

-Strictly Confidential : (For Internal and Restricted Use Only)

Senior School Certificate Examination

March -2018 - 19

Marking Scheme – Accountancy 67/1/1, 67/1/2, 67/1/3

General Instructions:-

1. You are aware that evaluation is the most important process in the actual and correct assessment of the candidates. Small mistake in evaluation may lead to serious problems which may affect the future of the candidates, education system and teaching profession. To avoid mistakes, it is requested that before starting evaluation, you must read and understand the spot evaluation guidelines carefully. Evaluation is a 10-12 days mission for all of us. Hence, it is desired from you to give your best in this process.
2. Evaluation is to be done as per instructions provided in the Marking Scheme. It should not be done according to one's own interpretation or any other consideration. Marking scheme should be strictly adhered to and religiously followed. However, while evaluating, answers which are based on latest information or knowledge and innovative may be assessed and marks be awarded to them.
3. The Head-Examiner has to go through the first five answer scripts evaluated by each evaluator to ensure that evaluation has been carried out as per the instructions given in the Marking Scheme. The remaining answer scripts meant for evaluation shall be given only after ensuring that there is no significant variation in the marking of individual evaluators.
4. If a question has parts, please award marks on the right hand side for each part. Marks awarded for different parts of the question should then be totalled up and written in the left hand margin and encircled.
5. If a question does not have any parts, marks must be awarded in the left hand margin and encircled.
6. If a student has attempted an extra question, answer of the question deserving more marks should be retained and other answer scored out.
7. No marks to be deducted for the cumulative effect of an error. It should be penalized only once.
8. Deductions up to 25% of the marks must be made if the student has not drawn formats of the Journal and Ledger and has not given the narrations.
9. A full scale of marks 1-80 has to be used. Please do not hesitate to award full marks if the answer deserves it.
10. No marks are to be deducted or awarded for writing / not writing 'TO and BY' while preparing Journal and Ledger accounts.
11. In theory questions, credit is to be given for the content and not for the format.
12. Every Examiner should stay full working hours i.e 8 hours every day and evaluate 25 answer books.
13. Avoid the following common types of errors committed by the Examiners in the past-
 - Leaving answer or part thereof unassessed in an answer script
 - Giving more marks for an answer than assigned to it or deviation from the marking scheme.
 - Wrong transference of marks from the inside pages of the answer book to the title page.
 - Wrong question wise totaling on the title page.
 - Wrong totaling of marks of the two columns on the title page
 - Wrong grand total
 - Marks in words and figures not tallying
 - Wrong transference to marks from the answer book to award list
 - Answers marked as correct but marks not awarded.
 - Half or a part of answer marked correct and the rest as wrong but no marks awarded.
14. While evaluating the answer scripts if the answer is found to be totally incorrect, it should be marked as (x) and awarded zero(0) Marks.
15. Any unassessed portion, non-carrying over of marks to the title page or totalling error detected by the candidate shall damage the prestige of all the personnel engaged in the evaluation work as also of the Board. Hence in order to uphold the prestige of all concerned, It is again reiterated that the instructions be followed meticulously and judiciously.
16. The Examiners should acquaint themselves with the guidelines given in the Guidelines for Spot Evaluation before starting the actual evaluation.
17. Every Examiner shall also ensure that all the answers are evaluated, marks carried over to the title page, correctly totaled and written in figures and words.
18. As per orders of the Hon'ble Supreme Court, the candidates would now be permitted to obtain photocopy of the Answer Book on request on payment of the prescribed fee. All examiners/Head Examiners are once again reminded that they must ensure that evaluation is carried out strictly as per value points for each answer as give in the Marking Scheme.

<div>67 /1 /1</div>			<div>Marking Scheme 2018-19 Accountancy (055) Delhi- 67/1/1 Expected Answers/ Value Points</div>	<div>MARKS</div>						
1	2	5	<div>Q. Atul and Neera are in partnership....Calculate the new profit sharing ratio.</div> <div>Ans. Mitali’s share in profit= 1/10</div> <div>Atul’s new share= 3/5-1/10=5/10 ...<div>1/2 mark</div></div> <div>Neera’s new share= 2/5</div> <div>Mitali’s share=1/10</div> <div>New ratio= 5:4:1.....<div>1/2 mark</div></div>	<div><div><div>½</div><div>+</div><div>½</div><div>=</div></div><div>1 mark</div></div>						
2	4	4	<div>Q. What is meant by ‘Issued Capital’?</div> <div>Ans. Issued Capital is that part of the Authorised Capital which is offered to the public for subscription.</div> <div>OR</div> <div>Q. What is meant by ‘Employees Stock Option Plan’?</div> <div>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.</div>	<div><div>1 mark</div><div>OR</div><div>1 mark</div></div>						
3	-	-	<div>Q. Differentiate between Dissolution of Partnership and Dissolution of a Firm on the basis of ‘Court’s intervention’.</div> <div>Ans.</div> <table><tr><td></td><td>Dissolution of Partnership</td><td>Dissolution of a Firm</td></tr><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></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.	<div>1 mark</div>
	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.								
4	1	3	<div>Q. What is meant by ‘Gaining Ratio’ on retirement of a partner?</div> <div>Ans. Gaining ratio is the ratio in which the remaining partners acquire the retiring partner’s share.</div> <div>OR</div> <div>Q. P, Q and R were partners rate at which interest will be paid to R</div> <div>Ans. 6% p.a.</div>	<div><div>1 mark</div><div>OR</div><div>1 mark</div></div>						

5	3	2	<p>Q. Chhavi and Neha are partners in a firm interest on drawings.</p> <p>Ans. Journal</p> <table><tr><td>Date</td><td>Particulars</td><td>Dr. (₹)</td><td>Cr. (₹)</td></tr><tr><td></td><td>Chhavi's Capital/ Current Account Dr.</td><td>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></table> <p>.</p>	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													
6	5	1	<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 <												

			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.																																																																						
9	7	7	Q. Garvit Ltd. invited applications... Ltd. Ans. Journal of Garvit Ltd. <table><tr><th>Date</th><th>Particulars</th><th>Dr. (₹)</th><th>Cr. (₹)</th></tr><tr><td></td><td>Bank A/c Dr. To Debenture Application and Allotment A/c (Being application money received on 3,600 debentures)</td><td>3,38,400 -</td><td>- 3,38,400</td></tr><tr><td></td><td>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)</td><td>3,38,400 18,000</td><td>- - 3,00,000 56,400</td></tr></table> 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. <table><tr><th>Date</th><th>Particulars</th><th>Amount (₹)</th><th>Date</th><th>Particulars</th><th>Amount (₹)</th></tr><tr><td>2015 April 1</td><td>To Premium on Redemption of Debentures A/c</td><td>42,000</td><td>2016 Mar 31</td><td>By Statement of P/L</td><td>14,000</td></tr><tr><td></td><td></td><td></td><td>Mar 31</td><td>By Balance c/d</td><td>28,000</td></tr><tr><td></td><td></td><td>42,000</td><td></td><td></td><td>42,000</td></tr><tr><td>2016 April 1</td><td>To balance b/d</td><td>28,000</td><td>2017 Mar 31</td><td>By Statement of P/L</td><td>14,000</td></tr><tr><td></td><td></td><td></td><td>Mar 31</td><td>By Balance c/d</td><td>14,000</td></tr><tr><td></td><td></td><td>28,000</td><td></td><td></td><td>28,000</td></tr><tr><td>2017 April 1</td><td>To balance b/d</td><td>14,000</td><td>2018 Mar 31</td><td>By Statement of P/L</td><td>14,000</td></tr><tr><td></td><td></td><td>14,000</td><td></td><td></td><td>14,000</td></tr></table>				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	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 mark + 2 marks = 3 marks OR 1 x 3 = 3 marks
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10	-	-	Q. Unilink Ltd. had outstanding.... year ended 31st March 2018. Ans. Journal of Unilink Ltd. <table><tr><th>Date</th><th>Particulars</th><th>Dr. (₹)</th><th>Cr. (₹)</th></tr><tr><td>2017* Apr.30</td><td>Debenture Redemption Investments A/c Dr. To Bank A/c (Being Debenture Redemption Investments purchased)</td><td>90,000</td><td>90,000</td></tr></table>				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																																																										
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			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.	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	-	
			* Any date from April 1 to April 30 can be given for purchase of Debenture Redemption Investments						=
			Note: No marks to be deducted if the student has not transferred Debenture Redemption Reserve to General Reserve						3marks
11	-	-	Q. Ankit, Bobby and Kartik..... is settled at ₹12,500.						
			Ans. Journal						
			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

				(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) or Kartik's loan A/c To Bank/ Cash A/c (Being Kartik's loan settled) Realisation A/c To Bank / CashA/c (Being Kartik's loan settled at a loss)	Dr. Dr. Dr. Dr.	12,000 500 12,000 500	12,500 12,000 500			
12	-	-	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		1 mark	
				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		1 mark	
				Radhika's Capital A/c To Bani's Capital A/c (Being adjustment entry made for goodwill)	Dr.	30,000	30,000		1 mark	
				Land A/c To Revaluation A/c (Being Land revalued)	Dr.	1,80,000	1,80,000		½ mark	
				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		½ mark	
										= 4 marks

