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Senior School Certificate Examination

July -2016-17

Compartment Marking Scheme - Accountancy (Outside) 67/1, 67/2, 67/3

General Instructions:-

1. 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.

2. 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.

3. 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.

4. If a question does not have any parts, marks must be awarded in the left hand margin and encircled.

5. If a student has attempted an extra question, answer of the question deserving more marks should be retained and other answer scored out.

6. No marks to be deducted for the cumulative effect of an error. It should be penalized only once.

7. 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.

8. A full scale of marks 1-80 has to be used. Please do not hesitate to award full marks if the answer deserves it.

9. No marks are to be deducted or awarded for writing / not writing 'TO and BY' while preparing Journal and Ledger accounts.

10. In theory questions, credit is to be given for the content and not for the format.

11. Every Examiner should stay up to sufficiently reasonable time normally 5-6 hours every day and evaluate 20-25 answer books.

12. 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.

13. 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.

14. Any unassessed portion, non-carrying over of marks to the title page or totaling 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.

15. The Examiners should acquaint themselves with the guidelines given in the Guidelines for Spot Evaluation before starting the actual evaluation.
16. 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.

<table>
<tr><th colspan="3">Q. Set No.</th><th rowspan="2">Marking Scheme Compartment 2016-17
Accountancy (055)
<u>Outside Delhi – 67/1</u>
Expected Answers / Value points</th><th rowspan="2">Distribution of marks</th></tr>
<tr><th>67/1</th><th>67/2</th><th>67/3</th></tr>
<tr><td>1</td><td>3</td><td>5</td><td>Q. What is ....goodwill?
Ans. When the value of goodwill of the firm is not given but has to be inferred on the basis of net worth of the firm.</td><td>1 Mark</td></tr>
<tr><td>2</td><td>4</td><td>6</td><td>Q. Akash, Naveen and ....the date of Zaid's death.
Ans.
Books of the Akash, Naveen and Zaid
Journal
<table>
<tr><th>Date</th><th>Particulars</th><th>LF</th><th>Dr (₹)</th><th>Cr (₹)</th></tr>
<tr><td></td><td>Zaid's Capital A/c................................ Dr
To Zaid's executor's A/c
(Amount due to Zaid transferred to his executor's account)</td><td></td><td>60,000</td><td>60,000</td></tr>
</table></td><td>1 Mark</td></tr>
<tr><td>3</td><td>5</td><td>1</td><td>Q. Differentiate between .... of business'.
Ans.
<table>
<tr><th>Basic of Distinction</th><th>Dissolution of Partnership</th><th>Dissolution Firm</th></tr>
<tr><td>Continuation of the business</td><td>In case of dissolution of partnership, the firm continues its business.</td><td>In case of dissolution of firm, the firm does not continue its business.</td></tr>
</table></td><td>1 Mark</td></tr>
<tr><td>4</td><td>6</td><td>2</td><td>Q. Does the change..support of your answer.
Ans. No, change in profit sharing ratio does not result into dissolution of partnership firm as it results in a change is the existing agreement leading to the reconstitution of the firm.</td><td>1 Mark</td></tr>
<tr><td>5</td><td>1</td><td>3</td><td>Q. State the ....assets and liabilities.
Ans. The partners share the gain or loss on revaluation of assets and liabilities in their " old profit sharing ratio".</td><td>1 Mark</td></tr>
<tr><td>6</td><td>2</td><td>4</td><td>Q. What is ....of Shares?
Ans. Private Placement means any offer of securities or invitation to subscribe securities to a select group of persons by a company.</td><td>1 Mark</td></tr>
<tr><td>7</td><td>9</td><td>8</td><td>Q. The total capital .... goodwill of the firm.
Ans. Total Profits of last 3 years.
= Rs 40,000 + Rs (46,000 + 3000) + Rs 52,000 = Rs 1,41,000.
Average Profit = $\frac{1,41,000}{3}$ = Rs 47,000
Goodwill = Rs 47,000*2 = Rs 94,000</td><td>1
1
1
=3 Marks</td></tr>
<tr><td>8</td><td>-</td><td>-</td><td>Q. Sico Ltd. took.. books of sico Ltd.
Ans.
Books of Sico Ltd.
Journal
<table>
<tr><th>Date</th><th>Particulars</th><th>LF</th><th>Dr. Amt (₹)</th><th>Cr. Amt (₹)</th></tr>
<tr><td>(i)</td><td>Sundry Assets A/c Dr.
To Liabilities
To Mittal Ltd
To Capital Reserve</td><td></td><td>4,80,000</td><td>
80,000
320,000
80,000</td></tr>
</table></td><td>1 ½</td></tr>
</table>

	(Assets and Liabilities of Mittal Ltd. taken over)				
(ii)	Mittal Ltd Dr. To Bills payable A/c (Bills payable of Rs 20,000 accepted in favour of Mittal Ltd.)		20,000	 20,000	½
(iii)	Mittal Ltd Dr. To 8% Preference Share Capital A/c To Securities Premium Reserve A/c (8% Preference shares issued at a Premium of 50% to Mittal Ltd.) **OR combined entry for (ii) & (iii)** Mittal Ltd. Dr. To Bills Payable A/c To Equity Share Capital A/c To Securities Premium Reserve A/c (Bills payable of Rs 20,000 accepted in favour of Mittal Ltd. and balance settled by issue ofprefernce shares at a premium of 50%)		3,00,000 3,20,000	 2,00,000 1,00,000 20,000 2,00,000 1,00,000	1 = **3 Marks**

9 - -

Q. Kansa Ltd. offered.. to accounts'.

Ans.

Balance Sheet of Kansa Ltd.

