from the **limitations of financial statements** as the analysis is based on the information given in the financial statements.
- (v) It is **not free from bias** of accountants such as method of inventory valuation, method of depreciation etc.
- (vi) It may lead to **window dressing** i.e. showing a better financial position than what actually is by manipulating the books of accounts.
- (vii) It **may be misleading** without the knowledge of the changes in accounting procedure by a firm.

1x4  
=  
(4)

**Q. (i) From the following..... Rs. 1,00,000.**

**Ans.** Interest Coverage Ratio =  $\frac{\text{Net Profits before Interest \& Tax}}{\text{Interest on long term debts}}$

		<b>(Rs.)</b>
Net Profits after Interest and Tax	--	1,20,000
Add : Tax @ 40%	--	80,000
Interest on debt	--	<u>27,000</u> (15,000 + 12,000)
Profits before Interest & Tax	=	2,27,000

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

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

**Ans.**

After purchase of goods on credit :

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

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

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

2

2  
=  
(4)

**OR**  
**REASON**

- |       | <u>EFFECT</u> |                                                                      |
|-------|---------------|----------------------------------------------------------------------|
| (i)   | Decrease      | As quick assets will decrease with no change in current liabilities. |
| (ii)  | Decrease      | As current liabilities will increase with no change in quick assets. |
| (iii) | Increase      | As quick assets will increase with no change in current liabilities. |
| (iv)  | No change     | As neither quick assets nor current liabilities are changing.        |

1 x 4  
=  
(4)

**Q. From the information .....Profit and Loss.**

**Ans.**

**Comparative Statement of Profit & Loss**  
**For the years ending 31<sup>st</sup> March 2017 and 2018**

Particulars	Note No.	2016-17 (₹)	2017- 18 (₹)	Absolute Inc/ Dec.	% age Inc./Dec

				(₹)	
I) Revenue from Operations		4,00,000	7,20,000	3,20,000	80
II) Less: Expenses					
a) Cost of material consumed		2,00,000	2,40,000	40,000	20
b) Other expenses		20,000	48,000	28,000	140
<b>Total Expenses</b>		<b>2,20,000</b>	<b>2,88,000</b>	<b>68,000</b>	<b>30.9</b>
Profit before Tax (I – II)		1,80,000	4,32,000	2,52,000	140
Less: Tax @ 50%		90,000	2,16,000	1,26,000	140
<b>Profit after tax</b>		<b>90,000</b>	<b>2,16,000</b>	<b>1,26,000</b>	<b>140</b>

1  
1  
1  
1  
=  
(4)

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

**DCX Ltd.**  
**Cash flow Statement for the year ending 31<sup>st</sup> March, 2018**

Particulars	Details (₹)	Amount (₹)
<b>A. Cash flows from Operating Activities :</b>		
Net Profit before Tax	(24,000)	
Add : Depreciation on Machinery	4,20,000	
Add : Interest on Debentures	64,000	
Less : Gain on sale of machinery	(1,60,000)	
Operating profit before the working Capital changes	3,00,000	
Add: Increase in Trade Payables	50,000	
Less: Increase in Inventories	(4,00,000)	
Cash generated from Operations before tax	(50,000)	
Less: Tax Paid	(56,000)	
<b>Net Cash used in Operating Activities</b>		<b>(1,06,000)</b>
<b>B. Cash flows from Investing Activities :</b>		
Purchase of Machinery	(16,00,000)	
Purchase of Intangible Assets	(1,00,000)	
Sale of Machinery	6,40,000	
<b>Net Cash used in investing activities</b>		<b>(10,60,000)</b>
<b>C. Cash flows from financing Activities</b>		
Issue of shares	9,00,000	
Issue of Debentures	3,00,000	
Interest paid on debentures	(64,000)	
<b>Cash Inflows from Financing Activities</b>		<b><u>11,36,000</u></b>
<b>Net Decrease in Cash and Cash Equivalents</b>		<b><u>(30,000)</u></b>
<b>Add: Opening Balance of Cash and Cash equivalents</b>		
Current Investments	78,000	
Cash & cash equivalents	78,000	
<b>Closing Balance of Cash and Cash equivalents</b>		<b><u>1,56,000</u></b>
Current Investments	89,000	
Cash & cash equivalents	37,000	
		<b>1,26,000</b>

1½  
1  
1  
1

**Working Notes:****Calculation of Profit before Tax :**

Net Profit for the year = (1,00,000)  
 Add: Provision for tax = 76,000  
 Net profit before tax = (24,000)

½

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

½

**Working Notes**  
**Accumulated Depreciation A/c**

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

½

= (6)

**PART B**  
**OPTION - II**  
**(Computerized Accounting )**

**Q. What is.....attributes.**

**Ans.** In DBMS data is organised in tables .A table has a number of rows and columns. Each row contains a record of information. The information which is in the form of a sequence of columns is known as **attribute**.

