

CBSE Class 12 Accountancy Question Paper Solution SET - 1 Series 4

			Marking Scheme 2018-19 Accountancy (055) <u>67/4/1</u> Expected Answers / Value points	Distribution of marks						
			<p>Q. Differentiate between.....of ‘Period’. Ans.</p> <table><tr><th>Basis</th><th>Receipts & Payments A/c</th><th>Income & Expenditure A/c</th></tr><tr><td>Period</td><td>May relate to preceeding and succeeding periods</td><td>Relate to current period.</td></tr></table> <p style="text-align: center;">OR</p> <p>Q. What is.....’Life Membership Fees’? Ans. Membership fee paid in lump sum to become a life member of a not- for- profit organisation.</p>	Basis	Receipts & Payments A/c	Income & Expenditure A/c	Period	May relate to preceeding and succeeding periods	Relate to current period.	=1 Mark
Basis	Receipts & Payments A/c	Income & Expenditure A/c								
Period	May relate to preceeding and succeeding periods	Relate to current period.								
			<p>Q. Dev withdrew.....on Dev’s Drawings. Ans. Interest On Drawings= 1,20,000x12/100x6/12=7,200</p>	=1 Mark						
			<p>Q. A and B.....A, B, C, D. Ans. Old ratio =3:2 A’s Sacrifice(in favour of C)=1/4x3/5=3/20 B’s Sacrifice(in favour of D)=1/2x2/5=2/10 A’s New Share=3/5-3/20=9/20 B’s New Share=2/5-2/10=2/10 New Profit Sharing Ratio=9:4:3:4</p>	<p style="text-align: center;">½</p> <p style="text-align: center;">½</p> <p>=1 Mark</p>						
			<p>Q. Distinguish between’Closure of Books’. Ans.</p> <table><tr><th>Basis</th><th>Reconstitution of Partnership</th><th>Dissolution of Partnership Firm</th></tr><tr><td>Closure of Books</td><td>Does not require because the business is not terminated.</td><td>The books of accounts are closed.</td></tr></table> <p style="text-align: center;">OR</p> <p>Q. State the basis.....year of Death. Ans. Profit may be estimated (a) On the basis of Last year’s profit/ Average profits of last given no. of years (b) On the basis of Turnover/ Sales.</p>	Basis	Reconstitution of Partnership	Dissolution of Partnership Firm	Closure of Books	Does not require because the business is not terminated.	The books of accounts are closed.	<p>=1 mark</p> <p style="text-align: center;">½</p> <p style="text-align: center;">½</p> <p>=1 Mark</p>
Basis	Reconstitution of Partnership	Dissolution of Partnership Firm								
Closure of Books	Does not require because the business is not terminated.	The books of accounts are closed.								
			<p>Q. What is meant..... Collateral Security? Ans. Debentures issued as secondary security/additional security over and above the primary security is known as Issue of Debentures as Collateral Security.</p> <p style="text-align: center;">OR</p>							

		<p>Q. State the Provision.....Debenture Redemption Reserve. Ans. Where a company has issued Debentures, it shall create a DRR equivalent to at least 25% of the nominal value of debentures outstanding for the redemption of such debentures.</p>	=1 Mark
		<p>Q. State any two.....partnership firm. Ans. At the suit of a partner, the court may order a partnership firm to be dissolved on any of the following grounds: (any two of the following) (a) when a partner becomes insane; (b) when a partner becomes permanently incapable of performing his duties as a partner; (c) when a partner is guilty of misconduct which is likely to adversely affect the business of the firm; (d) when a partner persistently commits breach of partnership agreement; (e) when a partner has transferred the whole of his interest in the firm to a third party; (f) when the business of the firm cannot be carried on except at a loss; or (g) when, on any ground, the court regards dissolution to be just and equitable.</p>	½ x 2 =1 Mark
		<p>Q. What is meant Over-subscription. Ans. When the no. of shares applied is more than the no. of shares offered by the co., it is said to be a case of over-subscription. For Example: A company invited applications for 1,00,000 shares and received applications for 4,00,000 shares. Three alternatives are available for allotment of shares: (a) To allot 1,00,000 shares in full to selected applicants and the remaining 3,00,000 applications were rejected outright. (b) To make pro-rata allotment to all applicants. (c) Totally reject applications for 2,00,000 shares, accept full applications for 80,000 shares and make pro-rata allotment of 20,000 shares to remaining 1,20,000 applicants. (or any other correct example) OR</p> <p>Q. What is meant.....Capital Reserve? Ans. Cancellation of shares for the non payment of called up amount is termed as Forfeiture of shares. Gain on Forfeited shares arises on reissue. It is transferred immediately on the reissue of forfeited shares.</p>	<p>1 ½</p> <p>1 ½</p> <p>= 3 marks</p> <p>OR</p> <p>1</p> <p>1</p> <p>1</p> <p>=3 marks</p>
		<p>Q. Aman, Bimal and Deepak treatment of Goodwill. Ans. Old Ratio= 2:3:5 New Ratio=1:1 (on Aman's Retirement) Bimal's Gain=$1/2 - 3/10 = 2/10$ Deepak's Gain=$1/2 - 5/10 = \text{nil}$ Firm's Goodwill=37,500 Aman's share=$2/10 \times 37,500 = 7,500$</p>	1 ½