Particulars	**Note No.**	**Amount ₹ Current year**	**Amount ₹ Previous year**
EQUITY & LIABILITIES I Shareholder's funds : a) Share Capital	 1	 27,60,000	 --------

1

Notes to Accounts :

Particulars	**(₹.)**
(1) Share Capital	
Authorised Capital :	
................equity shares of ₹ 100 each	xxxxxxxxxx
Issued Capital	
32,000 equity shares of ₹ 100 each	
Subscribed Capital	32,00,000
Subscribed and fully paid	
26,000 shares of ₹ 100 each	26,00,000
Add : Forfeited shares A/c	1,60,000
	27,60,000

½

½

½ + ½ =3 Marks

10 8 7

Q. Farhan, Hina .... to her executors.

Ans.

Dolly's Capital A/c

Dr. **Cr.**

Particulars	**Amt(₹)**	**Particulars**	**Amt(₹)**
To Dolly's Executors A/c (Bal. Figure)	2,06,200	By balance b/d By P & L Suspense A/c	2,00,000 200

		By Farhan's Capital A/c By Hina's Capital A/c	3,750 2,250
	2,06,200		**2,06,200**

3 Marks

11 **12** **11**

Q. Bhavya and .... the above para.

Ans.

(a) **Books of the Bhavya & Naman**

Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)	
	Revaluation A/c Dr. To Bhavya's Capital A/c To Naman's Capital A/c (Gain on revaluation transferred to Capital accounts of partners in old ratio 1:1)		18,000	 9,000 9,000	**1**
	Naman's Capital A/c Dr. To Bhavya's Capital A/c (Treatment of goodwill due to change in profit sharing ratio)		20,000	 20,000	**1**

Old Ratio = 1:1 New Ratio = 1:2

Naman's gain= 1/6 Bhavya's sacrifice = 1/6

(b) Values (Any two):

- Compassion,
- Sensitivity towards underprivileged,
- Optimum utilisation of resources,
- Concern for society

(Or any other suitable value)

1+1
=
4 Marks

12 **11** **12**

Q Cemto Ltd. .... forfeited account.

Ans. **Books of the Bhavya & Naman**

Journal

Date	Particulars	LF	Dr. Amt(₹)	Cr. Amt(₹)	
	Share Capital A/c ....Dr. To Forfeited Shares A/c To Calls in arrear/ Share final call A/c (6,000 shares of Rs.10 each forfeited for non payment of final call of Rs.3 per share)		60,000	 42,000 18,000	**1**
	Bank A/c..Dr. Forfeited Shares A/c ....Dr. To Share Capital A/c (300 of the forfeited shares reissued for Rs.8 per share)		2,400 600	 3,000	**1**
	Forfeited Shares A/c..........................Dr To Capital Reserve A/c (Gain on reissued shares transferred to capital reserve A/c)		1,500	 1,500	**1**

Forfeited Shares A/c

Dr **Cr**

Particulars	Amt (₹)	Particulars	Amt (₹)
To Equity Share Capital A/c To Capital Reserve A/c To Balance c/d	600 1,500 39,900	By Equity Share Capital A/c	42,000

1

	42,000		42,000	= 4 Marks

13 - -

Q. Journalise the .... Investments and Interest.

Ans.

(a) **Books of Winona Ltd.**

Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)	
	Bank A/c Dr. To 12 % Debenture Application & Allotment A/c (Applications received for Rs. 80,000 11% debentures issued at 5% premium)		84,000	 84,000	½
	12% Debenture Application & Allotment A/c Dr. Loss on Issue of Debentures A/c Dr. To 12 % Debentures A/c To Securities Premium A/c To Premium on redemption of debentures A/c [Allotment of 800 11% debentures at 5% Premium redeemable at 10% premium]		84,000 8,000	 80,000 4,000 8,000	1 ½

(b) (i) **Books of Hevkel Ltd.**

Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)	
	13 % Debentures A/c ....Dr. Premium on redemption of debentures A/c Dr. To Debenture holders' A/c [Amount due to debenture holders]		1,00,000 10,000	 1,10,000	1
	Debenture holders' A/c..........................Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c [Converted debentures into 2,000 Equity shares issued at 10% premium]		1,10,000	 1,00,000 10,000	1

(ii) **Books of Anglec Ltd.**

Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)	
	Own Debentures A/c .... Dr. To Bank A/c [420 own debentures purchased for cancellation]		4,20,840	 4,20,840	½
	11% Debentures A/c .... Dr. Loss on cancellation of own debentures Dr. To Own Debentures A/c [Cancellation of Own Debentures]		4,20,000 840	 4,20,840	1
	Statement of Profit & Loss To Loss on cancellation of own debentures A/c [Loss on cancellation of own debentures transferred to Statement of Profit & Loss]		840	 840	½ = 6 Marks

14 13 15

Q. Give the necessary .... realization was Rs. 45,000.

Ans. **Books of Anita & Ravi**

Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)	
(a)	(i) Realisation A/c Dr. To Ravi's capital A/c (Being remuneration allowed to the partners to carry out dissolution)		23,000	23,000	½
	(ii) Ravi's Capital A/c Dr. To Cash A/c (Realisation expenses paid by the firm & borne by Ravi)		10,000	10,000	½
(b)	Bank A/c Dr. To Realisation A/c (Amount recovered from debtors earlier written off as bad debts)		54,000	54000	1
(c)	No entry				1
(d)	Bank A/c Dr. To Realisation A/c (Being amount realised from land &building after deducting commission)		2,94,000	2,94,000	1
(e)	Anita's capital A/c Dr. Ravi's capital A/c Dr. To Realisation A/c (Being Shares transferred to Anita, Ravi in their profit sharing ratio)		15,000 10,000	25,000	1
(f)	Realisation A/c Dr. To Anita's capital A/c To Ravi's capital A/c (Being profit on realization transferred to Anita and Ravi in 3:2)		45,000	27,000 18,000	1 = **6 Marks**