13	14	15	<p>Q. From the following Receipts and Payments A/c</p> <p>Ans. Dr. Income and Expenditure A/c for the year ended March 31, 2018 Cr.</p> <table> <tr> <th>Particulars</th><th>Amount (₹)</th><th>Particulars</th><th>Amount (₹)</th></tr> <tr> <td>To Stationery consumed</td><td>22,400</td><td>By Subscriptions</td><td>2,00,000</td></tr> <tr> <td>To loss on sale of old furniture</td><td>2,400</td><td>By Interest on investments</td><td>800</td></tr> <tr> <td>To electricity expenses</td><td>10,600</td><td>Add interest accrued</td><td>160</td></tr> <tr> <td>To expenses on lectures</td><td>30,000</td><td>By Government Grant</td><td>17,400</td></tr> <tr> <td>To surplus</td><td>1,52,960</td><td></td><td></td></tr> <tr> <td></td><td>2,18,360</td><td></td><td>2,18,360</td></tr> </table> <p>Balance Sheet of Sears Club as on 31st March 2018</p> <table> <tr> <th>Liabilities</th><th>Amount (₹)</th><th>Assets</th><th>Amount (₹)</th></tr> <tr> <td>Subscriptions received in advance</td><td>7,200</td><td>Outstanding Subscriptions</td><td>1,01,000</td></tr> <tr> <td>Donations for building</td><td>40,000</td><td>Stock of Stationery</td><td>4,000</td></tr> <tr> <td>Capital Fund 62,000</td><td></td><td>Cash</td><td>50,000</td></tr> <tr> <td>Add Surplus 1,52,960</td><td>2,14,960</td><td>Investments</td><td>8,000</td></tr> <tr> <td></td><td></td><td>Interest accrued on investments</td><td>160</td></tr> <tr> <td></td><td></td><td>Sports Equipment</td><td>59,000</td></tr> <tr> <td></td><td></td><td>Books</td><td>40,000</td></tr> <tr> <td></td><td>2,62,160</td><td></td><td>2,62,160</td></tr> </table> <p><u>Interest on 12% Investments</u></p> <p>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.</p> <p><u>Working Notes:</u></p> <p>Balance Sheet of Sears Club as on 31st March 2017</p> <table> <tr> <th>Liabilities</th><th>Amount (₹)</th><th>Assets</th><th>Amount (₹)</th></tr> <tr> <td>Subscriptions received in advance</td><td>25,000</td><td>Outstanding Subscriptions</td><td>60,000</td></tr> <tr> <td>Capital Fund</td><td>62,000</td><td>Stock of Stationery</td><td>3,000</td></tr> <tr> <td></td><td></td><td>Cash</td><td>20,000</td></tr> <tr> <td></td><td></td><td>Furniture</td><td>4,000</td></tr> <tr> <td></td><td>87,000</td><td></td><td>87,000</td></tr> </table> <p>Note: In case the candidate has not prepared the Opening Balance Sheet, no marks are to be deducted.</p>	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	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	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
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14	15	13	<p>Q. Girija, Yatin and Zubin Zubin's Executors Account till he is finally paid.</p>																																																																																								

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

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

=
4+2
=

6 marks

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	By Zubin's Capital A/c	90,300		
"	To Bank A/c	3,200	2016 Mar 31	By Interest	3,200		
	To Balance c/d	80,000					
		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 Mar 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

			<table><tr><td>“</td><td>To Balance c/d</td><td>40,000</td><td>2017 Mar 31</td><td>By Interest</td><td>4,992</td></tr><tr><td></td><td></td><td>88,192</td><td></td><td></td><td>88,192</td></tr><tr><td>2018 Mar 31</td><td>To Bank A/c</td><td>42,400</td><td>2017 Apr 1 2018 Mar 31</td><td>By Balance b/d</td><td>40,000</td></tr><tr><td></td><td></td><td></td><td></td><td>By Interest</td><td>2,400</td></tr><tr><td></td><td></td><td>42,400</td><td></td><td></td><td>42,400</td></tr></table>	“	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 2 marks = 6 marks
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		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																													
15	13	14	Q. Sonu and Rajat started a partnership firm ... books of Sonu and Rajat.			½ mark ½ mark ½ mark ½ mark ½ mark ½ mark 1 mark																												
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																														

	Interest on Drawings A/c Dr. To Profit and Loss Appropriation A/c (Being Interest on drawings transferred to Profit and Loss Appropriation A/c)	2,050	2,050
	Profit and Loss Appropriation A/c Dr. To Sonu's Capital A/c To Rajat's Capital A/c (Being Profit credited to Partners' Capital accounts)	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		By Net Profit	15,00,000
Jay's Capital A/c 1,80,000		By Jay's Capital A/c	
Vijay's Capital A/c 1,80,000	3,60,000	(2,00,000 – 1,75,000)/	
		Deficiency in guaranteed	25,000
		fees	
To Profit transferred to:			
Jay's Capital A/c 4.66,000			
- guarantee to Karan	3,05,800		
(1,60,200)			
Vijay's Capital A/c 4,66,000	3,59,200		
- guarantee to Karan(1,06,800)			
Karan's Capital A/c 2,33,000	5,00,000		
Add guarantee 2,67,000			
	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	25,000	-	-	By salary	1,80,000	1,80,000	--
Appr. A/c				By P/L			
To	4,60,800	5,39,200	5,00,000	Appropriation	3,05,800	3,59,200	5,00,000
balance				A/c- Profit			
c/d							
	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																												
16	17	16	<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><tr><th>Date</th><th>Particulars</th><th>Dr. (₹)</th><th>Cr. (₹)</th></tr><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></table> <p style="text-align: center;">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	<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																													

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	½ mark
	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	1 mark
	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	½ mark
	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	1 mark
	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	½ mark
	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	1 ½ marks
	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	1 mark
	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	1 mark
	Share Forfeiture A/c Dr. To Capital Reserve A/c (Being balance in Share forfeiture account transferred to capital reserve)	50,000	50,000	1 mark
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.				= 8 marks

½ mark

1 mark

½ mark

1 mark

½ mark

1 ½ marks

1 mark

1 mark

1 mark

=
8 marks

17	16	17	<p>Q. Akul, Bakul and Chandan of the reconstituted firm.</p> <p>Ans.</p> <p>Dr.</p> <table><tr><th colspan="4">Revaluation A/c</th><th colspan="2">Cr.</th></tr><tr><th>Particulars</th><th>Amount (₹)</th><th>Particulars</th><th>Amount (₹)</th><th></th><th></th></tr><tr><td>To Provision for doubtful debts</td><td>7,000</td><td>By Plant and Machinery</td><td>20,000</td><td></td><td></td></tr><tr><td>To Furniture</td><td>3,000</td><td></td><td></td><td></td><td></td></tr><tr><td>To Profit transferred to:</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Akul's Capital A/c</td><td>4,000</td><td></td><td></td><td></td><td></td></tr><tr><td>Bakul's Capital A/c</td><td>4,000</td><td></td><td></td><td></td><td></td></tr><tr><td>Chandan's Capital A/c</td><td>2,000</td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>10,000</td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>20,000</td><td></td><td></td><td></td><td>20,000</td></tr></table> <p>In case, the student has calculated 'Provision for doubtful debts' correctly, full credit is to be given.</p> <p>Dr.</p> <table><tr><th colspan="8">Partners Capital Accounts</th><th colspan="2">Cr.</th></tr><tr><th>Particulars</th><th>Akul (₹)</th><th>Bakul (₹)</th><th>Chandan (₹)</th><th>Particulars</th><th>Akul (₹)</th><th>Bakul (₹)</th><th>Chandan (₹)</th><th></th><th></th></tr><tr><td>To Bakul Capital A/c</td><td>80,000</td><td>-</td><td>40,000</td><td>By balance b/d</td><td>1,60,000</td><td>1,20,000</td><td>92,000</td><td></td><td></td></tr><tr><td>To Bakul loan A/c</td><td>-</td><td>2,52,000</td><td>-</td><td>By General Reserve</td><td>8,000</td><td>8,000</td><td>4,000</td><td></td><td></td></tr><tr><td>To balance c/d</td><td>92,000</td><td></td><td>58,000</td><td>By Revaluation A/c</td><td>4,000</td><td>4,000</td><td>2,000</td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td>By Akul Capital A/c</td><td>-</td><td>80,000</td><td>-</td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td>By Chandan Capital A/c</td><td>-</td><td>40,000</td><td>-</td><td></td><td></td></tr><tr><td></td><td>1,72,000</td><td>2,52,000</td><td>98,000</td><td></td><td>1,72,000</td><td>2,52,000</td><td>98,000</td><td></td><td></td></tr><tr><td>To Bank A/c</td><td>-</td><td>-</td><td>8,000</td><td>By balance b/d</td><td>92,000</td><td>-</td><td>58,000</td><td></td><td></td></tr><tr><td>To balance c/d</td><td>1,00,000</td><td>-</td><td>50,000</td><td>By Bank A/c</td><td>8,000</td><td>-</td><td>-</td><td></td><td></td></tr><tr><td></td><td>1,00,000</td><td>-</td><td>58,000</td><td></td><td>1,00,000</td><td>-</td><td>58,000</td><td></td><td></td></tr></table> <p>Note: If the candidate has not extended the Capital Accounts but done the Capital Adjustment correctly, full credit be given.</p> <p>Balance Sheet of the reconstituted firm as on 31st March 2018</p> <table><tr><th>Liabilities</th><th>Amount (₹)</th><th>Assets</th><th>Amount (₹)</th></tr><tr><td>Sundry Creditors</td><td>45,000</td><td>Cash at bank</td><td>42,000</td></tr><tr><td>Employees Provident Fund</td><td>13,000</td><td>Debtors</td><td>60,000</td></tr><tr><td>Bakul's Loan</td><td>2,52,000</td><td>Less Provision for doubtful debts</td><td>9,000</td></tr><tr><td>Capitals</td><td></td><td>Stock</td><td>51,000</td></tr><tr><td>Akul</td><td>1,00,000</td><td>Furniture</td><td>80,000</td></tr><tr><td>Chandan</td><td>50,000</td><td>Plant and Machinery</td><td>87,000</td></tr><tr><td></td><td>1,50,000</td><td></td><td>2,00,000</td></tr><tr><td></td><td>4,60,000</td><td></td><td>4,60,000</td></tr></table> <p>OR</p> <p>Q. Sanjana and Alok are partners Nidhi's admission.</p> <p>Ans.</p> <p>Dr.</p> <table><tr><th colspan="2">Revaluation A/c</th><th colspan="2">Cr.</th></tr><tr><th>Particulars</th><th>Amount (₹)</th><th>Particulars</th><th>Amount (₹)</th></tr></table>	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	Partners Capital Accounts								Cr.		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			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	51,000	Akul	1,00,000	Furniture	80,000	Chandan	50,000	Plant and Machinery	87,000		1,50,000		2,00,000		4,60,000		4,60,000	Revaluation A/c		Cr.		Particulars	Amount (₹)	Particulars	Amount (₹)	<p>$\frac{1}{2}$ mark for each amount = $\frac{1}{2} \times 4$ = 2 marks</p> <p>1 mark for each capital A/c + 1 mark for capital adjustment = 3+1 = 4 marks</p> <p>1 mark for correct assets side + 1 mark for correct liability side = 2 marks = 2+4+2 = 8 marks</p> <p>OR</p>
Revaluation A/c				Cr.																																																																																																																																																																																																																						
Particulars	Amount (₹)	Particulars	Amount (₹)																																																																																																																																																																																																																							
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To Bakul Capital A/c	80,000	-	40,000	By balance b/d	1,60,000	1,20,000	92,000																																																																																																																																																																																																																			
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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																																																																																																																																																																																																																			
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			<table><tr><td>Particulars</td><td>Amount (₹)</td><td>Particulars</td><td>Amount (₹)</td></tr><tr><td>To Furniture</td><td>30,000</td><td>By Investments</td><td>40,000</td></tr><tr><td>To Profit transferred to: Sanjana's Capital A/c 24,000 Alok's Capital A/c <u>16,000</u></td><td>40,000</td><td>By Stock</td><td>30,000</td></tr><tr><td></td><td>70,000</td><td></td><td>70,000</td></tr></table>	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	$\frac{1}{2} \times 4 = 2$ marks																																																								
Particulars	Amount (₹)	Particulars	Amount (₹)																																																																									
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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																																																																									
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18	-	-	<table><tr><td colspan="3">Q. Mevo Finance LtdInvesting Activities.</td></tr><tr><td colspan="3">Ans. Cash Flows from Investing activities</td></tr><tr><td>Particulars</td><td>Amount (₹)</td><td>Amount (₹)</td></tr><tr><td>Sale of Machinery</td><td>69,000</td><td></td></tr><tr><td>Purchase of machinery</td><td><u>(9,00,000)</u></td><td></td></tr><tr><td>Net Cash used in Investing Activities</td><td></td><td>(8,31,000)</td></tr></table>	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																																																						
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19	-	-	<table><tr><td colspan="2">Q. State the meaning of 'Cash Equivalents'.</td></tr><tr><td colspan="2">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.</td></tr></table>	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																																																																				
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20	21	22	<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><tr><td></td><td>Item</td><td>Head</td><td>Sub-Head</td></tr><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></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>½ mark for heading + ½ mark for its explanation = 1 x 4 = 4 marks</p> <p style="text-align: center;">OR</p> <p>½ x 8 = 4 marks</p>
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21	22	21	<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>	
22	-	-	<p>Q. From the following information extracted from the Statement of Profit and Loss for....</p>	