			Journal					1 ½ = 3 marks
			Date	Particulars	LF	Dr. Amt. (₹)	Cr. Amt. (₹)	
				Bimal's Capital A/cDr. To Aman's Capital A/c [being adjustment made for the treatment goodwill on Aman's retirement]		7,500	7,500	
			Q. From the following information subscription of Rs. 500.					½ x6 =3 Marks
			Ans. Subscription A/c					
			Particulars	Amt (₹)	Particulars	Amt (₹)		
			To Outstanding sub. (beginning)	4,500	By Advance Sub.(beginning)	3,000		
			To Income & Expenditure A/c	10,00,000	By Bank (B.F.)	10,00,000		
			To advance Sub.(end)	4,500	By Outstanding Sub. (end)	6,000		
				10,09,000		10,09,000		
			OR					
			Subscription for the year= 2,000x500= 10,00,000					
			Add: outstanding for 31-3-2017 = 4,500					
			Less: outstanding for 31-3-2018 = (6,000)					
			Add: Advance of 31-3-2018 = 4,500					
			Less: Advance of 31-3-2017 = (3,000)					
			Subscriptions received during the year= 10,00,000					
			Q. Pass necessary..... Premium of 10%.					1 1
			Ans. Journal					
			Date	Particulars	LF	Dr (₹)	Cr (₹)	
			a)	Bank A/c.....Dr. To Debenture Application & Allotment A/c [Applications received for 7,500, 9% debentures issued at 6% discount]		3,52,500	3,52,500	
			b)	Debenture Application & Allotment A/c.Dr. Discount on issue of Debentures A/c.....Dr. Loss on issue of Debentures A/c.....Dr. To 9% Debentures A/c To Premium on redemption of Deb. A/c [Allotment of 7,500, 9% debentures issued at 6% discount redeemable at 10% premium]		3,52,500 22,500 37,500	3,75,000 37,500	

			<table><tr><th colspan="6">9% Debentures A/c</th></tr><tr><th>Date</th><th>Particulars</th><th>Amt (₹)</th><th>Date</th><th>Particulars</th><th>Amt (₹)</th></tr><tr><td></td><td>To Balance c/d</td><td>3,75,000</td><td></td><td>By Debenture Application & Allotment A/c</td><td>3,52,500</td></tr><tr><td></td><td></td><td></td><td></td><td>By Discount on issue of Deb.</td><td>22,500</td></tr><tr><td></td><td></td><td><u>3,75,000</u></td><td></td><td></td><td><u>3,75,000</u></td></tr></table> <p style="text-align: center;">OR</p> <table><tr><th>Date</th><th>Particulars</th><th>LF</th><th>Dr (₹)</th><th>Cr (₹)</th></tr><tr><td>a)</td><td>Bank A/c.....Dr. To Debenture Application & Allotment A/c [Applications received for 7,500, 9% debentures issued at 6% discount]</td><td></td><td>3,52,500</td><td>3,52,500</td></tr><tr><td>b)</td><td>Debenture Application & Allotment A/c.Dr. Loss on issue of Debentures A/c.....Dr. To 9% Debentures A/c To Premium on redemption of Deb. A/c [Allotment of 7,500, 9% debentures issued at 6% discount redeemable at 10% premium]</td><td></td><td>3,52,500 60,000</td><td>3,75,000 37,500</td></tr></table> <p style="text-align: center;">9% Debentures A/c</p> <table><tr><th>Date</th><th>Particulars</th><th>Amt (₹)</th><th>Date</th><th>Particulars</th><th>Amt (₹)</th></tr><tr><td></td><td>To Balance c/d</td><td>3,75,000</td><td></td><td>By Debenture Application & Allotment A/c</td><td>3,52,500</td></tr><tr><td></td><td></td><td></td><td></td><td>By Loss on issue of Deb.</td><td>22,500</td></tr><tr><td></td><td></td><td><u>3,75,000</u></td><td></td><td></td><td><u>3,75,000</u></td></tr></table>	9% Debentures A/c						Date	Particulars	Amt (₹)	Date	Particulars	Amt (₹)		To Balance c/d	3,75,000		By Debenture Application & Allotment A/c	3,52,500					By Discount on issue of Deb.	22,500			<u>3,75,000</u>			<u>3,75,000</u>	Date	Particulars	LF	Dr (₹)	Cr (₹)	a)	Bank A/c.....Dr. To Debenture Application & Allotment A/c [Applications received for 7,500, 9% debentures issued at 6% discount]		3,52,500	3,52,500	b)	Debenture Application & Allotment A/c.Dr. Loss on issue of Debentures A/c.....Dr. To 9% Debentures A/c To Premium on redemption of Deb. A/c [Allotment of 7,500, 9% debentures issued at 6% discount redeemable at 10% premium]		3,52,500 60,000	3,75,000 37,500	Date	Particulars	Amt (₹)	Date	Particulars	Amt (₹)		To Balance c/d	3,75,000		By Debenture Application & Allotment A/c	3,52,500					By Loss on issue of Deb.	22,500			<u>3,75,000</u>			<u>3,75,000</u>	1
9% Debentures A/c																																																																									
Date	Particulars	Amt (₹)	Date	Particulars	Amt (₹)																																																																				
	To Balance c/d	3,75,000		By Debenture Application & Allotment A/c	3,52,500																																																																				
				By Discount on issue of Deb.	22,500																																																																				
		<u>3,75,000</u>			<u>3,75,000</u>																																																																				
Date	Particulars	LF	Dr (₹)	Cr (₹)																																																																					
a)	Bank A/c.....Dr. To Debenture Application & Allotment A/c [Applications received for 7,500, 9% debentures issued at 6% discount]		3,52,500	3,52,500																																																																					
b)	Debenture Application & Allotment A/c.Dr. Loss on issue of Debentures A/c.....Dr. To 9% Debentures A/c To Premium on redemption of Deb. A/c [Allotment of 7,500, 9% debentures issued at 6% discount redeemable at 10% premium]		3,52,500 60,000	3,75,000 37,500																																																																					
Date	Particulars	Amt (₹)	Date	Particulars	Amt (₹)																																																																				
	To Balance c/d	3,75,000		By Debenture Application & Allotment A/c	3,52,500																																																																				
				By Loss on issue of Deb.	22,500																																																																				
		<u>3,75,000</u>			<u>3,75,000</u>																																																																				