15 - -

Q. Mudit and Uday ....book of the firm.

Ans. **Books of the Mudit and Uday**

Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)	
2016 Apr 1	Uday's Capital A/c........................ Dr. To Mudit's Capital A/c [Rectifying entry for omission of IOC, IOD and Mudit's commission]		3,408	3,408	**2**

Working Notes :

Past Adjustment Table

Particulars	Mudit	Uday	Total
Omission of IOC	4,200 (Cr.)	3,600 (Cr.)	7,800 (Dr.)
Omission of IOD	240 (Dr.)	180 (Dr.)	420 (Cr.)
Omission of Commission	4,000 (Cr.)	-----	4,000 (Dr.)
	7,960 (Cr.)	3,420 (Cr.)	11,380 (Dr.)
Dr. Total divided in PSR	4,552 (Dr.)	6,828 (Dr.)	11,380 (Cr.)
Net Effect	3,408 (Cr.)	3,408 (Dr.)	00000

4
=
6 marks

16 **17** **16**

Q. **Benolac Paints ....Benolac Paints Ltd.**

Ans.

Benolac Paints Ltd.
Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt(₹)	
	Bank A/c Dr.		4,20,000		
	To Equity Share Application A/c			4,20,000	½
	(Being application money received on shares)				
	Equity Share Application A/c Dr.		4,20,000		
	To Equity Share Capital A/c			2,40,000	
	To Securities Premium Reserve A/c			1,20,000	
	To Bank A/c			30,000	1
	To Equity Share Allotment A/c			30,000	
	(Being application money transferred)				
	Equity Share Allotment A/c Dr.		3,60,000		
	To Equity Share Capital A/c			3,60,000	½
	(Being share allotment money due)				
	Bank A/c Dr.		3,13,500		
	To Equity share allotment a/c			3,13,500	
	(Being allotment money received except on 6,000 shares)				1
	OR				
	Bank A/c Dr.		3,13,500		
	Calls in arrears A/c Dr.		16,500		
	To Equity Share Allotment A/c			3,30,000	
	(Being allotment money received except on 6,000 shares)				
	Equity Share first & final call A/c Dr.		7,20,000		
	To Equity Share Capital A/c			6,00,000	
	To Securities premium/ Securities premium reserve A/c			1,20,000	1
	(Being first & final call money due on 1,20,000 shares)				
	Bank A/c Dr.		6,84,000		
	To Equity share first and final call a/c			6,84,000	
	(Being first & final call money received except on 6,000 shares)				1
	OR				
	Bank A/c Dr.		6,84,000		
	Calls in arrears A/c Dr.		36,000		
	To Equity share first and final call A/c			7,20,000	
	(Being first & final call money received except on 6,000 shares)				
	Equity Share Capital A/c Dr.		60,000		
	Securities Premium Reserve A/c Dr.		6,000		

Date	Particulars		LF	Dr. Amt	Cr. Amt	
	To Share Forfeiture A/c				13,500	
	To Calls in arrears A/c				52,500	
	(Being 6,000 shares of Sharvi forfeited)					
	OR					1
	Equity Share Capital A/c	Dr.		60,000		
	Securities Premium Reserve A/c	Dr.		6,000		
	To Share Forfeiture A/c				13,500	
	To Equity Share Allotment A/c				16,500	
	To Equity share first and final call A/c				36,000	
	(Being 6,000 shares of Sharvi forfeited)					
	Bank A/c	Dr.		33,000		
	To Equity Share Capital A/c				30,000	1
	To Securities Premium Reserve A/c				3,000	
	(Being 1000 shares reissued for 8 per share fully paid up)					
	Forfeited Shares A/c	Dr.		6,750		1
	To capital reserve A/c				6,750	=
	(Being gain on reissued shares transferred to capital reserve)					**8 Marks**

16 OR | **17 OR** | **16 OR**

Q. **Bayson Ltd. ....wherever necessary.**

Ans.

Bayson Ltd.

Journal

Date	**Particulars**		**LF**	**Dr. Amt (₹)**	**Cr. Amt (₹)**	
	Bank A/c	Dr.		40,00,000		
	To Equity Share Application A/c				40,00,000	
	(Being application money received on shares)					½
	Equity Share Application A/c	Dr.		40,00,000		
	To Equity Share Capital A/c				27,00,000	
	To Equity Share Allotment A/c				4,00,000	1
	To Calls in Advance A/c				9,00,000	
	(Being application money transferred to share capital A/c)					
	Equity Share Allotment A/c	Dr.		5,40,000		
	To Equity Share Capital A/c				5,40,000	
	(Being share allotment made due)					½
	Bank A/c	Dr.		1,88,000		
	To Equity Share allotment a/c				1,40,000	
	To Calls in Advance A/c				48,000	
	(Being allotment money received and advance of first call)					1
	Equity Share first & final call A/c	Dr.		21,60,000		
	To Equity Share Capital A/c				21,60,000	
	(Being first & final call due)					1
	Bank A/c	Dr.		12,05,000		
	Calls in Advance A/c	Dr		9,48,000		
	Calls in arrears A/c	Dr.		7,000		
	To share first and final call a/c				21,60,000	

	(Being first & final call money received)				1
	OR				
	Bank A/c Dr.		12,05,000		
	Calls in advance A/c Dr.		9,48,000		
	To share first and final call A/c			21,53,000	
	(Being first & final call money received)				
	Share Capital A/c Dr.		40,000		
	To Forfeited shares A/c			33,000	1
	To Calls in arrears A/c			7,000	
	(Being 400 shares of Vidur forfeited)				
	Bank A/c Dr.		44,000		
	To Share Capital A/c			40,000	1
	To Securities Premium Reserve A/c			4,000	
	(Being 400 shares reissued for **R** 110 per share fully paid up)				
	Forfeited Shares A/c Dr.		33,000		
	To capital reserve A/c			33,000	
	(Being gain on reissued shares transferred to capital reserve)				1 = **8 Marks**

17 **16** **17** **Q.** **Qadir and Rishab are.. reconstituted firm.**

Ans. Revaluation A/c

Dr. Cr.