			<div>Ans.<div>Comparative Statement of Profit and Loss for the years ended 31st March 2017 and 31st March 2018</div><table><tr><th>Particulars</th><th>2016-17 (₹)</th><th>2017-18 (₹)</th><th>Absolute Increase/ Decrease (₹)</th><th>Percentage Increase/ Decrease (%)</th></tr><tr><td>Revenue from operations</td><td>5,00,000</td><td>6,00,000</td><td>1,00,000</td><td>20</td></tr><tr><td>Add Other income</td><td>1,00,000</td><td>1,20,000</td><td>20,000</td><td>20</td></tr><tr><td>Total Revenue</td><td>6,00,000</td><td>7,20,000</td><td>1,20,000</td><td>20</td></tr><tr><td>Less Employee benefit expenses</td><td>1,80,000</td><td>2,88,000</td><td>1,08,000</td><td>60</td></tr><tr><td>Profit before Tax</td><td>4,20,000</td><td>4,32,000</td><td>12,000</td><td>2.86</td></tr><tr><td>Less Tax</td><td>2,10,000</td><td>2,16,000</td><td>6,000</td><td>2.86</td></tr><tr><td>Profit after Tax</td><td>2,10,000</td><td>2,16,000</td><td>6,000</td><td>2.86</td></tr></table><div>= 4 marks</div></div>	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																					
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23	23	23	<div>Q. Following are the Balance Sheets of Kiero Ltd.... debentures were issued on 1st September 2017.</div> <div>Ans. Cash Flow Statement of Kiero Ltd. for the year ended 31st March 2018</div> <table><tr><th>Particulars</th><th>Amount (₹)</th><th>Amount (₹)</th></tr><tr><td colspan="3"><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></td></tr><tr><td>Net Profit before Tax</td><td>4,58,000</td><td></td></tr><tr><td>Add depreciation on Plant and Machinery</td><td>5,000</td><td></td></tr><tr><td>Interest on 12% Debentures</td><td>50,000</td><td></td></tr><tr><td>Operating profit before Working Capital changes</td><td>5,13,000</td><td></td></tr><tr><td>Less Increase in Trade Receivables</td><td>(2,90,000)</td><td></td></tr><tr><td>Cash generated from operations</td><td>2,23,000</td><td></td></tr><tr><td>Less tax paid</td><td>(46,000)</td><td></td></tr><tr><td>Cash Inflows from Operating activities</td><td></td><td>1,77,000</td></tr><tr><td colspan="3"><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></td></tr><tr><td>Purchase of Plant and Machinery</td><td>(3,50,000)</td><td></td></tr><tr><td>Purchase of Goodwill</td><td>(98,000)</td><td></td></tr><tr><td>Cash used in Investing activities</td><td></td><td>(4,48,000)</td></tr><tr><td colspan="3"><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></td></tr><tr><td>Issue of Shares</td><td>2,10,000</td><td></td></tr><tr><td>Issue of 12% Debentures</td><td>2,00,000</td><td></td></tr><tr><td>Bank overdraft raised</td><td>73,000</td><td></td></tr><tr><td>Interest paid on 12% Debentures</td><td>(50,000)</td><td></td></tr><tr><td>Cash Inflows from Financing activities</td><td></td><td>4,33,000</td></tr></table> <div>2 marks 1 mark 1 ½ marks</div>	Particulars	Amount (₹)	Amount (₹)	<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			Net Profit before Tax	4,58,000		Add depreciation on Plant and Machinery	5,000		Interest on 12% Debentures	50,000		Operating profit before Working Capital changes	5,13,000		Less Increase in Trade Receivables	(2,90,000)		Cash generated from operations	2,23,000		Less tax paid	(46,000)		Cash Inflows from Operating activities		1,77,000	<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			Purchase of Plant and Machinery	(3,50,000)		Purchase of Goodwill	(98,000)		Cash used in Investing activities		(4,48,000)	<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			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	
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			<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>
21	22	21	<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>

22	21	22	<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><u>Costing Sub-system</u> 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>
23	23	23	<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>

SET 2

67 /1 /1	67 /1 /2	67 /1 /3	Marking Scheme 2018-19 Accountancy (055) Delhi- 67/1/2 Expected Answers/ Value Points	MARKS												
4	1	3	Q. What is meant by ‘Gaining Ratio’ on retirement of a partner? Ans. Gaining ratio is the ratio in which the remaining partners acquire the retiring partner’s share. OR Q. P, Q and R were partners rate at which interest will be paid to R Ans. 6% p.a.	1 mark OR 1 mark												
1	2	5	Q. Atul and Neera are in partnership....Calculate the new profit sharing ratio. Ans. Mitali’s share in profit= 1/10 Atul’s new share= 3/5-1/10=5/10 ... 1/2 mark Neera’s new share= 2/5 Mitali’s share=1/10 New ratio= 5:4:1.....1/2 mark	$\frac{1}{2}$ + $\frac{1}{2}$ = 1 mark												
5	3	2	Q. Chhavi and Neha are partners in a firm interest on drawings. Ans. Journal <table><tr><td>Date</td><td>Particulars</td><td>Dr. (₹)</td><td>Cr. (₹)</td></tr><tr><td></td><td>Chhavi’s Capital/ Current Account Dr.</td><td>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></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													
2	4	4	Q. What is meant by ‘Issued Capital’? Ans. Issued Capital is that part of the Authorised Capital which is offered to the public for subscription. OR Q. What is meant by ‘Employees Stock Option Plan’? 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.	1 mark OR 1 mark												