				To Sujeet's Capital A/c (10% of assets realised paid as remuneration)			1,00,075	1x4 = 4 Marks	
		c)		Sujeet's Capital A/c.....Dr. To Bank/Cash A/c (realisation expense paid on behalf of sujeet)		90,000	90,000		
		d)		Realisation A/c.....Dr. To Bank A/c (Creditors paid in full settlement)		4,50,000	4,50,000		
		Ques. A and B..... working notes clearly. Ans. Journal							
				Date	Particulars	F	Dr (₹)	Cr (₹)	
					Interest on Capital A/c.....Dr. To A's Current A/c To B's Current A/c (Interest on capital credited to Partners' Current A/c) ----- P & L Appropriation A/c.....Dr. To Interest on Capital A/c (Interest on capital transferred to P & L Appropriation A/c)		12,600 12,600	 5,400 7,200 12,600	1 1
		Note: In case, the candidate has combined the above two entries, 1 mark is to be deducted.							
		Working Notes: Interest on Capital: A= 12% of 60,000= 7,200 B= 12% of 80,000=9,600 Total interest=16,800							1
		Since profits are insufficient Interest on capital will be distributed in the ratio of 7,200:9,600 i.e.3:4							
		A= 3/7 of 12,600= 5,400 B= 4/7 of 12,600=7,200							1
									= 4 Marks
		Ques.A, B and C.....dissolution of the firm. Ans. Journal							
				Date	Particulars	LF	Dr (₹)	Cr (₹)	
				a)	Realisation A/c.....Dr. To Fixed Assets A/c To Stock A/c To Debtors A/c		12,05,000	 7,10,000 3,00,000 1,95,000	1

			(Assets transferred to realisation A/c)					
		b)	Sundry Creditors A/c.....Dr. Provision for Doubtful Debts A/c.....Dr. To Realisation A/c (liabilities transferred to Realisation A/c)		2,00,000 5,000		2,05,000	1
		c)	Bank A/cDr. To Realisation A/c (Assets realised)		11,49,000		11,49,000	1
		d)	Realisation A/c.....Dr. To Bank A/c (Realisation Exp.& Creditors paid in full settlement) OR Realisation A/c.....Dr. To Bank A/c (Creditors paid in full settlement) Realisation A/c.....Dr. To Bank A/c (Realisation Exp. Paid)		2,04,000 1,85,000 19,000		2,04,000 1,85,000 19,000	1
		e)	A's Capital A/cDr. B's Capital A/cDr. C's Capital A/cDr. To Realisation A/c (Loss on realisation debited to Partners' Capital A/c)		22,000 22,000 11,000		55,000	1
		f)	A's Capital A/cDr. B's Capital A/cDr. C's Capital A/cDr. To Bank A/c (Partners' A/c settled on dissolution)		7,28,000 2,78,000 2,39,000		12,45,000	1 =6 Marks OR
		OR						
		Ques. P, Q and R.....reconstitution of the firm.						
		Ans. Journal						
		Date	Particulars	LF	Dr (₹)		Cr (₹)	
		a)	Bad Debts A/c.....Dr. To Debtors A/c (bad debts written off)		6,000		6,000	½

			For the year ending 31 st March, 2018							
			Expenditures		Amt (₹)	Incomes		Amt (₹)		
			To Campaign Expenses		1,30,000	By Subscription		1,80,000	4	
			To Office Rent		40,000	By Govt. Grant		2,00,000		
			To Salary		10,000	By interested accrued on FD		16,000		
			To Furniture hire rent		12,000					
			To Advertisement		15,000					
			To Loss on sale of old Furniture		1,000					
			To Surplus (Excess of Income over Expenditure)		1,88,000					
					<u>3,96,000</u>			<u>3,96,000</u>		
			Balance Sheet							
			As at 31 st March, 2018							
			Liabilities		Amt (₹)	Assets		Amt (₹)		
			Capital Fund	1,28,000	3,46,000	Fixed Deposits	2,00,000	2,16,000	2	
			Add: Surplus	1,88,000		Add: Accrued Interest	<u>16,000</u>			
			Add: Life Membership Fees	<u>30,000</u>		Books	50,000			
						Computers	75,000			
					Cash at Bank	40,000				
			Creditors	60,000	Cash in Hand	25,000				
					<u>4,06,000</u>		<u>4,06,000</u>			
										=
										6 Marks
			Q. Pass necessary rectifying..... Was omitted.							
			(i)							
			Journal							
			Date	Particulars			Dr. (₹)	Cr.(₹)	2	
				A's Current* A/c Dr.			10,000	10,000		
				To C's Current* A/c (Being interest on capital omitted, now rectified)						
			Note: 1 mark may be deducted for writing Capital Account instead of Current Account.							
			Past Adjustment Table							
				A (₹)	B (₹)	C (₹)	Total (₹)			
			Omission of IOC	40,000 (Cr.)	50,000 (Cr.)	60,000 (Cr.)	1,50,000		1	
			Total divided in PSR	50,000 (Dr.)	50,000 (Dr.)	50,000 (Dr.)	1,50,000			
			Net Effect	10,000 (Dr.)	--	10,000 (Cr.)				
			(ii)							
			Journal							
			Date	Particulars			Dr. (₹)	Cr.(₹)		
				R's Capital A/c Dr.			1,300			