Particulars	₹	Particulars	₹
To Creditors	30,000	By Plant and Machinery A/c	1,50,000
To profit transferred to Capital Accounts:			
Qadir 72,000			
Rishab 48,000	1,20,000		
	1,50,000		1,50,000

2

Partners' Capital Accounts

Dr. **Cr.**

Particulars	Qadir ₹	Rishab ₹	Sapna ₹	Particulars	Qadir ₹	Rishab ₹	Sapna ₹
To Balance c/d	12,42,000	7,68,000	6,00,000	By Balance b/d	11,40,000	7,00,000	-
				By Bank A/c	-	-	6,00,000
				By Revaluation A/c	72,000	48,000	-
				By Premium for goodwill A/c	18,000	12,000	-
				By Workmen's Compensation Reserve	12,000	8,000	
	12,42,000	**7,68,000**	**6,00,000**		**12,42,000**	**7,68,000**	**6,00,000**

3

Balance Sheet of the Reconstituted Firm as at 1st April 2016

Liabilities	₹	**Assets**	₹

Qadir's Capital	12,42,000	Land and Building	5,60,000
Rishab's Capital	7,68,000	Plant and Machinery	7,50,000
Sapna's Capital	6,00,000	Stock	1,60,000
Workmen's		Debtors 6,00,000	
Compensation Claim	40,000	Less Provision 20,000	5,80,000
Creditors	1,30,000	Bank	7,30,000
	27,80,000		27,80,000

3

=
8 Marks

17 OR | 16 OR | 17 OR

Q. Kanika, Disha and Kabir......................... the reconstituted firm.
Ans.

Revaluation A/c

Dr. Cr.

Particulars	**₹**	**Particulars**	**₹**
To profit transferred to Partners' Capital Accounts:		By Fixed assets A/c	60,000
Kanika	40,000	By Stock A/c	20,000
Disha	20,000		
Kabir	20,000		
	80,000		**80,000**

2

Partners' Capital Accounts

Dr. **Cr.**

Particulars	**Kanika ₹**	**Disha ₹**	**Kabir ₹**	**Particulars**	**Kanika ₹**	**Disha ₹**	**Kabir ₹**
To Kanika's CapitalA/c	-	35,000	35,000	By Balance b/d	2,00,000	1,00,000	80,000
To Profit & Loss A/c	10,000	5,000	5,000	By Revaluation A/c	40,000	20,000	20,000
To Kanika's loan A/c	3,00,000	-	-	By Disha's Capital A/c	35,000	-	-
To Balance c/d	-	80,000	60,000	By Kabir's Capital A/c	35,000	-	-
	3,10,000	**1,20,000**	**1,00,000**		**3,10,000**	**1,20,000**	**1,00,000**

3

Balance Sheet of the reconstituted firm as at 1st April 2016

Liabilities	**₹**	**Assets**	**₹**
Trade creditors	53,000	Bank	60,000
Employees' Provident Fund	47,000	Debtors	60,000
Kanika's loan	3,00,000	Stock	1,20,000
Disha's capital	80,000	Fixed assets	3,00,000
Kabir's capital	60,000		
	5,40,000		**5,40,000**

3
=
8 Marks

PART B
(Financial Statements Analysis)

18 | 19 | 18

Q. What is meant by 'Cash Equivalents'? **1 mark**

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

19 | 18 | 19

Q. Give any one ....type of enterprise. **1 Mark**

Ans. (any one)

- Purchase of Goodwill
- Purchase of Fixed assets.
- Sale of fixed assets

20 | 22 | 21

Q. (a) Classify the .... capital advances.

Ans. . (a)

	Item	Major Head	Sub- Head
(i)	Income received in advance	Current Liabilities	Other Current Liabilities
(ii)	Capital Advances	Non Current Assets	Long term loans and Advances

1

1

(b) State any two.....................................Financial Statements.'

Ans. Limitations of 'Analysis of Financial Statements' are : **(any two)**

- Does not consider price level changes.
- May be misleading without the knowledge of the changes in accounting procedures followed by a firm.
- Monetary information alone is considered and non-monetary aspects are ignored.
- Financial analysis is historical analysis and does not reflect the future position.
- Since subjectivity due to personal judgement is inherent in financial statements, the analysis is not free from personal bias.
- It only identifies the symptoms & does not offer complete diagnosis or remedy to the problems.

2

= **4 Marks**

21 20 22

Q. (a) The net profit .... Interest Coverage Ratio.

Ans. (a)

$$\text{Interest Coverage Ratio} = \frac{\text{Net profit before interest and tax}}{\text{Interest on Long term loans}}$$

Net profit before interest and tax = Net profit after interest and tax + tax @40% +Interest

= 1,20,000 + 80,000 + 10,000 = 2,10,000

$$\text{Interest Coverage Ratio} = \frac{2,10,000}{10,000} = \textbf{21 times}$$

2

Q. (b) From the following... Rent Rs.5,000.

Ans. (b)

$$\text{Inventory turnover Ratio} = \frac{\text{Cost of Revenue from Operations}}{\text{Average Inventory}}$$

Cost of Revenue from Operations = Opening Inventory + Net Purchases + Wages + Carriage inwards - Closing Inventory

= 20,000 + 79,000 +9,000 + 4,000 – 22,000 = 90,000

$$\text{Average Inventory} = \frac{(\text{Opening Inventory} + \text{Closing Inventory})}{2}$$

$$= \frac{(20,000 + 22,000)}{2} = 21,000$$

$$\text{Inventory turnover Ratio} = \frac{90,000}{21,000} = \textbf{4.29 times}$$

2

=4 Marks

22 21 20

Q. From the following........................Common Size Statement:

Ans. **Common Size Statement of Profit and Loss**

For the year ended 31st March 2015 and 2016

Particulars	**Note No.**	**Absolute Amounts**		**%age of Revenue from operations**	
		2014-15 (₹)	2015-16 (₹)	2014-15	2015-16
Revenue from operations Add :Other incomes		20,00,000 4,00,000	30,00,000 3,60,000	100 20	100 12
Total Revenue from operations Less Expenses		24,00,000 10,00,000	33,60,000 12,00,000	120 50	112 40
Profit before tax		14,00,000	21,60,000	70	72

1 X 2=2

Less Income Tax		5,60,000	10,80,000	28	36
Profit after tax		8,40,000	10,80,000	42	36

½ X 4=2
=
4 Marks

23 - -

Q. Calculate..the year was Rs.55,000.

Ans.