6	5	1	<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>	<p>1 mark</p> <p>OR</p> <p>1 mark</p>																																										
-	6	-	<p>Q. State any two situationscompulsorily dissolved</p> <p>Ans. A firm is compulsorily dissolved in the following cases: (Any two)</p> <p>(i) When all the partners or all but one partner become insolvent.</p> <p>(ii) When the business of the firm becomes illegal</p> <p>(iii) When some event has taken place which makes the business of the firm unlawful for the partners to carry on the business.</p>	<p>$\frac{1}{2} \times 2$</p> <p>=</p> <p>1 mark</p>																																										
9	7	7	<p>Q. Garvit Ltd. invited applications... Ltd.</p> <p>Ans. Journal of Garvit Ltd.</p> <table><tr><th>Date</th><th>Particulars</th><th>Dr. (₹)</th><th>Cr. (₹)</th></tr><tr><td></td><td>Bank A/c Dr. To Debenture Application and Allotment A/c (Being application money received on 3,600 debentures)</td><td>3,38,400 -</td><td>- 3,38,400</td></tr><tr><td></td><td>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)</td><td>3,38,400 18,000</td><td>- - 3,00,000 56,400</td></tr></table> <p style="text-align: center;">OR</p> <p>Q. On 1st April 2015, P Ltd. issued Loss on issue of 12%Debentures Account.</p> <p>Ans. Loss on issue of 12% Debentures Account</p> <table><tr><th colspan="3">Dr.</th><th colspan="3">Cr.</th></tr><tr><th>Date</th><th>Particulars</th><th>Amount (₹)</th><th>Date</th><th>Particulars</th><th>Amount (₹)</th></tr><tr><td>2015 April 1</td><td>To Premium on Redemption of Debentures A/c</td><td>42,000</td><td>2016 Mar 31</td><td>By Statement of P/L</td><td>14,000</td></tr><tr><td></td><td></td><td></td><td>Mar 31</td><td>By Balance c/d</td><td>28,000</td></tr><tr><td></td><td></td><td>42,000</td><td></td><td></td><td>42,000</td></tr></table>	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	Dr.			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	<p>1 mark</p> <p>+</p> <p>2 marks</p> <p>=</p> <p>3 marks</p> <p>OR</p>
Date	Particulars	Dr. (₹)	Cr. (₹)																																											
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2016 April 1	To balance b/d	28,000	2017 Mar 31	By Statement of P/L	14,000																															
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		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																															
-	8	-	<div><div>Q. A firm earned average profit....average profits.</div><div>Ans. Actual profits = ₹3,00,000 Net Tangible Assets = Assets – Liabilities = ₹17,00,000 – ₹2,00,000 = ₹15,00,000.....1 mark Capitalised value of the firm= (Average Profits x 100)/ Normal rate of return = (₹3,00,000 x 100)/15 = ₹20,00,000.....1 mark Goodwill= Capitalised value of the firm – Net Tangible Assets = ₹20,00,000 - ₹15,00,000 = ₹5,00,000.....1 mark</div></div>	<div>3 marks</div>																																
-	9	-	<div><div>Q. Present the followingorganisation.</div><div>Ans. Dr. Income and Expenditure A/c for the year ended March 31, 2018 Cr.</div><table><tr><td>Particulars</td><td>Amount (₹)</td><td>Particulars</td><td>Amount (₹)</td></tr><tr><td>To Match Expenses</td><td>1,000</td><td></td><td></td></tr></table><div>Balance Sheet as on 31st March 2018</div><table><tr><td>Liabilities</td><td>Amount (₹)</td><td>Assets</td><td>Amount (₹)</td></tr><tr><td>Match Fund</td><td>5,00,000</td><td></td><td></td></tr><tr><td>Add Donations</td><td>1,24,000</td><td></td><td></td></tr><tr><td>Add Sale of Match Tickets</td><td></td><td></td><td></td></tr><tr><td></td><td>3,75,000</td><td></td><td></td></tr><tr><td>Less Match expenses</td><td>(9,99,000)</td><td>--</td><td></td></tr></table></div>	Particulars	Amount (₹)	Particulars	Amount (₹)	To Match Expenses	1,000			Liabilities	Amount (₹)	Assets	Amount (₹)	Match Fund	5,00,000			Add Donations	1,24,000			Add Sale of Match Tickets					3,75,000			Less Match expenses	(9,99,000)	--		<div><div>1 mark</div><div>½ x 4 = 2 marks = 3 marks</div></div>
Particulars	Amount (₹)	Particulars	Amount (₹)																																	
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Less Match expenses	(9,99,000)	--																																		
-	10	-	<div><div>Q. Krishna Ltd. had outstanding...for the year ended 31st March 2018.</div><div>Ans. Journal of Ltd.</div><table><tr><td>Date</td><td>Particulars</td><td>Dr. (₹)</td><td>Cr. (₹)</td></tr><tr><td>2017 Mar 31</td><td>Surplus i.e. balance in Statement of P/L Dr. To Debenture Redemption Reserve A/c (Being necessary amount transferred to Debenture</td><td>1,00,000</td><td>1,00,000</td></tr></table></div>	Date	Particulars	Dr. (₹)	Cr. (₹)	2017 Mar 31	Surplus i.e. balance in Statement of P/L Dr. To Debenture Redemption Reserve A/c (Being necessary amount transferred to Debenture	1,00,000	1,00,000	<div>½ mark</div>																								
Date	Particulars	Dr. (₹)	Cr. (₹)																																	
2017 Mar 31	Surplus i.e. balance in Statement of P/L Dr. To Debenture Redemption Reserve A/c (Being necessary amount transferred to Debenture	1,00,000	1,00,000																																	

			Redemption Reserve)					
		2017* Apr.30	Debenture Redemption Investments A/c Dr. To Bank A/c (Being Debenture Redemption Investments purchased)	1,50,000		1,50,000		½ mark
		2018 Mar.31	Bank A/c Dr. To Debenture Redemption Investments A/c (Being Debenture Redemption Investments sold)	1,50,000		1,50,000		½ mark
		“	9% Debentures A/c Dr. Premium on redemption of Debentures A/c Dr. To Debenture holders A/c (Being Debentures due for redemption)	10,00,000 1,00,000		11,00,000		1 mark
		“	Debenture holders A/c Dr. To Bank A/c (Being Debentures redeemed)	11,00,000		11,00,000		½ mark
			Debenture Redemption Reserve A/c Dr. To General Reserve A/c (Being Debenture Redemption Reserve transferred to general reserve)	2,50,000		2,50,000		-
		* Any date from April 1 to April 30 can be given for purchase of Debenture Redemption Investments						
		Note:						
		1. No marks to be deducted if the student has not transferred Debenture Redemption Reserve to General Reserve.						
		2. No marks to be deducted for writing or not writing the date for creation of Debenture Redemption Reserve.						= 3marks
-	11	-	Q. Gaurav, Saurabh and Vaibhav....books of the firm.					
			Ans. Journal					
			Date	Particulars	Dr. (₹)	Cr. (₹)		
		(i)	(a) Gaurav’s Capital A/c Dr. To Realisation A/c (Being machinery taken over by Gaurav)		3,00,000	3,00,000		
			(b) No entry					
		(ii)	Cash/ Bank A/c Dr. To Realisation A/c (Being Land and Building sold)		3,92,000	3,92,000		
		(iii)	Realisation A/c Dr. To Cash/ Bank A/c (Being payment made to creditors)		76,000	76,000		
			Vaibhav’s Capital A/c Dr. To Realisation A/c (Being assets taken over by Vaibhav)		17,000	17,000		1 x 4 = 4 marks

			(iv)	Realisation A/c To Bank A/c (Being bank loan paid along with interest)	Dr.	3,21,000		3,21,000	
-	12	-	Q. P, Q and R were partners on reconstitution of the firm.						
			Ans. JOURNAL						
			Date	Particulars		Dr. (₹)		Cr. (₹)	
				Profit and Loss A/c To P's Capital A/c To Q's Capital A/c To R's Capital A/c (Being Profit and Loss Account credited to Partners' Capital Accounts)	Dr.	9,000		2,250 2,250 4,500	1 mark
				Workmen's Compensation Reserve A/c To Workmen's Compensation Claim A/c To P's Capital A/c To Q's Capital A/c To R's Capital A/c (Being Workmen's Compensation Reserve adjusted for claim and the balance distributed among the partners)	Dr.	64,000		30,000 8,500 8,500 17,000	1 ½ marks
				P's Capital A/c Q's Capital A/c To R's Capital A/c (Being adjustment entry made for goodwill)	Dr. Dr.	60,000 60,000		1,20,000	1 ½ marks
									= 4 marks
15	13	14	Q. Sonu and Rajat started a partnership firm ... books of Sonu and Rajat.						
			Ans. Journal						
			Date	Particulars		Dr. (₹)		Cr. (₹)	
				Profit and Loss A/c To Profit and Loss Appropriation A/c (Being profit transferred from Profit and Loss A/c to Profit and Loss Appropriation A/c)	Dr.	4,89,950		4,89,950	½ mark
				Partner's Salary A/c To Sonu's Capital A/c (Being salary credited to Sonu's Capital A/c)	Dr.	2,40,000		2,40,000	½ mark
				Profit and Loss Appropriation A/c To Partner's Salary A/c (Being salary transferred to Profit and Loss Appropriation A/c)	Dr.	2,40,000		2,40,000	½ mark

			Partner's Commission A/c To Rajat's Capital A/c (Being commission credited to Rajat's Capital A/c)	Dr.	1,00,000	1,00,000	½ mark
			Profit and Loss Appropriation A/c To Partner's Commission A/c (Being salary transferred to Profit and Loss Appropriation A/c)	Dr.	1,00,000	1,00,000	½ mark
			Interest on Capital A/c To Sonu's Capital A/c To Rajat's Capital A/c (Being interest on capital credited to Partners' Capital A/c)	Dr.	1,12,000	64,000 48,000	½ mark
			Profit and Loss Appropriation A/c To Interest on Capital A/c (Being Interest on Capital transferred to Profit and Loss Appropriation A/c)	Dr.	1,12,000	1,12,000	½ mark
			Sonu's Capital A/c Rajat's Capital A/c To Interest on Drawings A/c (Being Interest on drawings charged)	Dr. Dr.	400 1,650	2,050	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	½ mark
			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	1 mark
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 31 st March 2018							
Ans.							
Dr. Profit and Loss Appropriation A/c for the year ended 31 st March 2018 Cr.							
Particulars		Amount (₹)	Particulars		Amount (₹)		
To salary Jay's Capital A/c 1,80,000 Vijay's Capital A/c <u>1,80,000</u>		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		½ mark for each correct item
To Profit transferred to: Jay's Capital A/c 4.66,000 - guarantee to Karan (<u>1,60,200</u>)		3,05,800					= ½ x 6 = 3 marks