				To P's Capital A/c To Q's Capital A/c (Being interest on drawings omitted, now rectified)		400 900		2
				<u>Past Adjustment Table</u>				
					P (₹)	Q (₹)	R (₹)	Total (₹)
				Omission of IOD	1,000 (Dr.)	500 (Dr.)	2,000 (Dr.)	3,500
				Total divided in PSR	1,400 (Cr.)	1,400 (Cr.)	700 (Cr.)	3,500
				Net Effect	400 (Cr.)	900 (Cr.)	1,300 (Dr.)	
								1
								=
								6 Marks
				Q. S Ltd. invited books of the company.				
				Ans. Dr.	Cash Book			Cr.
				Receipts	LF	Amt (₹)	Payments	LF Amt (₹)
				To Share Application & Allotment A/c		12,00,000	By Share Application & Allotment A/c	80,000
				To Share I & Final Call A/c		3,78,100	By Balance c/d	15,04,100
				To Equity Share Capital A/c		5,000		
				To Securities Premium Reserve A/c		1,000		
						<u>15,84,100</u>		<u>15,84,100</u>
				Books of S Ltd.				
				Journal				
				Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)
				(i)	Equity Share Application & Allotment A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c To Calls in Advance A/c (Being application & Allotment money transferred)		11,20,000	5,00,000 3,00,000 3,20,000
				(ii)	Equity Share First & Final Call A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being share First & Final Call money due)		7,00,000	5,00,000 2,00,000
				(iii)	Calls In arrear A/c.....Dr. Calls In Advance A/cDr. To Equity Share First & Final Call A/c (Calls in advance adjusted and amount not received transferred to Calls- in-arrear A/c) Or		1,900 3,20,000	3,21,900
								1 x5 =5 marks

			Calls In Advance A/cDr. To Equity Share First & Final Call A/c (Calls in advance adjusted on first and final call)		3,20,000	3,20,000		
		(iv)	Equity Share Capital A/c Dr. Securities Premium Reserve A/c Dr. To Shares Forfeited A/c To Calls in Arrear A/c (Being shares forfeited)		5,000 1,000	4,100 1,900		
		(v)	Shares Forfeited A/c Dr. To Capital Reserve A/c (Gain on reissue of forfeited shares transferred to Capital Reserve)		4,100	4,100		

=8 Marks

Ques. Jain Ltd.....in the books of Jain Ltd.
Ans.

Books of the Jain Ltd.

Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)
(i)	Bank A/cDr. To Equity Share Application A/c [Application money received on 1,00,000 shares]		1,00,000	1,00,000
(ii)	Equity Share Application A/c.....Dr. To Equity Share Capital A/c [Application money transferred to share capital A/c]		1,00,000	1,00,000
(iii)	Equity Share Allotment A/c.....Dr. To Equity Share Capital A/c [Allotment money due on 1,00,000shares]		2,00,000	2,00,000
(iv)	Bank A/c.....Dr. To Share Allotment A/c [Allotment money received except on 1,000 shares] OR Bank A/c.....Dr. Calls in Arrear A/c.....Dr. To Share Allotment A/c [Allotment money received except on 1,000 shares]		1,98,000 1,98,000 2,000	1,98,000 2,00,000
(v)	Equity Share Capital A/c.....Dr. To Forfeited Shares A/c To Equity Share Allotment A/c [Forfeiture of 1,000 shares for non payment of allotment money] OR		3,000	1,000 2,000

½

½

½

1

1½

				Equity Share Capital A/c.....Dr. To Forfeited Shares A/c To Calls – in – Arrear A/c [Forfeiture of 4,000 shares for non payment of call money]	3,000	1,000 2,000	
			(vi)	Equity Share First Call A/cDr. To Equity Share Capital A/c [First call money due on 99,000 shares]	2,97,000	2,97,000	½
			(vii)	Bank A/cDr. To Equity Share First Call A/c [First Call money received except on 500 shares] OR Bank A/cDr. Calls in arrear A/c Dr. To Equity Share First Call A/c [First Call money received except on 500 shares]	2,95,500 2,95,500 1,500	2,95,500 2,97,000	½
			(viii)	Equity Share Capital A/c.....Dr. To Forfeited Shares A/c To Equity Share first call A/c [Forfeiture of 500 shares for non payment of first call money] OR Equity Share Capital A/c.....Dr. To Forfeited Shares A/c To Calls – in – Arrear A/c [Forfeiture of 500 shares for non payment of first call money]	3,000 3,000	1,500 1,500 1,500 1,500	1
			(ix)	Bank A/cDr. Forfeited Shares A/c.....Dr. To Equity Share Capital A/c [1,500 of the forfeited shares reissued as fully paid up]	13,500 1,500	15,000	½
			(x)	Forfeited Shares A/cDr. To Capital Reserve A/c [Gain on 1,500 reissued shares transferred to capital reserve A/c]	1,000	1,000	½