Cash flows from Investing Activities:

Particulars	Amount (₹)
Sale of Plant and Machinery	40,000
Purchase of Plant and Machinery	(2,90,000)
Sale of Long Term Investments	3,50,000
Interest received on Investments	*60,000
Investments in Shares of Miko Ltd.	(10,00,000)
Dividend received from Miko Ltd.	**72,000
Goodwill purchased	(80,000)
	(8,48,000)

4

Note 1:

It is assumed that Investments in Shares of Miko Ltd. were made and Long Term Investments were sold on 31st March 2015.

In case it is assumed that Investments in Shares of Miko Ltd. were made and Investments were sold on 31st March 2014, interest would be *18,000 and dividend would be **1,62,000 and Cash flows from Investing activities would be 8,00,000

Dr. **Plant and Machinery A/c** **Cr.**

Particulars	**Amt.₹**	**Particulars**	**Amt. ₹**
To balance b/d	4,00,000	By Cash A/c	40,000
To Gain on sale	5,000	By depreciation A/c	55,000
To Cash A/c (purchase of machinery)	2,90,000	By balance c/d	6,00,000
	6,95,000		6,95,000

2
=
6 marks

PART C
(Computerized Accounting)

18 19 19

Q. What is........................'Block Code'?

Ans.

In a block code, a range of computer is partitioned into a desired number of sub rangesand each range is allotted to a specific group. In most of the uses of block codes, numbers within a sub range follow sequential coding scheme, i.e. the numbers increase consecutively.

½ X 2
=1 Mark

19 18 18

Q. What.................................'Query'?

Ans.

Queries provide the real power to a database in terms of its capabilities to answer more complex request.

=1 Mark

20 21 22

Q. State................................accounting system.

Ans.

Advantages of CAS

Following are the advantages of computerized accounting system(CAS) **(Any two)**

1. Timely generation of reports and information in desired format.
2. Efficient record keeping
3. Ensures effective control over the system.
4. Economy in the processing of accounting data.
5. Confidentiality of data is maintained.

2

			Limitations of CAS Following are the limitation of CAS software: **(Any Two)** 1. Faster obsolescence of technology necessitates investment in shorter period of time. 2. Data may be lost or corrupted due to power interruptions. 3. Data are prone to hacking. 4. Un-programmed and un-specified reports cannot be generated	**2** **=** **4 Marks**
21	**22**	**20**	**Q. Explain............................software.** **Ans.** Any **two** from the following with explanation: 1. Flexibility. 2. Cost of installation and maintenance. 3. Size of organization. 4. Ease of adaptation and training needs. 5. Utilities/MIS reports. 6. Expected level of secrecy. 7. Vendors' reputation and capabilities.	**2x2** **=4 Marks**
22	**20**	**21**	**Q. Give...DBMS.** **Ans.** SQL and MS ACCESS are the two commonly available DBMS software Advantages of DBMS **(Any two)** with explanation: 1. Reduce Data redundancy. 2. Information protection 3. Data dictionary management. 4. Greater consistency 5. Reduced cost 6. Backup and recovery facility.	**2** **2** **=4 Marks**
23	**-**	**-**	**Q. Explain...Charts/ Graphs.** **Ans.** Different elements of chart/Graph are (with explanation) **(any six)** 1. The chart area 2. The plot area 3. The data points 4. The horizontal (category) and vertical (value) axis. 5. The legend. 6. A chart and axis title. 7. A data label.	**1x6** **=** **6 Marks**