			<div>Working Notes:</div> <div>Balance Sheet of Sears Club as on 31st March 2017</div> <table><tr><td colspan="2">Liabilities</td><td>Amount (₹)</td><td colspan="2">Assets</td><td>Amount (₹)</td></tr><tr><td colspan="2">Subscriptions received in advance</td><td>25,000</td><td colspan="2">Outstanding Subscriptions</td><td>60,000</td></tr><tr><td colspan="2">Capital Fund</td><td>62,000</td><td colspan="2">Stock of Stationery</td><td>3,000</td></tr><tr><td colspan="2"></td><td></td><td colspan="2">Cash</td><td>20,000</td></tr><tr><td colspan="2"></td><td></td><td colspan="2">Furniture</td><td>4,000</td></tr><tr><td colspan="2"></td><td>87,000</td><td colspan="2"></td><td>87,000</td></tr></table> <div>Note: In case the candidate has not prepared the Opening Balance Sheet, no marks are to be deducted.</div>						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	<div>=</div> <div>4+2</div> <div>=</div> <div>6 marks</div>
Liabilities		Amount (₹)	Assets		Amount (₹)																																								
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		87,000			87,000																																								
14	15	13	<div>Q. Girija, Yatin and Zubin Zubin’s Executors Account till he is finally paid.</div> <div>Ans. Dr. </div>																																										



			<table><tr><td>“</td><td>To Balance c/d</td><td>40,000</td><td>Mar 31</td><td>By Interest</td><td>4,800</td></tr><tr><td></td><td></td><td>88,800</td><td></td><td></td><td>88,800</td></tr><tr><td>2018 Mar 31</td><td>To Bank A/c</td><td>42,400</td><td>2017 Apr 1 2018 Mar 31</td><td>By Balance b/d</td><td>40,000</td></tr><tr><td></td><td></td><td></td><td></td><td>By Interest</td><td>2,400</td></tr><tr><td></td><td></td><td>42,400</td><td></td><td></td><td>42,400</td></tr></table>	“	To Balance c/d	40,000	Mar 31	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																																										
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			OR			OR																																																																						
			Ans. Dr. Zubin’s Executors Account Cr.																																																																									
			<table><tr><td>Date</td><td>Particulars</td><td>Amount (₹)</td><td>Date</td><td>Particulars</td><td>Amount (₹)</td></tr><tr><td>2015 Aug 1 2016 March 31</td><td>To Bank A/c</td><td>10,300</td><td>2015 Aug 1 2016 Mar 31</td><td>By Zubin’s Capital A/c</td><td>90,300</td></tr><tr><td></td><td>To Balance c/d</td><td>83,200</td><td></td><td>By Interest accrued</td><td>3,200</td></tr><tr><td></td><td></td><td>93,500</td><td></td><td></td><td>93,500</td></tr><tr><td>2017 Mar 31</td><td>To Bank A/c</td><td>48,192</td><td>2016 Apr 1 2017 Mar 31</td><td>By Balance b/d</td><td>83,200</td></tr><tr><td>“</td><td>To Balance c/d</td><td>40,000</td><td></td><td>By Interest</td><td>4,992</td></tr><tr><td></td><td></td><td>88,192</td><td></td><td></td><td>88,192</td></tr><tr><td>2018 Mar 31</td><td>To Bank A/c</td><td>42,400</td><td>2017 Apr 1 2018 Mar 31</td><td>By Balance b/d</td><td>40,000</td></tr><tr><td></td><td></td><td></td><td></td><td>By Interest</td><td>2,400</td></tr><tr><td></td><td></td><td>42,400</td><td></td><td></td><td>42,400</td></tr></table>	Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)	2015 Aug 1 2016 March 31	To Bank A/c	10,300	2015 Aug 1 2016 Mar 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 2017 Mar 31	By Balance b/d	83,200	“	To Balance c/d	40,000		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												
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17	16	17	Q. Akul, Bakul and Chandan of the reconstituted firm.																																																																									
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Particulars	Akul (₹)	Bakul (₹)	Chandan (₹)	Particulars	Akul (₹)	Bakul (₹)	Chandan (₹)																																																																					
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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

=

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	51,000
Capitals		Stock	80,000
Akul 1,00,000		Furniture	87,000
Chandan 50,000	1,50,000	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:			By Stock	30,000	
Sanjana's Capital A/c	24,000				
Alok's Capital A/c	<u>16,000</u>	40,000			
		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	-	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	-
				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 2,000	1,44,000
Alok 3,60,000		Stock	1,80,000
Nidhi 3,00,000	12,00,000		

½ x 6

=

3 marks

=

2+3+3

					Furniture	2,70,000	=
				12,60,000		12,60,000	8 marks
16	17	16	Q. DF Ltd. was registered ... the necessary Journal entries in the books of DF Ltd. Ans. Journal of DF Ltd.				
			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	3 marks
				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	2 marks
				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	3 marks
				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	- =
							8 marks
							OR
							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	½ mark
	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	1 mark
	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	½ mark
	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	1 mark
	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	½ mark
	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	1 ½ marks
	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	1 mark
	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	1 mark
	Share Forfeiture A/c Dr. To Capital Reserve A/c (Being balance in Share forfeiture account transferred to capital reserve)	50,000	50,000	1 mark
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.				= 8 marks

			<div>PART B OPTION 1 Analysis of Financial Statements</div>																																									
-	18	-	<div>Q. What is meant by ‘Cash Flows’?</div> <div>Ans. Cash Flows imply movement of cash in and out due to some non cash items.</div>	1 mark																																								
-	19	-	<div>Q. K Ltd., a manufacturing company...investing activities.</div> <div>Ans.</div> <div>Cash Flows from Financing Activities</div> <table><tr><td>Particulars</td><td>Details (₹)</td><td>Amount (₹)</td></tr><tr><td>Loan raised</td><td>6,00,000</td><td></td></tr><tr><td>Net Cash Inflows from Financing Activities</td><td></td><td>6,00,000</td></tr></table> <div>Cash Flows from Investing activities</div> <table><tr><td>Particulars</td><td>Details (₹)</td><td>Amount (₹)</td></tr><tr><td>Loan Advanced</td><td>(1,00,000)</td><td></td></tr><tr><td>Machinery purchased</td><td>(5,00,000)</td><td></td></tr><tr><td>Net Cash used in Investing Activities</td><td></td><td>(6,00,000)</td></tr></table> <div>.</div>	Particulars	Details (₹)	Amount (₹)	Loan raised	6,00,000		Net Cash Inflows from Financing Activities		6,00,000	Particulars	Details (₹)	Amount (₹)	Loan Advanced	(1,00,000)		Machinery purchased	(5,00,000)		Net Cash used in Investing Activities		(6,00,000)	<div>½ mark</div> <div>+</div> <div>½ mark = 1 mark</div>																			
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Net Cash used in Investing Activities		(6,00,000)																																										
-	20	-	<div>Q. Prepare a Comparative....</div> <div>Ans.</div> <div>Comparative Statement of Profit and Loss for the years ended 31st March 2017 and 31st March 2018</div> <table><tr><td>Particulars</td><td>2016-17 (₹)</td><td>2017-18 (₹)</td><td>Absolute Increase/ Decrease (₹)</td><td>Percentage Increase/ Decrease (%)</td></tr><tr><td>Revenue from operations</td><td>10,00,000</td><td>12,00,000</td><td>2,00,000</td><td>20</td></tr><tr><td>Add Other income</td><td>2,50,000</td><td>3,00,000</td><td>50,000</td><td>20</td></tr><tr><td>Total Revenue</td><td>12,50,000</td><td>15,00,000</td><td>2,50,000</td><td>20</td></tr><tr><td>Less Employee benefit expenses</td><td>3,75,000</td><td>6,00,000</td><td>2,25,000</td><td>60</td></tr><tr><td>Profit before Tax</td><td>8,75,000</td><td>9,00,000</td><td>25,000</td><td>2.86</td></tr><tr><td>Less Tax</td><td>3,50,000</td><td>3,60,000</td><td>10,000</td><td>2.86</td></tr><tr><td>Profit after Tax</td><td>5,25,000</td><td>5,40,000</td><td>15,000</td><td>2.86</td></tr></table> <div>.</div>	Particulars	2016-17 (₹)	2017-18 (₹)	Absolute Increase/ Decrease (₹)	Percentage Increase/ Decrease (%)	Revenue from operations	10,00,000	12,00,000	2,00,000	20	Add Other income	2,50,000	3,00,000	50,000	20	Total Revenue	12,50,000	15,00,000	2,50,000	20	Less Employee benefit expenses	3,75,000	6,00,000	2,25,000	60	Profit before Tax	8,75,000	9,00,000	25,000	2.86	Less Tax	3,50,000	3,60,000	10,000	2.86	Profit after Tax	5,25,000	5,40,000	15,000	2.86	<div>1 mark</div> <div>1 mark</div> <div>1 mark</div> <div>1 mark = 4 marks</div>
Particulars	2016-17 (₹)	2017-18 (₹)	Absolute Increase/ Decrease (₹)	Percentage Increase/ Decrease (%)																																								
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Profit after Tax	5,25,000	5,40,000	15,000	2.86																																								

20	21	22	<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><tr><td></td><td>Item</td><td>Head</td><td>Sub-Head</td></tr><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></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 = 1×4 = 4 marks</p> <p style="text-align: center;">OR</p> <p>$\frac{1}{2} \times 8$ = 4 marks</p>
	Item	Head	Sub-Head																																					
(i)	Prepaid Insurance	Current Assets	Other Current Assets																																					
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(viii)	Patents being developed by the company	Non Current Assets	Fixed Assets- Intangible Assets under development																																					
21	22	21	<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..... 1 mark</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..... 1 mark</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</p>	<p>3 marks</p> <p style="text-align: center;">+</p>																																				

			such as planning organising, staffing, oversight, control and decision- making including operational, functional and strategic nature.	= 4 marks
22	21	22	<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><u>Scalability</u> 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.</p> <p><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><u>Costing Sub-system</u> 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>2 marks = 4 marks</p> <p style="text-align: center;">OR</p> <p>2 marks</p> <p>2 marks = 4 marks</p>
21	22	21	<p>Q. Explain “Null Values and Complex attributes”.</p> <p>Ans. <u>Null Values</u>: 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><u>Complex Attributes</u>: 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>2 marks</p> <p>2 marks = 4 marks</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: (i) Debit profit and loss account. Credit the various expenses account appearing in the Trail Balance. (a) Debit account showing incomes or gains Credit the profit and loss account. 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>OR</p> <p>2 marks</p> <p>2 marks</p> <p>= 4 marks</p>
23	23	23	<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>