			<table><tr><td>(xi)</td><td>Equity Share second & final Call A/cDr. To Equity Share Capital A/c [Second & Final call money due on 98,500 shares]</td><td></td><td>3,94,000</td><td>3,94,000</td><td>½</td></tr><tr><td>(xii)</td><td>Bank A/cDr. To Equity Share second & final Call A/c [Second and final Call money received]</td><td></td><td>3,94,000</td><td>3,94,000</td><td>½</td></tr></table> <p>=8 marks</p>	(xi)	Equity Share second & final Call A/cDr. To Equity Share Capital A/c [Second & Final call money due on 98,500 shares]		3,94,000	3,94,000	½	(xii)	Bank A/cDr. To Equity Share second & final Call A/c [Second and final Call money received]		3,94,000	3,94,000	½																																																																																																			
(xi)	Equity Share second & final Call A/cDr. To Equity Share Capital A/c [Second & Final call money due on 98,500 shares]		3,94,000	3,94,000	½																																																																																																													
(xii)	Bank A/cDr. To Equity Share second & final Call A/c [Second and final Call money received]		3,94,000	3,94,000	½																																																																																																													
			<p>Q. A and B.....reconstituted firm.</p> <p>Ans. Revaluation A/c</p> <table><tr><td colspan="2">Dr</td><td colspan="2">Cr</td></tr><tr><td>Particulars</td><td>Amt (₹)</td><td>Particulars</td><td>Amt (₹)</td></tr><tr><td>To Stock</td><td>3,000</td><td>By Building</td><td>20,000</td></tr><tr><td>To Provision for D/D</td><td>400</td><td></td><td></td></tr><tr><td>To Furniture</td><td>2,000</td><td></td><td></td></tr><tr><td>To Gain transferred to: A's Capital A/c- 8,760 B's Capital A/c- <u>5,840</u></td><td>14,600</td><td></td><td></td></tr><tr><td></td><td><u>20,000</u></td><td></td><td><u>20,000</u></td></tr></table> <p>Partners' Capital A/c</p> <table><tr><td colspan="4">Dr.</td><td colspan="4">Cr.</td></tr><tr><td>Particulars</td><td>A</td><td>B</td><td>C</td><td>Particulars</td><td>A</td><td>B</td><td>C</td></tr><tr><td>To Balance c/d</td><td>1,60,000</td><td>96,000</td><td>64,000</td><td>By Balance b/d</td><td>1,04,000</td><td>52,000</td><td>----</td></tr><tr><td></td><td></td><td></td><td></td><td>By Cash A/c</td><td>-----</td><td>-----</td><td>64,000</td></tr><tr><td></td><td></td><td></td><td></td><td>By Revaluation A/c</td><td>8,760</td><td>5,840</td><td>-----</td></tr><tr><td></td><td></td><td></td><td></td><td>By Workmen Compensation Fund</td><td>6,000</td><td>4,000</td><td>-----</td></tr><tr><td></td><td></td><td></td><td></td><td>By Contingency Reserve</td><td>6,000</td><td>4,000</td><td>-----</td></tr><tr><td></td><td></td><td></td><td></td><td>By Premium for Goodwill</td><td>7,500</td><td>7,500</td><td>-----</td></tr><tr><td></td><td></td><td></td><td></td><td>By Cash A/c(B.F.)</td><td>27,740</td><td>22,660</td><td>-----</td></tr><tr><td></td><td>1,60,000</td><td>96,000</td><td>64,000</td><td></td><td>1,60,000</td><td>96,000</td><td>64,000</td></tr></table> <p>Balance Sheet of the Reconstituted firm as at April1, 2018</p>				Dr		Cr		Particulars	Amt (₹)	Particulars	Amt (₹)	To Stock	3,000	By Building	20,000	To Provision for D/D	400			To Furniture	2,000			To Gain transferred to: A's Capital A/c- 8,760 B's Capital A/c- <u>5,840</u>	14,600				<u>20,000</u>		<u>20,000</u>	Dr.				Cr.				Particulars	A	B	C	Particulars	A	B	C	To Balance c/d	1,60,000	96,000	64,000	By Balance b/d	1,04,000	52,000	----					By Cash A/c	-----	-----	64,000					By Revaluation A/c	8,760	5,840	-----					By Workmen Compensation Fund	6,000	4,000	-----					By Contingency Reserve	6,000	4,000	-----					By Premium for Goodwill	7,500	7,500	-----					By Cash A/c(B.F.)	27,740	22,660	-----		1,60,000	96,000	64,000		1,60,000	96,000	64,000
Dr		Cr																																																																																																																
Particulars	Amt (₹)	Particulars	Amt (₹)																																																																																																															
To Stock	3,000	By Building	20,000																																																																																																															
To Provision for D/D	400																																																																																																																	
To Furniture	2,000																																																																																																																	
To Gain transferred to: A's Capital A/c- 8,760 B's Capital A/c- <u>5,840</u>	14,600																																																																																																																	
	<u>20,000</u>		<u>20,000</u>																																																																																																															
Dr.				Cr.																																																																																																														
Particulars	A	B	C	Particulars	A	B	C																																																																																																											
To Balance c/d	1,60,000	96,000	64,000	By Balance b/d	1,04,000	52,000	----																																																																																																											
				By Cash A/c	-----	-----	64,000																																																																																																											
				By Revaluation A/c	8,760	5,840	-----																																																																																																											
				By Workmen Compensation Fund	6,000	4,000	-----																																																																																																											
				By Contingency Reserve	6,000	4,000	-----																																																																																																											
				By Premium for Goodwill	7,500	7,500	-----																																																																																																											
				By Cash A/c(B.F.)	27,740	22,660	-----																																																																																																											
	1,60,000	96,000	64,000		1,60,000	96,000	64,000																																																																																																											
							2																																																																																																											
							3																																																																																																											

		<table><tr><th>Liabilities</th><th>Amt (₹)</th><th>Assets</th><th>Amt (₹)</th></tr><tr><td>Capitals:</td><td></td><td>Cash</td><td>1,37,400</td></tr><tr><td>A- 1,60,000</td><td></td><td>Sundry Debtors- 37,600</td><td></td></tr><tr><td>B- 96,000</td><td></td><td>Less: Prov. for D/D-2,000</td><td>35,600</td></tr><tr><td>C- <u>64,000</u></td><td>3,20,000</td><td>Stock</td><td>57,000</td></tr><tr><td>Creditors</td><td>1,54,000</td><td>Prepaid Insurance</td><td>6,000</td></tr><tr><td>Employees Provident Fund</td><td>16,000</td><td>Plant & Machinery</td><td>76,000</td></tr><tr><td></td><td></td><td>Building</td><td>1,60,000</td></tr><tr><td></td><td></td><td>Furniture</td><td>18,000</td></tr><tr><td></td><td><u>4,90,000</u></td><td></td><td><u>4,90,000</u></td></tr></table> <p>Working notes: [1] Calculation of New Capitals: C's Capital= 64,0000(for 2/10 share) Capital of the new firm= 3,20,000 A's share=5/10 of 3,20,000= 1,60,000 B's Share=3/10 of 3,20,000=96,000 [2] Old Ratio=3:2 New Ratio=5:3:2 A=5/10-3/5= (1/10) Sac. B=3/10-2/5= (1/10) Sac.</p>	Liabilities	Amt (₹)	Assets	Amt (₹)	Capitals:		Cash	1,37,400	A- 1,60,000		Sundry Debtors- 37,600		B- 96,000		Less: Prov. for D/D-2,000	35,600	C- <u>64,000</u>	3,20,000	Stock	57,000	Creditors	1,54,000	Prepaid Insurance	6,000	Employees Provident Fund	16,000	Plant & Machinery	76,000			Building	1,60,000			Furniture	18,000		<u>4,90,000</u>		<u>4,90,000</u>	3
Liabilities	Amt (₹)	Assets	Amt (₹)																																								
Capitals:		Cash	1,37,400																																								
A- 1,60,000		Sundry Debtors- 37,600																																									
B- 96,000		Less: Prov. for D/D-2,000	35,600																																								
C- <u>64,000</u>	3,20,000	Stock	57,000																																								
Creditors	1,54,000	Prepaid Insurance	6,000																																								
Employees Provident Fund	16,000	Plant & Machinery	76,000																																								
		Building	1,60,000																																								
		Furniture	18,000																																								
	<u>4,90,000</u>		<u>4,90,000</u>																																								
			=																																								
			8 Marks																																								