<table>
<tr><th colspan="3">Q. Set No.</th><th rowspan="2">Marking Scheme Compartment 2016-17
Accountancy (055)
<u>Delhi – 67/2</u>
Expected Answers / Value points</th><th rowspan="2">Distribution of marks</th></tr>
<tr><th>67/1</th><th>67/2</th><th>67/3</th></tr>
<tr><td>5</td><td>1</td><td>3</td><td>Q. State the ………………………………………………………………assets and liabilities.
Ans. The partners share the gain or loss on revaluation of assets and liabilities in their “ old profit sharing ratio”.</td><td>1 Mark</td></tr>
<tr><td>6</td><td>2</td><td>4</td><td>Q. What is …………………………………………of Shares?
Ans. Private Placement means any offer of securities or invitation to subscribe securities to a select group of persons by a company.</td><td>1 Mark</td></tr>
<tr><td>1</td><td>3</td><td>5</td><td>Q. What is ………………………………goodwill?
Ans. When the value of goodwill of the firm is not given but has to be inferred on the basis of net worth of the firm</td><td>1 Mark</td></tr>
<tr><td>2</td><td>4</td><td>6</td><td>Q. Akash, Naveen and ……………………………………the date of Zaid’s death.
Ans. Books of the Akash, Naveen and Zaid
Journal
<table>
<tr><th>Date</th><th>Particulars</th><th>LF</th><th>Dr (₹)</th><th>Cr (₹)</th></tr>
<tr><td></td><td>Zaid’s Capital A/c……………………………. Dr
To Zaid’s executor’s A/c
(Amount due to Zaid transferred to his executor’s account)</td><td></td><td>60,000</td><td>60,000</td></tr>
</table></td><td>1 Mark</td></tr>
<tr><td>3</td><td>5</td><td>1</td><td>Q. Differentiate between …………………………………………… of business’.
Ans.
<table>
<tr><th>Basic of Distinction</th><th>Dissolution of Partnership</th><th>Dissolution Firm</th></tr>
<tr><td>Continuation of the business</td><td>In case of dissolution of partnership, the firm continues its business.</td><td>In case of dissolution of firm, the firm does not continue its business.</td></tr>
</table></td><td>1 Mark</td></tr>
<tr><td>4</td><td>6</td><td>2</td><td>Q. Does the change………………………………………………support of your answer.
Ans. No, change in profit sharing ratio does not result into dissolution of partnership firm as it results in a change is the existing agreement leading to the reconstitution of the firm.</td><td>1 Mark</td></tr>
<tr><td>-</td><td>7</td><td>-</td><td>Q. Ronet Ltd…………………………………………………………………’Notes to Accounts’.
Ans. Balance Sheet of Ronet Ltd.
As at ………………..(As per revised schedule VI)
<table>
<tr><th>Particulars</th><th>Note No.</th><th>Amount ₹
Current year</th><th>Amount ₹
Previous year</th></tr>
<tr><td>EQUITY & LIABILITIES
I Shareholder’s funds :
b) Share Capital</td><td>1</td><td><u>55,20,000</u></td><td></td></tr>
</table>
Notes to Accounts :
<table>
<tr><th>Particulars</th><th>₹</th></tr>
<tr><td>(2) <u>Share Capital</u></td><td></td></tr>
<tr><td><u>Authorised Capital :</u>
…………….equity shares of ₹ 100 each</td><td><u>xxxxxxxxxx</u></td></tr>
<tr><td><u>Issued Capital</u>
64,000 equity shares of ₹ 100 each
<u>Subscribed Capital</u></td><td><u>64,00,000</u></td></tr>
<tr><td><u>Subscribed and fully paid Capital</u>
52,000 equity shares of ₹ 100 each</td><td>52,00,000</td></tr>
<tr><td>Add: Share Forfeiture</td><td><u>3,20,000</u></td></tr>
<tr><td></td><td><u>55,20,000</u></td></tr>
</table></td><td>1
½
½
1
=3 Marks</td></tr>
</table>

<table>
<tr><td>10</td><td>8</td><td>7</td><td>Q. Farhan, Hina .... to her executors.
Ans.
Dolly’s Capital A/c
Dr. Cr.
<table>
<tr><th>Particulars</th><th>Amt(‘)</th><th>Particulars</th><th>Amt(‘)</th></tr>
<tr><td>To Dolly’s Executors A/c
(Bal. Figure)</td><td>2,06,200</td><td>By balance b/d
By P & L Suspense A/c
By Farhan’s Capital A/c
By Hina’s Capital A/c</td><td>2,00,000
200
3,750
2,250</td></tr>
<tr><td></td><td>2,06,200</td><td></td><td>2,06,200</td></tr>
</table></td><td>3 Marks</td></tr>
<tr><td>7</td><td>9</td><td>7</td><td>Q. The total capital .... goodwill of the firm.
Ans. Total Profits of last 3 years.
= Rs 40,000 + Rs (46,000 + 3000) + Rs 52,000 = Rs 1,41,000.
Average Profit = $\frac{1,41,000}{3}$ = Rs 47,000
Goodwill = Rs 47,000*2 = Rs 94,000</td><td>1
1
1
=3 Marks</td></tr>
<tr><td>-</td><td>10</td><td>-</td><td>Q. Mico Ltd...in the books of Mico Ltd..
Ans. Mico Ltd.
Journal
<table>
<tr><th>Date</th><th>Particulars</th><th>LF</th><th>Dr. Amt (₹)</th><th>Cr. Amt (₹)</th></tr>
<tr><td>(i)</td><td>Sundry Assets A/c Dr.
To Sundry Liabilities A/c
To Aunara Ltd.
To Capital Reserve A/c
(Being business acquired from Anara Ltd.)</td><td></td><td>9,60,000</td><td>
1,60,000
6,40,000
1,60,000</td></tr>
<tr><td>(ii)</td><td>Aunara Ltd. Dr.
To Bills Payables A/c
(being Rs. 40,000 payment made through acceptance of 4 months bill)</td><td></td><td>40,000</td><td>
40,000</td></tr>
<tr><td>(iii)</td><td>Aunara Ltd. Dr.
To 8% Preference Share Capital A/c
To Securities Premium Reserve A/c
(Being8% Preference shares of ₹ 100 each issued at 50% premium)
OR combined entry for (ii) & (iii)
Aunara Ltd. Dr.
To Bills Payables A/c
To 8% Preference Share Capital A/c
To Securities Premium Reserve A/c
(being Rs. 40,000 payment made through acceptance of 4 months bill & 8% Preference shares of ₹ 100 each issued at 50% premium)</td><td></td><td>6,00,000

6,40,000</td><td>
4,00,000
2,00,000

40,000
4,00,000
2,00,000</td></tr>
</table></td><td>1 ½
½
1
=3 Marks</td></tr>
<tr><td>12</td><td>11</td><td>12</td><td>Q Cemto Ltd. .... forfeited account.
Ans.</td><td></td></tr>
</table>

Books of the Bhavya & Naman
Journal

Date	Particulars	LF	Dr. Amt(R)	Cr. Amt(R)
	Share Capital A/c ....Dr. To Forfeited Shares A/c To Calls in arrear/ Share final call A/c (6,000 shares of Rs.10 each forfeited for non payment of final call of Rs.3 per share)		60,000	 42,000 18,000
	Bank A/c...Dr. Forfeited Shares A/c ....Dr. To Share Capital A/c (300 of the forfeited shares reissued for Rs.8 per share)		2,400 600	 3,000
	Forfeited Shares A/c..........................Dr To Capital Reserve A/c (Gain on reissued shares transferred to capital reserve A/c)		1,500	 1,500

1

1

1

Forfeited Shares A/c

Dr Cr

Particulars	Amt (₹)	Particulars	Amt (₹)
To Equity Share Capital A/c To Capital Reserve A/c To Balance c/d	600 1,500 39,900	By Equity Share Capital A/c	42,000
	42,000		**42,000**

1
= 4
Marks

11 12 11 Q. Bhavya and .... the above para.