SET 3

67 /1 /1	67 /1 /2	67 /1 /3	Marking Scheme 2018-19 Accountancy (055) Delhi- 67/1/3 Expected Answers/ Value Points	MARKS																				
6	5	1	Q. How are Specific donations treated while preparing final accounts of a ‘Not-For-Profit Organisation?’ Ans. Specific donations are taken on the liabilities side of the Balance Sheet of a Not-For-Profit Organisation or Specific donations are capitalized while preparing the final accounts of a Not-For-Profit Organisation. OR Q. State the basis of accounting of preparing ‘Income and Expenditure Account’ of a Not-For-Profit Organisations. Ans. Accrual basis.	1 mark OR 1 mark																				
5	3	2	Q. Chhavi and Neha are partners in a firm interest on drawings. Ans. <table><tr><th colspan="4">Journal</th></tr><tr><th>Date</th><th>Particulars</th><th>Dr. (₹)</th><th>Cr. (₹)</th></tr><tr><td></td><td>Chhavi’s Capital/ Current Account Dr.</td><td>900</td><td>-</td></tr><tr><td></td><td>To Interest on drawings A/c</td><td>-</td><td>900</td></tr><tr><td></td><td>(Being Interest on drawings charged)</td><td></td><td></td></tr></table>	Journal				Date	Particulars	Dr. (₹)	Cr. (₹)		Chhavi’s Capital/ Current Account Dr.	900	-		To Interest on drawings A/c	-	900		(Being Interest on drawings charged)			1 mark
Journal																								
Date	Particulars	Dr. (₹)	Cr. (₹)																					
	Chhavi’s Capital/ Current Account Dr.	900	-																					
	To Interest on drawings A/c	-	900																					
	(Being Interest on drawings charged)																							
4	1	3	Q. What is meant by ‘Gaining Ratio’ on retirement of a partner? Ans. Gaining ratio is the ratio in which the remaining partners acquire the retiring partner’s share. OR Q. P, Q and R were partners rate at which interest will be paid to R Ans. 6% p.a.	1 mark OR 1 mark																				
2	4	4	Q. What is meant by ‘Issued Capital’? Ans. Issued Capital is that part of the Authorised Capital which is offered to the public for subscription. OR	1 mark OR																				

			<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>1 mark</p>																
1	2	5	<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>$\frac{1}{2}$ + $\frac{1}{2}$ = 1 mark</p>																
-	-	6	<p>Q. State any two contingencies partnership firm.</p> <p>Ans. Contingencies that may result into dissolution of a partnership firm: (Any two)</p> <p>(i) If the firm is constituted for a fixed term, on the expiry of that term</p> <p>(ii) If constituted to carry out one or more ventures, on the completion of the venture.</p> <p>(iii) On the death of a partner</p> <p>(iv) On the adjudication of a partner as an insolvent.</p>	<p>$\frac{1}{2} \times 2$ = 1 mark</p>																
9	7	7	<p>Q. Garvit Ltd. invited applications... Ltd.</p> <p>Ans.</p> <table><tr><th colspan="4">Journal of Garvit Ltd.</th></tr><tr><th>Date</th><th>Particulars</th><th>Dr. (₹)</th><th>Cr. (₹)</th></tr><tr><td></td><td>Bank A/c Dr. To Debenture Application and Allotment A/c (Being application money received on 3,600 debentures)</td><td>3,38,400 -</td><td>- 3,38,400</td></tr><tr><td></td><td>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)</td><td>3,38,400 18,000</td><td>- - 3,00,000 56,400</td></tr></table> <p style="text-align: center;">OR</p>	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	<p>1 mark</p> <p>+</p> <p>2 marks</p> <p>=</p> <p>3 marks</p> <p>OR</p>
Journal of Garvit Ltd.																				
Date	Particulars	Dr. (₹)	Cr. (₹)																	
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			<table><tr><td>Dr.</td><td colspan="2">Creditors for Sports Materials A/c</td><td>Cr.</td></tr><tr><td>Particulars</td><td>Amount (₹)</td><td>Particulars</td><td>Amount (₹)</td></tr><tr><td>To Cash</td><td>1,10,000</td><td>By Balance b/d</td><td>23,500</td></tr><tr><td>To Balance c/d</td><td>27,000</td><td>By Purchases</td><td>1,13,500</td></tr><tr><td></td><td>1,37,000</td><td></td><td>1,37,000</td></tr></table> <p style="text-align: center;">OR</p> <p><u>Alternate Solution</u> Calculation of Sports Materials to be debited to Income and Expenditure A/c:</p> <table><tr><td></td><td style="text-align: right;">₹</td></tr><tr><td>Amount paid to creditors</td><td style="text-align: right;">1,10,000</td></tr><tr><td>Add Closing balance of creditors</td><td style="text-align: right;">27,000</td></tr><tr><td>Less Opening balance of creditors</td><td style="text-align: right;"><u>(23,500)</u></td></tr><tr><td>Purchases of Sports Materials</td><td style="text-align: right;">1,13,500</td></tr><tr><td>Add Opening Stock of Sports Materials</td><td style="text-align: right;">21,000</td></tr><tr><td>Less Closing Stock of Sports Materials</td><td style="text-align: right;"><u>(24,000)</u></td></tr><tr><td>Sports Materials to be debited to Income and Expenditure A/c</td><td style="text-align: right;"><u>1,10,500</u></td></tr></table>	Dr.	Creditors for Sports Materials A/c		Cr.	Particulars	Amount (₹)	Particulars	Amount (₹)	To Cash	1,10,000	By Balance b/d	23,500	To Balance c/d	27,000	By Purchases	1,13,500		1,37,000		1,37,000		₹	Amount paid to creditors	1,10,000	Add Closing balance of creditors	27,000	Less Opening balance of creditors	<u>(23,500)</u>	Purchases of Sports Materials	1,13,500	Add Opening Stock of Sports Materials	21,000	Less Closing Stock of Sports Materials	<u>(24,000)</u>	Sports Materials to be debited to Income and Expenditure A/c	<u>1,10,500</u>	<p>1 ½ marks</p> <p>= 3 marks</p> <p>OR</p> <p>½ x 6 = 3 marks</p>
Dr.	Creditors for Sports Materials A/c		Cr.																																					
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-	-	10	<p>Q. Krishna Ltd. had outstanding for the year ended 31st March 2018.</p> <p>Ans. Journal of Ltd.</p> <table><tr><td>Date</td><td>Particulars</td><td>Dr. (₹)</td><td>Cr. (₹)</td></tr><tr><td>2017 Mar 31</td><td>Surplus i.e. balance in Statement of P/L Dr. To Debenture Redemption Reserve A/c (Being Debenture Redemption Reserve created)</td><td>17,50,000</td><td>17,50,000</td></tr><tr><td>2017* Apr30</td><td>Debenture Redemption Investments A/c Dr. To Bank A/c (Being Debenture Redemption Investments purchased)</td><td>10,50,000</td><td>10,50,000</td></tr><tr><td>2018 Mar31</td><td>Bank A/c Dr. To Debenture Redemption Investments A/c (Being Debenture Redemption Investments sold)</td><td>10,50,000</td><td>10,50,000</td></tr></table>	Date	Particulars	Dr. (₹)	Cr. (₹)	2017 Mar 31	Surplus i.e. balance in Statement of P/L Dr. To Debenture Redemption Reserve A/c (Being Debenture Redemption Reserve created)	17,50,000	17,50,000	2017* Apr30	Debenture Redemption Investments A/c Dr. To Bank A/c (Being Debenture Redemption Investments purchased)	10,50,000	10,50,000	2018 Mar31	Bank A/c Dr. To Debenture Redemption Investments A/c (Being Debenture Redemption Investments sold)	10,50,000	10,50,000	<p>1 mark</p> <p>½ mark</p> <p>½ mark</p>																				
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	Debenture Redemption Reserve A/c To General Reserve A/c (Being Debenture Redemption Reserve transferred to general reserve)	Dr. 17,50,000	17,50,000																					
			<p>* Any date from April 1 to April 30 can be given for purchase of Debenture Redemption Investments</p> <p>Note:</p> <p>1. No marks to be deducted if the student has not transferred Debenture Redemption Reserve to General Reserve</p> <p>2. No marks to be deducted for writing or not writing the date for creation of Debenture Redemption Reserve</p>																					
-	-	11	<p>Q. Ravi, Shankar and Madhur.....</p> <p>Ans. Journal</p> <table><tr><td>Date</td><td>Particulars</td><td>Dr. (₹)</td><td>Cr. (₹)</td></tr><tr><td>(i)</td><td>Bank/ Cash A/c To Realisation A/c (Being amount received from debtors)</td><td>Dr. 1,63,000</td><td>1,63,000</td></tr><tr><td>(ii)</td><td>Realisation A/c To Cash/ Bank A/c (Being payment made to creditors)</td><td>Dr. 3,500</td><td>3,500</td></tr><tr><td>(iii)</td><td>Realisation A/c To Cash/ Bank A/c (Being discounted bill dishonoured)</td><td>Dr. 2,000</td><td>2,000</td></tr><tr><td>(iv)</td><td>Realisation A/c To Ravi’s Capital A/c To Shankar’s Capital A/c To Madhur’s Capital A/c (Being profit on Realisation transferred to partners capital accounts))</td><td>Dr. 6,000</td><td>4,200 1,200 600</td></tr></table>	Date	Particulars	Dr. (₹)	Cr. (₹)	(i)	Bank/ Cash A/c To Realisation A/c (Being amount received from debtors)	Dr. 1,63,000	1,63,000	(ii)	Realisation A/c To Cash/ Bank A/c (Being payment made to creditors)	Dr. 3,500	3,500	(iii)	Realisation A/c To Cash/ Bank A/c (Being discounted bill dishonoured)	Dr. 2,000	2,000	(iv)	Realisation A/c To Ravi’s Capital A/c To Shankar’s Capital A/c To Madhur’s Capital A/c (Being profit on Realisation transferred to partners capital accounts))	Dr. 6,000	4,200 1,200 600	<p>1 x 4 = 4 marks</p>
Date	Particulars	Dr. (₹)	Cr. (₹)																					
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-	-	12	<p>Q. Aman, Bobby and Chandani were partners on reconstitution of the firm.</p>																					