		<p>Q. G, E and F.....reconstituted firm. Ans. Revaluation A/c</p> <table><tr><th colspan="2">Dr</th><th colspan="2">Cr</th></tr><tr><th>Particulars</th><th>Amt (₹)</th><th>Particulars</th><th>Amt (₹)</th></tr><tr><td>To machinery</td><td>4,000</td><td>By Land & Building</td><td>68,000</td></tr><tr><td>To Stock</td><td>4,000</td><td></td><td></td></tr><tr><td>To Prov. for Doubtful Debts</td><td>600</td><td></td><td></td></tr><tr><td>To Gain transferred to:</td><td></td><td></td><td></td></tr><tr><td>G's Capital A/c-41,580</td><td></td><td></td><td></td></tr><tr><td>E's capital A/c-11,880</td><td></td><td></td><td></td></tr><tr><td>F's Capital A/c- <u>5,940</u></td><td>59,400</td><td></td><td></td></tr><tr><td></td><td><u>68,000</u></td><td></td><td><u>68,000</u></td></tr></table>	Dr		Cr		Particulars	Amt (₹)	Particulars	Amt (₹)	To machinery	4,000	By Land & Building	68,000	To Stock	4,000			To Prov. for Doubtful Debts	600			To Gain transferred to:				G's Capital A/c-41,580				E's capital A/c-11,880				F's Capital A/c- <u>5,940</u>	59,400				<u>68,000</u>		<u>68,000</u>	2
Dr		Cr																																									
Particulars	Amt (₹)	Particulars	Amt (₹)																																								
To machinery	4,000	By Land & Building	68,000																																								
To Stock	4,000																																										
To Prov. for Doubtful Debts	600																																										
To Gain transferred to:																																											
G's Capital A/c-41,580																																											
E's capital A/c-11,880																																											
F's Capital A/c- <u>5,940</u>	59,400																																										
	<u>68,000</u>		<u>68,000</u>																																								

			Partners' Capital A/c									
			Dr.				Cr.					
			Particulars	G	E	F	Particulars	G	E	F		
			To E's Capital A/c	15,750	----	2,250	By Balance b/d	1,40,000	40,000	20,000	3	
			To E's Loan A/c	-----	1,37,880	----	By Revaluation A/c	41,580	11,880	5,940		
			To Balance c/d	2,10,000	----	30,000	By G's Capital A/c	----	15,750	----		
							By F's Capital A/c	-----	2,250	-----		
							By General Reserve	28,000	8,000	4,000		
							By E's Loan A/c	-----	60,000	-----		
							By current A/c	16,170	-----	2,310		
				2,25,750	137,880	32,250		2,25,750	1,37,880	32,250		
			Balance Sheet of the Reconstituted firm as at April1, 2018									
			Liabilities		Amt (₹)		Assets		Amt (₹)		3	
			Capitals:				Cash		90,000			
			G- 2,10,000				Debtors- 24,000					
			F- 30,000		2,40,000		Less: Prov. For					
			E's Loan		1,37,880		Doubtful Debts 600		23,400			
			Creditors		28,000		Stock		10,000			
							Machinery		76,000			
							Land & building		1,88,000			
							G's current A/c		16,170			
							F's Current A/c		2,310			
					4,05,880				4,05,880			
			Working Notes:(1)									
			New Firm's capital- 2,40,000									
			E's capital -7/8x2,40,000=2,10,000									
			F's capital- 1/8x 2,40,000= 30,000									
			Note: if candidate has not transferred E's Loan A/c given in the existing Balance Sheet to E's Capital A/c, no marks will be deducted. In such case, the balance of E's Loan A/c in the Capital A/c will be ₹77,800.									=8 marks
			PART B									
			(Financial Statements Analysis)									
			Q. When can.....your answer.									1 Mark
			Ans. Receipt of dividend can be an operating activity for a financial company as it is a principal revenue generating activity.									
			Q. What is 'Cash Flow Statement'?									1 Mark
			Ans. A Cash Flow Statement is a statement that provides information about the historical changes in Cash & Cash Equivalents of an enterprise by classifying cash flows into Operating, Investing and Financing Activities.									
			Q. Under which major.....Companies Act, 2013?									