Ans.

(a) Books of the Bhavya & Naman
Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)
	Revaluation A/c Dr. To Bhavya's Capital A/c To Naman's Capital A/c (Gain on revaluation transferred to Capital accounts of partners in old ratio 1:1)		18,000	 9,000 9,000
	Naman's Capital A/c Dr. To Bhavya's Capital A/c (Treatment of goodwill due to change in profit sharing ratio)		20,000	 20,000

1

1

Old Ratio = 1:1 New Ratio = 1:2

Naman's gain= 1/6 Bhavya's sacrifice = 1/6

(b) Values (Any two):

- Compassion,
- Sensitivity towards underprivileged,
- Optimum utilisation of resources,
- Concern for society

1+1
=
4 Marks

(Or any other suitable value)

14 | 13 | 15

Q. Give the necessary .... realization was Rs. 45,000.

Ans. **Books of Anita & Ravi**

Journal

Date	Particulars	LF	Dr. Amt . (₹)	Cr. Amt. (₹)	
(a)	(i) Realisation A/c Dr. To Ravi's capital A/c (Being remuneration allowed to the partners to carry out dissolution)		23,000	23,000	½
	(ii) Ravi's Capital A/c Dr. To Cash A/c (Realisation expenses paid by the firm & borne by Ravi)		10,000	10,000	½
(b)	Bank A/c Dr. To Realisation A/c (Amount recovered from debtors earlier written off as bad debts)		54,000	54000	**1**
(c)	No entry				**1**
(d)	Bank A/c Dr. To Realisation A/c (Being amount realised from land &building after deducting commission)		2,94,000	2,94,000	**1**
(e)	Anita's capital A/c Dr. Ravi's capital A/c Dr. To Realisation A/c (Being Shares transferred to Anita, Ravi in their profit sharing ratio)		15,000 10,000	25,000	**1**
(f)	Realisation A/c Dr. To Anita's capital A/c To Ravi's capital A/c (Being profit on realization transferred to Anita and Ravi in 3:2)		45,000	27,000 18,000	**1** **=** **6 Marks**

- | 14 | -

Q. Mita and Usha are .... in the books of the firm.

Ans. **Books of the Mita and Usha**

Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)	
2016 Apr 1	Usha's Capital A/c........................ Dr. To Mita's Capital A/c [Rectifying entry for omission of IOC, IOD and Mita's commission]		22,848	22,848	**2**

Working Notes : **Past Adjustment Table**

	Mita	**Usha**	**Total**
Omission of IOC	8,400 (Cr.)	7,200(Cr.)	15,600 (Dr.)
Omission of Mita's Commission	8,000 (Cr.)	-----	8,000 (Dr.)

<table>
<tr>
<td></td>
<td></td>
<td></td>
<td>
<table>
<tr><td>Interest On Drawings</td><td>480 (Dr.)</td><td>360 (Dr.)</td><td>840 (Cr.)</td></tr>
<tr><td></td><td>15,920 (Cr.)</td><td>6,840 (Cr.)</td><td>22,760 (Dr.)</td></tr>
<tr><td>Dr. Total divided in PSR</td><td>9,104 (Dr.)</td><td>13,656 (Dr.)</td><td>22,760 (Cr.)</td></tr>
<tr><td>Net Effect</td><td>6,816(Cr.)</td><td>6,816 (Dr.)</td><td>00000</td></tr>
</table>
</td>
<td>4
=
6 Marks</td>
</tr>
<tr>
<td>-</td>
<td>15</td>
<td>-</td>
<td>
Q.(a) Journalise..at a premium of 10%.
Ans.
Kina Ltd.
Journal
<table>
<tr><th>Date</th><th>Particulars</th><th>LF</th><th>Dr (₹)</th><th>Cr (₹)</th></tr>
<tr><td></td><td>Bank A/c Dr.
To 12% Debenture Application & Allotment A/c
(Being application money received)</td><td></td><td>1,68,000</td><td>1,68,000</td></tr>
<tr><td></td><td>11% Debenture Application & Allotment A/c Dr.
Discount/ loss on Issue of Debentures A/c Dr.
To 11% Debentures A/c
To Securities Premium Reserve A/c
To Premium on Redemption of Debentures A/c
(Being transfer of application money to debenture account issued at premium of 5%, redeemable at premium of 10%)</td><td></td><td>1,68,000
16,000</td><td>1,60,000
8,000
16,000</td></tr>
</table>
Q.(b) Journalise..investments and interest.
Ans.
Herdec Ltd.
Journal
<table>
<tr><th>Date</th><th>Particulars</th><th>LF</th><th>Dr (₹)</th><th>Cr (₹)</th></tr>
<tr><td>(b) (i)</td><td>12% Debentures A/c Dr.
Premium on redemption A/c Dr.
To Debentureholders' A/c
(Being debentures due to be redeemed)</td><td></td><td>2,00,000
20,000</td><td>2,20,000</td></tr>
<tr><td></td><td>Debentureholders A/c Dr.
To Equity share capital A/c
To Securities Premium Reserve A/c
(Being 4,000 equity shares issued by converting redeemable debentures)</td><td></td><td>2,20,000</td><td>2,00,000
20,000</td></tr>
<tr><td>(b) (ii)</td><td>Zenith Ltd.
Journal</td><td></td><td></td><td></td></tr>
<tr><td></td><td>Own Debentures A/c Dr.
To Bank A/c
(Being debentures purchased for immediate cancellation)</td><td></td><td>8,43,360</td><td>8,43,360</td></tr>
<tr><td></td><td>11% Debentures A/c Dr.
Loss on redemption of debentures A/c Dr.
To Own Debentures A/c
(Being debentures cancelled at a loss)</td><td></td><td>8,40,000
3,360</td><td>8,43,360</td></tr>
<tr><td></td><td>Statement of P& L Dr.
To Loss on redemption of debentures A/c
(Being loss on cancellation transferred to statement of P& L)</td><td></td><td>3,360</td><td>3,360</td></tr>
</table>
</td>
<td>½
1 ½
½
1 ½
½
1
½
=
6 Marks</td>
</tr>
<tr>
<td>17</td>
<td>16</td>
<td>17</td>
<td>Q. Qadir and Rishab are.. reconstituted firm.