			Ans.	JOURNAL						
			Date	Particulars		Dr. (₹)	Cr. (₹)			
				Aman's Capital A/c Bobby's Capital A/c Chandani's Capital A/c To Revaluation A/c (Being loss on revaluation debited to Partners' Capital Accounts)	Dr. Dr. Dr.	2,500 2,000 500	5,000	1 mark		
				Chandani's Capital A/c To Aman's Capital A/c To Bobby's Capital A/c (Being adjustment entry made for goodwill)	Dr.	28,000	20,000 8,000	2 marks		
				General Reserve A/c To Aman's Capital A/c To Bobby's Capital A/c To Chandani's Capital A/c (Being General Reserve distributed among the partners)	Dr.	20,000	10,000 8,000 2,000	1 mark =		
								4 marks		
14	15	13	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	To Bank A/c	10,300	2015 Aug 1	By Zubin's Capital A/c	90,300	2 marks	
			2016 March 31	To Balance c/d	83,200	2016 Mar 31	By Interest accrued	3,200		
					93,500			93,500		
			2017 Mar 31	To Bank A/c	48,000	2016 Apr 1	By Balance b/d	83,200	2 marks	
			“	To Balance c/d	40,000	2017 Mar 31	By Interest	4,800		
					88,000			88,000		
			2018 Mar 31	To Bank A/c	42,400	2017 Apr 1	By Balance b/d	40,000	2 marks	
						2018 Mar 31	By Interest	2,400	=	
					42,400			42,400	6 marks	
			OR							
			Ans. Dr.	Zubin's Executors Account				Cr.	OR	
			Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)		
			2015 Aug 1	To Bank A/c	10,300	2015 Aug 1	By Zubin's Capital A/c	90,300	2 marks	
			2016 March 31	To Bank A/c	3,200	2016				

			<table> <tr> <td>“</td><td>To Balance c/d</td><td>80,000</td><td>Mar 31</td><td>By Interest</td><td>3,200</td></tr> <tr> <td></td><td></td><td>93,500</td><td></td><td></td><td>93,500</td></tr> <tr> <td>2017 Mar 31</td><td>To Bank A/c</td><td>44,800</td><td>2016 Apr 1</td><td>By Balance b/d</td><td>80,000</td></tr> <tr> <td>“</td><td>To Balance c/d</td><td>40,000</td><td>2017 Mar 31</td><td>By Interest</td><td>4,800</td></tr> <tr> <td></td><td></td><td>88,800</td><td></td><td></td><td>88,800</td></tr> <tr> <td>2018 Mar 31</td><td>To Bank A/c</td><td>42,400</td><td>2017 Apr 1</td><td>By Balance b/d</td><td>40,000</td></tr> <tr> <td></td><td></td><td></td><td>2018 Mar 31</td><td>By Interest</td><td>2,400</td></tr> <tr> <td></td><td></td><td>42,400</td><td></td><td></td><td>42,400</td></tr> </table> <p style="text-align: center;">OR</p> <p>Ans. Dr. Zubin’s Executors Account Cr.</p> <table> <tr> <th>Date</th><th>Particulars</th><th>Amount (₹)</th><th>Date</th><th>Particulars</th><th>Amount (₹)</th></tr> <tr> <td>2015 Aug 1</td><td>To Bank A/c</td><td>10,300</td><td>2015 Aug 1</td><td>By Zubin’s Capital A/c</td><td>90,300</td></tr> <tr> <td>2016 March 31</td><td>To Balance c/d</td><td>83,200</td><td>2016 Mar 31</td><td>By Interest accrued</td><td>3,200</td></tr> <tr> <td></td><td></td><td>93,500</td><td></td><td></td><td>93,500</td></tr> <tr> <td>2017 Mar 31</td><td>To Bank A/c</td><td>48,192</td><td>2016 Apr 1</td><td>By Balance b/d</td><td>83,200</td></tr> <tr> <td>“</td><td>To Balance c/d</td><td>40,000</td><td>2017 Mar 31</td><td>By Interest</td><td>4,992</td></tr> <tr> <td></td><td></td><td>88,192</td><td></td><td></td><td>88,192</td></tr> <tr> <td>2018 Mar 31</td><td>To Bank A/c</td><td>42,400</td><td>2017 Apr 1</td><td>By Balance b/d</td><td>40,000</td></tr> <tr> <td></td><td></td><td></td><td>2018 Mar 31</td><td>By Interest</td><td>2,400</td></tr> <tr> <td></td><td></td><td>42,400</td><td></td><td></td><td>42,400</td></tr> </table>	“	To Balance c/d	80,000	Mar 31	By Interest	3,200			93,500			93,500	2017 Mar 31	To Bank A/c	44,800	2016 Apr 1	By Balance b/d	80,000	“	To Balance c/d	40,000	2017 Mar 31	By Interest	4,800			88,800			88,800	2018 Mar 31	To Bank A/c	42,400	2017 Apr 1	By Balance b/d	40,000				2018 Mar 31	By Interest	2,400			42,400			42,400	Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)	2015 Aug 1	To Bank A/c	10,300	2015 Aug 1	By Zubin’s Capital A/c	90,300	2016 March 31	To Balance c/d	83,200	2016 Mar 31	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	“	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	By Balance b/d	40,000				2018 Mar 31	By Interest	2,400			42,400			42,400	<p>2 marks</p> <p>2 marks = 6 marks OR</p> <p>2 marks</p> <p>2 marks = 6 marks</p>
“	To Balance c/d	80,000	Mar 31	By Interest	3,200																																																																																																											
		93,500			93,500																																																																																																											
2017 Mar 31	To Bank A/c	44,800	2016 Apr 1	By Balance b/d	80,000																																																																																																											
“	To Balance c/d	40,000	2017 Mar 31	By Interest	4,800																																																																																																											
		88,800			88,800																																																																																																											
2018 Mar 31	To Bank A/c	42,400	2017 Apr 1	By Balance b/d	40,000																																																																																																											
			2018 Mar 31	By Interest	2,400																																																																																																											
		42,400			42,400																																																																																																											
Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)																																																																																																											
2015 Aug 1	To Bank A/c	10,300	2015 Aug 1	By Zubin’s Capital A/c	90,300																																																																																																											
2016 March 31	To Balance c/d	83,200	2016 Mar 31	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																																																																																																											
“	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	By Balance b/d	40,000																																																																																																											
			2018 Mar 31	By Interest	2,400																																																																																																											
		42,400			42,400																																																																																																											
15	13	14	<p>Q. Sonu and Rajat started a partnership firm ... books of Sonu and Rajat.</p> <p>Ans. Journal</p> <table> <tr> <th>Date</th><th>Particulars</th><th>Dr. (₹)</th><th>Cr. (₹)</th></tr> <tr> <td></td><td>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)</td><td>4,89,950</td><td>4,89,950</td></tr> <tr> <td></td><td>Partner’s Salary A/c Dr. To Sonu’s Capital A/c (Being salary credited to Sonu’s Capital A/c)</td><td>2,40,000</td><td>2,40,000</td></tr> <tr> <td></td><td>Profit and Loss Appropriation A/c Dr.</td><td>2,40,000</td><td></td></tr> </table>	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.	2,40,000		<p>½ mark</p> <p>½ mark</p>																																																																																												
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.	2,40,000																																																																																																														

			To Partner's Salary A/c (Being salary transferred to Profit and Loss Appropriation A/c)		2,40,000		½ mark
			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		½ mark
			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		½ mark
			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		½ mark
			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		½ mark
			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		1 mark
			Interest on Drawings A/c Dr. To Profit and Loss Appropriation A/c (Being Interest on drawings transferred to Profit and Loss Appropriation A/c)	2,050	2,050		½ mark
			Profit and Loss Appropriation A/c Dr. To Sonu's Capital A/c To Rajat's Capital A/c (Being Profit credited to Partners' Capital accounts)	40,000	24,000 16,000		1 mark
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.							
OR							

			Dr. Profit and Loss Appropriation A/c for the year ended 31 st March 2018								Cr.		<div>½ mark for each correct item = ½ x 6 = 3 marks + 1 mark for each correct Capital A/c = 1 x 3 = 3 marks = 3+3 = 6 marks</div>		
			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				
			Dr. Partners' Capital Accounts											Cr.	
			Particulars		Jay (₹)	Vijay (₹)	Karan (₹)	Particulars		Jay (₹)	Vijay (₹)	Karan (₹)			
			To P/L Appr. A/c		25,000	-	-	By salary		1,80,000	1,80,000	--			
To balance c/d		4,60,800	5,39,200	5,00,000	By P/L Appropriation A/c- Profit		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						
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.															
13	14	15	Q. From the following Receipts and Payments A/c										<div>½ mark for each item = ½ x 8 = 4 marks 1 mark each for liabilities and asset side</div>		
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							
Balance Sheet of Sears Club as on 31 st 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							
					Investments			8,000							