		<div>Ans.</div> <table><tr><th>Items</th><th>Heads</th><th>Sub-heads</th></tr><tr><td>Cheques and Bank Drafts in Hand</td><td>Current Assets</td><td>Cash & Cash Equivalents</td></tr><tr><td>Loose Tools</td><td>Current Assets</td><td>Inventories</td></tr><tr><td>Securities Premium Reserve</td><td>Shareholders' Funds</td><td>Reserves & Surplus</td></tr><tr><td>Long term Investments with maturity period less than six months</td><td>Current Assets</td><td>Current Investments</td></tr><tr><td>Work- in-Progress</td><td>Current Assets</td><td>Inventories</td></tr><tr><td>Mining Rights</td><td>Non Current Assets</td><td>Fixed Assets- Intangible</td></tr><tr><td>Publishing Titles</td><td>Non Current Assets</td><td>Fixed Assets- Intangible</td></tr><tr><td>Debtors</td><td>Current Assets</td><td>Trade Receivables</td></tr></table> <div>OR</div> <div>Ques: Explain.....Creditors.</div> <div>Ans.</div> <div>Importance for Labour Unions: Labour unions analyse the financial statements to assess whether it can presently afford a wage increase and whether it can absorb a wage increase through increased productivity or by raising the prices.</div> <div>Importance for Creditors: Creditors through an analysis of Financial Statements appraises not only the ability of the company to meet its short term obligations but also judges the probability of its continued ability to meet all its financial obligations in future.</div>	Items	Heads	Sub-heads	Cheques and Bank Drafts in Hand	Current Assets	Cash & Cash Equivalents	Loose Tools	Current Assets	Inventories	Securities Premium Reserve	Shareholders' Funds	Reserves & Surplus	Long term Investments with maturity period less than six months	Current Assets	Current Investments	Work- in-Progress	Current Assets	Inventories	Mining Rights	Non Current Assets	Fixed Assets- Intangible	Publishing Titles	Non Current Assets	Fixed Assets- Intangible	Debtors	Current Assets	Trade Receivables	<div>½x8 = 4 Marks OR</div> <div>2+2 =4 Marks</div>																																	
Items	Heads	Sub-heads																																																													
Cheques and Bank Drafts in Hand	Current Assets	Cash & Cash Equivalents																																																													
Loose Tools	Current Assets	Inventories																																																													
Securities Premium Reserve	Shareholders' Funds	Reserves & Surplus																																																													
Long term Investments with maturity period less than six months	Current Assets	Current Investments																																																													
Work- in-Progress	Current Assets	Inventories																																																													
Mining Rights	Non Current Assets	Fixed Assets- Intangible																																																													
Publishing Titles	Non Current Assets	Fixed Assets- Intangible																																																													
Debtors	Current Assets	Trade Receivables																																																													
		<div>Q. Prepare a Tax Rate 40%.</div> <div>Ans.</div> <div>Comparative Income Statement</div> <div>For the year ending 31st March 2017 and 2018</div> <table><tr><th>Particulars</th><th>Note No.</th><th>31st March, 2017 (₹)</th><th>31st March, 2018(₹)</th><th>Absolute Inc/ Dec. (₹)</th><th>Percent age Inc./ Dec.</th></tr><tr><td>(i) Revenue from Operations</td><td></td><td>10,00,000</td><td>16,00,000</td><td>6,00,000</td><td>60</td></tr><tr><td>(ii) Expenses:</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Cost of Materials Consumed</td><td></td><td>5,00,000</td><td>10,00,000</td><td>5,00,000</td><td>100</td></tr><tr><td>Employee Benefit Expenses</td><td></td><td>80,000</td><td>40,000</td><td>(40,000)</td><td>(50)</td></tr><tr><td>Other Indirect Expenses</td><td></td><td>60,000</td><td>80,000</td><td>20,000</td><td>33.33</td></tr><tr><td>Total Expenses</td><td></td><td>6,40,000</td><td>11,20,000</td><td>4,80,000</td><td>75</td></tr><tr><td>(iii) Profit before Tax</td><td></td><td>3,60,000</td><td>4,80,000</td><td>1,20,000</td><td>33.33</td></tr><tr><td>(iv) Less: Tax @ 40%</td><td></td><td>1,44,000</td><td>1,92,000</td><td>48,000</td><td>33.33</td></tr><tr><td>(v) Profit after tax</td><td></td><td>2,16,000</td><td>2,88,000</td><td>72,000</td><td>33.33</td></tr></table>	Particulars	Note No.	31 st March, 2017 (₹)	31 st March, 2018(₹)	Absolute Inc/ Dec. (₹)	Percent age Inc./ Dec.	(i) Revenue from Operations		10,00,000	16,00,000	6,00,000	60	(ii) Expenses:						Cost of Materials Consumed		5,00,000	10,00,000	5,00,000	100	Employee Benefit Expenses		80,000	40,000	(40,000)	(50)	Other Indirect Expenses		60,000	80,000	20,000	33.33	Total Expenses		6,40,000	11,20,000	4,80,000	75	(iii) Profit before Tax		3,60,000	4,80,000	1,20,000	33.33	(iv) Less: Tax @ 40%		1,44,000	1,92,000	48,000	33.33	(v) Profit after tax		2,16,000	2,88,000	72,000	33.33	<div>1</div> <div>1</div> <div>1</div> <div>1</div> <div>=4 marks</div>
Particulars	Note No.	31 st March, 2017 (₹)	31 st March, 2018(₹)	Absolute Inc/ Dec. (₹)	Percent age Inc./ Dec.																																																										
(i) Revenue from Operations		10,00,000	16,00,000	6,00,000	60																																																										
(ii) Expenses:																																																															
Cost of Materials Consumed		5,00,000	10,00,000	5,00,000	100																																																										
Employee Benefit Expenses		80,000	40,000	(40,000)	(50)																																																										
Other Indirect Expenses		60,000	80,000	20,000	33.33																																																										
Total Expenses		6,40,000	11,20,000	4,80,000	75																																																										
(iii) Profit before Tax		3,60,000	4,80,000	1,20,000	33.33																																																										
(iv) Less: Tax @ 40%		1,44,000	1,92,000	48,000	33.33																																																										
(v) Profit after tax		2,16,000	2,88,000	72,000	33.33																																																										
		<div>Q. The Operating Ratio..... change the ratio:</div> <div>Ans.</div> <table><tr><th>S.No.</th><th>Transactions</th><th>Effect</th></tr><tr><td>1</td><td>Purchase goods on credit</td><td>No change</td></tr></table>	S.No.	Transactions	Effect	1	Purchase goods on credit	No change																																																							
S.No.	Transactions	Effect																																																													
1	Purchase goods on credit	No change																																																													

[illegible]