1 Mark

**Q. What is meant.....'Hardware'?**

**Ans:** Computer related peripherals and their network is known as hardware.

1 Mark

**Q. Give four..... accounting system.**

**Ans :** Following are the limitations of computerised accounting softwares:

1. Faster obsolescence of technology necessitates investment in shorter period of time
2. Data may be lost or corrupted due to power interruptions.
3. Data are prone to hacking.
4. Un-programmed and un-specified reports cannot be granted.

4 Marks

**Q. Explain any two.....information system.**

**Ans: (Any Two)**

- Cash and bank sub- system
- Sales and accounts receivable sub-system
- Inventory sub-system
- Purchase and accounts payable sub-system
- Payroll accounting sub-system



			<ul style="list-style-type: none"> <li>• Fixed assets accounting sub-system</li> <li>• Expense accounting sub-system</li> <li>• Tax accounting sub-system</li> <li>• Final accounts sub-system</li> <li>• Costing sub-system</li> <li>• Budget sub-system</li> </ul> <p style="text-align: center;"><b>(With suitable explanation)</b></p> <p style="text-align: center;"><b>OR</b></p> <p><b>Q. List the elements ..... a given period.</b></p> <p><b>Ans :</b> Elements considered while calculating 'deductions' for current payroll period are:</p> <ol style="list-style-type: none"> <li>1. PT professional tax applicable in state.</li> <li>2. TDS- Tax deduction at source which is a statutory deduction and deducted towards monthly income tax liability.</li> <li>3. Recovery of loan instalment if taken up by employee.</li> <li>4. Any other deduction e.g 'advance against salary or festival advance etc.</li> </ol>	<p><b>4 Marks</b></p> <p><b>OR</b></p> <p><b>4 Marks</b></p>
22	21	22	<p><b>Q. State the steps ..... in Tally.</b></p> <p><b>Ans:</b> The following are the steps to construct BRS in tally:</p> <ol style="list-style-type: none"> <li>1. Bring up the monthly summary of bank book.</li> <li>2. Bring your cursor to the first month and press enter. This brings up the vouchers for the month. Since this is a bank account, an additional button F5: reconcile will be visible on the right Press F5.</li> <li>3. The display now becomes an Edit screen in Reconciliation mode. The primary components are: A column for the 'Bankers Date'</li> <li>4. Amounts not reflected in banks</li> <li>5. Balance as per bank</li> </ol> <p style="text-align: center;"><b>OR</b></p> <p><b>Q. Explain composite..... attributes.</b></p> <p><b>Ans :</b></p> <ol style="list-style-type: none"> <li>1. <b>Composite Vs simple (or atomic) attributes:</b> The composite attributes can be divided into smaller sub-parts to represent some more basic attributes with independent meanings. The simple attributes cannot be further sub-divided. For example, Name of a person that is normally sub-divided into first name, middle name and last name is a composite attributes. Height of a person is a simple attribute as it devoid of further sub-division.</li> <li>2. <b>Single-valued Vs Multi-valued attributes:</b> An attribute with a single value for an entity is single-valued as opposed to those which multiple values. For</li> </ol>	<p><b>4 Marks</b></p> <p><b>OR</b></p>

		example, height of a person is single-valued attribute while qualifications of that person are a multi-valued attribute.	<b>2x2=4 marks</b>
		<p><b>Q. What is meant..... three benefits.</b></p> <p><b>Ans :</b></p> <p>A format change, such as background cell shading or font colour that is applied to a cell when a specified condition for the data in the cell is true.</p> <p><b>Conditional formatting</b> is often applied to worksheets to find:</p> <ul style="list-style-type: none"> <li>• Data that is above or below a certain value. Duplicate data values.</li> <li>• Cells containing specific text. Data that is above or below average.</li> <li>• Data that falls in the top ten or bottom ten values.</li> </ul> <p><b>Benefits of using conditional formatting:</b></p> <ol style="list-style-type: none"> <li>i) Helps in answering questions which are important for taking decisions.</li> <li>ii) Guides with help of using visuals.</li> <li>iii) Helps in understanding distribution and variation of critical data.</li> </ol>	<b>6 marks</b>