		<table><tr><td>Add Surplus <u>1,52,960</u></td><td>2,14,960</td><td>Interest accrued on investments</td><td>160</td></tr><tr><td></td><td></td><td>Sports Equipment</td><td>59,000</td></tr><tr><td></td><td></td><td>Books</td><td>40,000</td></tr><tr><td></td><td>2,62,160</td><td></td><td>2,62,160</td></tr></table> <p><u>Interest on 12% Investments</u></p> <p>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.</p> <p><u>Working Notes:</u></p> <p style="text-align: center;">Balance Sheet of Sears Club as on 31st March 2017</p> <table><tr><td>Liabilities</td><td>Amount (₹)</td><td>Assets</td><td>Amount (₹)</td></tr><tr><td>Subscriptions received in advance</td><td>25,000</td><td>Outstanding Subscriptions</td><td>60,000</td></tr><tr><td>Capital Fund</td><td>62,000</td><td>Stock of Stationery</td><td>3,000</td></tr><tr><td></td><td></td><td>Cash</td><td>20,000</td></tr><tr><td></td><td></td><td>Furniture</td><td>4,000</td></tr><tr><td></td><td>87,000</td><td></td><td>87,000</td></tr></table> <p>Note: In case the candidate has not prepared the Opening Balance Sheet, no marks are to be deducted.</p>	Add Surplus <u>1,52,960</u>	2,14,960	Interest accrued on investments	160			Sports Equipment	59,000			Books	40,000		2,62,160		2,62,160	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	<p>1+1 = 2 marks</p> <p>= 4+2 = 6 marks</p>
Add Surplus <u>1,52,960</u>	2,14,960	Interest accrued on investments	160																																								
		Sports Equipment	59,000																																								
		Books	40,000																																								
	2,62,160		2,62,160																																								
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		Cash	20,000																																								
		Furniture	4,000																																								
	87,000		87,000																																								
16	17	16	<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><tr><td>Date</td><td>Particulars</td><td>Dr. (₹)</td><td>Cr. (₹)</td></tr><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</td><td></td><td></td></tr></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			<p>3 marks</p> <p>2 marks</p> <p>3 marks</p> <p>-</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 Calls in arrears A/c To Equity Share Allotment A/c (Being allotment money received)	Dr. Dr.			
			Equity Share First call A/c To Equity Share Capital A/c (Being First call money due on 50,000 shares)	Dr.	1,50,000	1,50,000	-
			Bank A/c To Equity Share First call A/c (Being first call money received)	Dr.	1,20,000	1,20,000	-
			OR Bank A/c Calls in arrears A/c To Equity Share First call A/c (Being first call money received)	Dr. Dr.	1,20,000 30,000	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 To Equity Share Application A/c (Being application money received on 1,20,000 shares)	Dr. 24,00,000	24,00,000	½ mark
				Equity Share Application A/c 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)	Dr. 24,00,000	12,00,000 4,00,000 4,00,000 4,00,000	1 mark
				Equity Share Allotment A/c To Equity Share Capital A/c To Securities Premium Reserve A/c (Being Allotment money due on 80,000 shares)	Dr. 12,00,000	8,00,000 4,00,000	½ mark
				Bank A/c Calls in arrears A/c To Equity Share Allotment A/c (Being allotment money received)	Dr. Dr. 7,60,000 40,000	8,00,000	1 mark
				Equity Share First call A/c To Equity Share Capital A/c (Being First call money due on 80,000 shares)	Dr. 12,00,000	12,00,000	½ mark
				Bank A/c	Dr. 12,10,000		

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 <u>9,000</u>	51,000
Capitals		Stock	80,000
Akul 1,00,000		Furniture	87,000
Chandan <u>50,000</u>	1,50,000	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 mark for
each amount
=
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	-	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	-
				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 mark for
each correct
amount
=
½ x 6
=
3 marks
=

				2+3+3 = 8 marks																																								
			<p style="text-align: center;">PART B OPTION 1 Analysis of Financial Statements</p>																																									
-	-	18	<p>Q. How will commission received'?</p> <p>Ans. It will be treated as Cash flows from operating activities</p>	1 mark																																								
-	-	19	<p>Q. How is 'dividend paid' treated...?</p> <p>Ans. Dividend paid is treated as a financing activity.</p>	1 mark																																								
-	-	20	<p>Q. Prepare a Comparative....</p> <p>Ans.</p> <p style="text-align: center;">Comparative Statement of Profit and Loss for the years ended 31st March 2017 and 31st March 2018</p> <table border="1"> <thead> <tr> <th>Particulars</th><th>2016-17 (₹)</th><th>2017-18 (₹)</th><th>Absolute Increase/ Decrease (₹)</th><th>Percentage Increase/ Decrease (%)</th></tr> </thead> <tbody> <tr> <td>Revenue from operations</td><td>10,00,000</td><td>15,00,000</td><td>5,00,000</td><td>50</td></tr> <tr> <td>Add Other income</td><td>5,00,000</td><td>9,00,000</td><td>4,00,000</td><td>80</td></tr> <tr> <td>Total Revenue</td><td>15,00,000</td><td>24,00,000</td><td>9,00,000</td><td>60</td></tr> <tr> <td>Less Employee benefit expenses</td><td>4,50,000</td><td>9,60,000</td><td>5,10,000</td><td>113.33</td></tr> <tr> <td>Profit before Tax</td><td>10,50,000</td><td>14,40,000</td><td>3,90,000</td><td>37.14</td></tr> <tr> <td>Less Tax</td><td>4,20,000</td><td>5,76,000</td><td>1,56,000</td><td>37.14</td></tr> <tr> <td>Profit after Tax</td><td>6,30,000</td><td>8,64,000</td><td>2,34,000</td><td>37.14</td></tr> </tbody> </table> <p>.</p>	Particulars	2016-17 (₹)	2017-18 (₹)	Absolute Increase/ Decrease (₹)	Percentage Increase/ Decrease (%)	Revenue from operations	10,00,000	15,00,000	5,00,000	50	Add Other income	5,00,000	9,00,000	4,00,000	80	Total Revenue	15,00,000	24,00,000	9,00,000	60	Less Employee benefit expenses	4,50,000	9,60,000	5,10,000	113.33	Profit before Tax	10,50,000	14,40,000	3,90,000	37.14	Less Tax	4,20,000	5,76,000	1,56,000	37.14	Profit after Tax	6,30,000	8,64,000	2,34,000	37.14	<p>1 mark</p> <p>1 mark</p> <p>1 mark</p> <p>1 mark</p> <p>= 4 marks</p>
Particulars	2016-17 (₹)	2017-18 (₹)	Absolute Increase/ Decrease (₹)	Percentage Increase/ Decrease (%)																																								
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Profit after Tax	6,30,000	8,64,000	2,34,000	37.14																																								
21	22	21	<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 style="text-align: center;">+</p> <p>1 mark = 4 marks</p> <p style="text-align: center;">OR</p> <p>3 marks</p> <p style="text-align: center;">+</p> <p>1 mark = 4 marks</p>
20	21	22	<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</p>	<p>½ mark for heading</p>

		<div>(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. (If the candidate has not given the headings but has given the correct explanation, full credit may be given) OR Q. State under which major headings and sub-headingsdeveloped by the company. Ans.<table><tr><td></td><td>Item</td><td>Head</td><td>Sub-Head</td></tr><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></table></div>		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	<div>+ ½ mark for its explanation = 1 x 4 = 4 marks OR ½ x 8 = 4 marks</div>			
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23	23	<div>23 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<table><tr><td>Particulars</td><td>Amount (₹)</td><td>Amount (₹)</td></tr><tr><td><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></td><td></td><td></td></tr><tr><td>Net Profit before Tax</td><td>4,58,000</td><td></td></tr><tr><td>Add depreciation on Plant and Machinery</td><td>5,000</td><td></td></tr><tr><td>Interest on 12% Debentures</td><td>50,000</td><td></td></tr><tr><td>Operating profit before Working Capital changes</td><td>5,13,000</td><td></td></tr><tr><td>Less Increase in Trade Receivables</td><td>(2,90,000)</td><td></td></tr><tr><td>Cash generated from operations</td><td>2,23,000</td><td></td></tr><tr><td>Less tax paid</td><td>(46,000)</td><td></td></tr><tr><td>Cash Inflows from Operating activities</td><td></td><td>1,77,000</td></tr><tr><td><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></td><td>(3,50,000)</td><td></td></tr><tr><td>Purchase of Plant and Machinery</td><td>(98,000)</td><td></td></tr><tr><td>Purchase of Goodwill</td><td></td><td>(4,48,000)</td></tr></table></div>	Particulars	Amount (₹)	Amount (₹)	<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			Net Profit before Tax	4,58,000		Add depreciation on Plant and Machinery	5,000		Interest on 12% Debentures	50,000		Operating profit before Working Capital changes	5,13,000		Less Increase in Trade Receivables	(2,90,000)		Cash generated from operations	2,23,000		Less tax paid	(46,000)		Cash Inflows from Operating activities		1,77,000	<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	(3,50,000)		Purchase of Plant and Machinery	(98,000)		Purchase of Goodwill		(4,48,000)	<div>2 marks <</div>
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[illegible]

			Expected level of secrecy (software and Data)	Low	Relatively high	= 4 marks	
			Number of user and their interface	Limited	As per specifications		
			Linkage to other information system	Restricted	Yes		
			Adaptability	High	Relatively high		
			Training requirements	Low	Medium		
21	22	21	Q. Explain “Null Values and Complex attributes”. Ans. <u>Null Values</u> : 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. - 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. <u>Complex Attributes</u> : 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. 2x2=4 marks OR Q. Explain closing entries and adjusting entries. Ans. <u>Closing entry</u> : The closing entries for completing the profit and loss account are: (i) Debit profit and loss account. Credit the various expenses account appearing in the Trail Balance. (a) Debit account showing incomes or gains Credit the profit and loss account. 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> <u>Adjusting Entry</u> : 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 31 st 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: Rent Account Dr To Advance Rent Account Rent Received in advance Account is a ‘Liability’ and is shown in the balance sheet.				2 marks

				4 marks
22	21	22	<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><u>Scalability</u> 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><u>Costing Sub-system</u> 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>2 marks = 4 marks</p> <p>OR</p> <p>2 marks</p> <p>2 marks = 4 marks</p>
23	23	23	<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>	6 marks