		<p>Working Notes:</p> <p>Note-1: Net Profit before tax & Extraordinary items</p> <p>Net Profit during the year –1,50,000</p> <p>Add: Prov. for Tax made— 95,000</p> <p>2,45,000</p>	½																				
		<p>Plant and Machinery A/c</p> <table> <tr> <th>Particulars</th><th>₹</th><th>Particulars</th><th>₹</th></tr> <tr> <td>To Balance b/d</td><td>11,40,000</td><td>By Accumulated Dep. A/c</td><td>50,000</td></tr> <tr> <td>To Bank A/c (B.F.)</td><td>1,50,000</td><td>By Bank A/c</td><td>30,000</td></tr> <tr> <td></td><td></td><td>By Balance c/d</td><td>12,10,000</td></tr> <tr> <td></td><td>12,90,000</td><td></td><td>12,90,000</td></tr> </table>	Particulars	₹	Particulars	₹	To Balance b/d	11,40,000	By Accumulated Dep. A/c	50,000	To Bank A/c (B.F.)	1,50,000	By Bank A/c	30,000			By Balance c/d	12,10,000		12,90,000		12,90,000	½
Particulars	₹	Particulars	₹																				
To Balance b/d	11,40,000	By Accumulated Dep. A/c	50,000																				
To Bank A/c (B.F.)	1,50,000	By Bank A/c	30,000																				
		By Balance c/d	12,10,000																				
	12,90,000		12,90,000																				
		<p>Accumulated Depreciation A/c</p> <table> <tr> <th>Particulars</th><th>₹</th><th>Particulars</th><th>₹</th></tr> <tr> <td>To Plant and Machinery A/c</td><td>50,000</td><td>By Balance b/d</td><td>2,40,000</td></tr> <tr> <td>To Balance c/d</td><td>2,00,000</td><td>By Statement of P & L (Bal. Fig.)</td><td>10,000</td></tr> <tr> <td></td><td>2,50,000</td><td></td><td>2,50,000</td></tr> </table>	Particulars	₹	Particulars	₹	To Plant and Machinery A/c	50,000	By Balance b/d	2,40,000	To Balance c/d	2,00,000	By Statement of P & L (Bal. Fig.)	10,000		2,50,000		2,50,000	½				
Particulars	₹	Particulars	₹																				
To Plant and Machinery A/c	50,000	By Balance b/d	2,40,000																				
To Balance c/d	2,00,000	By Statement of P & L (Bal. Fig.)	10,000																				
	2,50,000		2,50,000																				
			=6 Marks																				
		<p>PART B</p> <p>OPTION 2</p> <p>(Computerized Accounting)</p>																					
		<p>Q. What is.....'Label'?</p> <p>Ans. It is a text or special character assigned to a row or column or descriptive information. These cannot be treated mathematically.</p>	½ X 2 =1 Mark																				
		<p>Q. What.....'Block Codes'?</p> <p>Ans. It is a range of numbers partitioned into a desired number of sub ranges and each sub range is allotted to a specific group.</p>	=1 Mark																				
		<p>Q. State the.....accounting system.</p> <p>Ans. For installation of computerised accounting system the following steps are required:</p> <p>(i) Insert CD in the system.</p> <p>(ii) After inserting CD select the option in following steps;</p> <p style="padding-left: 40px;">a) Select any (C:or E:or D:)from My computer icon on the desktop double click on install.exe .</p> <p style="text-align: center;">OR</p> <p style="padding-left: 40px;">a) Select start>run>type the file name E:\install.exe</p>	= 4 Marks																				
		<p>Q. differentiate between.....'server database'?</p> <p>Ans. (Any four)</p> <p>(i) <u>Application:</u> Desktop database can be used by a single user server data base can be used</p>	=4 Marks																				

		<p>by many users at the same time.</p> <p>(ii) <u>Additional provision for reliability</u>: Desktop database doesn't present this but these provisions are available in server based database.</p> <p>(iii) <u>Cost</u> : Desktop database ten dto cost less than the server database.</p> <p>(iv) <u>Flexibility regarding the choice of performance in front end applications</u> : It is not present in desktop database but server database provide this flexibility.</p> <p>(v) <u>Suitability</u>: Desktop database are suitable for small/home offices and server database are more suitable for large business organisations.</p> <p style="text-align: center;">OR</p> <p>Q. State theaccounting software.</p> <p>Ans. Following are the features of good accounting software: (Any four)</p> <ol style="list-style-type: none"> 1. Do all basic accounting functions. 2. Manage your stores. 3. Do the job costing. 4. Manage payroll. 5. Get many MIS (Management information System). 6. File tax returns. 7. Maintain budgets etc. 8. Calculate interest pending amounts. 9. Manage data over different locations and synchronize it and many more other features. 	
		<p>Q. .Why is it.....data security</p> <p>Ans. To maintain the secrecy of accounting data it is necessary to have security features in accounting software.</p> <p>Tools (any two)</p> <p>1. Password security: 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>2. Data Audit: 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 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>3. Data vault: 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.</p> <p style="text-align: center;">OR</p> <p>Q. Name the value.....these values.</p>	=4 Marks

			<p>Ans. The value is called “ Null value” The three situations in which these can be used are</p> <p>(i) When a particular attribute does not apply to an entry.</p> <p>(ii) Value of an attribute is unknown.</p> <p>(iii) Unknown because it does not exit</p>	
			<p>Q. Nisan Ltd.....MS Excel.</p> <p>Ans.</p> <ul style="list-style-type: none"> • Cost of purchase column A1=`1,50,0000 • Installation + other expense column B1=`50,000 • Cost to use = sum (A1,B1)= column C1=`2,00000/- • Salvage value= column D1=`25,000/- • Life of asset= column E1=5 years • SLM Depreciation= SLM(C1,D1,E1) = column F1=`100000/- • Rate of Depreciation=$35,000/1,75,000 \times 100 = 20\%$ 	<p>=</p> <p>6 Marks</p>