Ans.</td>
<td></td>
</tr>
</table>

Revaluation A/c

Dr. **Cr.**

Particulars	**Amt. (₹)**	**Particulars**	**Amt.(₹)**
To Creditors	30,000	By Plant and Machinery A/c	1,50,000
To profit transferred to Capital Accounts:			
Qadir 72,000			
Rishab 48,000	1,20,000		
	1,50,000		1,50,000

2

Partners' Capital Accounts

Dr. **Cr.**

Particulars	**Qadir ₹**	**Rishab ₹**	**Sapna ₹**	**Particulars**	**Qadir ₹**	**Rishab ₹**	**Sapna ₹**
To Balance c/d	12,42,000	7,68,000	6,00,000	By Balance b/d	11,40,000	7,00,000	-
				By Bank A/c	-	-	6,00,000
				By Revaluation A/c	72,000	48,000	-
				By Premium for goodwill A/c	18,000	12,000	-
				By Workmen's Compensation Reserve	12,000	8,000	
	12,42,000	**7,68,000**	**6,00,000**		**12,42,000**	**7,68,000**	**6,00,000**

3

Balance Sheet of Qadir, Rishab and Sapna as at 1st April 2016

Liabilities	**Amount (₹)**	**Assets**	**Amount(₹)**
Qadir's Capital	12,42,000	Land and Building	5,60,000
Rishab's Capital	7,68,000	Plant and Machinery	7,50,000
Sapna's Capital	6,00,000	Stock	1,60,000
Workmen's		Debtors 6,00,000	
Compensation Claim	40,000	Less Provision 20,000	5,80,000
Creditors	1,30,000	Bank	7,30,000
	27,80,000		**27,80,000**

3

=
8 Marks

17 OR **16 OR** **17 OR**

Q. Kanika, Disha and Kabir.......................... the reconstituted firm.

Ans.

Revaluation A/c

Dr. Cr.

Particulars	**Amount (₹)**	**Particulars**	**Amount (₹)**
To profit transferred to Partners' Capital Accounts:		By Fixed assets A/c	60,000
Kanika	40,000	By Stock A/c	20,000
Disha	20,000		
Kabir	20,000		
	80,000		**80,000**

2

Partners' Capital Accounts

Dr. **Cr.**

Particulars	Kanika ₹	Disha ₹	Kabir ₹	Particulars	Kanika ₹	Disha ₹	Kabir ₹
To Kanika's CapitalA/c	-	35,000	35,000	By Balance b/d	2,00,000	1,00,000	80,000
To Profit & Loss A/c	10,000	5,000	5,000	By Revaluation A/c	40,000	20,000	20,000
To Kanika's loan A/c	3,00,000	-	-	By Disha's Capital A/c	35,000	-	-
To Balance c/d	-	80,000	60,000	By Kabir's Capital A/c	35,000	-	-
	3,10,000	**1,20,000**	**1,00,000**		**3,10,000**	**1,20,000**	**1,00,000**

3

Balance Sheet of the reconstituted firm as at 1st April 2016

Liabilities	Amount (₹)	Assets	Amount (₹)
Trade creditors	53,000	Bank	60,000
Employees' Provident Fund	47,000	Debtors	60,000
Kanika's loan	3,00,000	Stock	1,20,000
Disha's capital	80,000	Fixed assets	3,00,000
Kabir's capital	60,000		
	5,40,000		**5,40,000**

3
=
8 Marks

16 17 16

Q. Benolac Paints ....Benolac Paints Ltd.

Ans.

Benolac Paints Ltd.
Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)
	Bank A/c Dr. To Equity Share Application A/c (Being application money received on shares)		4,20,000	 4,20,000
	Equity Share Application A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c To Bank A/c To Equity Share Allotment A/c (Being application money transferred)		4,20,000	 2,40,000 1,20,000 30,000 30,000
	Equity Share Allotment A/c Dr. To Equity Share Capital A/c (Being share allotment money due)		3,60,000	 3,60,000
	Bank A/c Dr. To Equity share allotment a/c (Being allotment money received except on 6,000 shares) **OR** Bank A/c Dr. Calls in arrears A/c Dr. To Equity Share Allotment A/c (Being allotment money received except on 6,000 shares)		3,13,500 3,13,500 16,500	 3,13,500 3,30,000
	Equity Share first & final call A/c Dr. To Equity Share Capital A/c To Securities premium/ Securities premium reserve A/c (Being first & final call money due on 1,20,000		7,20,000	 6,00,000 1,20,000

½

1

½

1

1

	shares)				
	Bank A/c Dr. To Equity share first and final call a/c (Being first & final call money received except on 6,000 shares) **OR** Bank A/c Dr. Calls in arrears A/c Dr. To Equity share first and final call A/c (Being first & final call money received except on 6,000 shares)		6,84,000 6,84,000 36,000	6,84,000 7,20,000	**1**
	Equity Share Capital A/c Dr. Securities Premium Reserve A/c Dr. To Share Forfeiture A/c To Calls in arrears A/c (Being 6,000 shares of Sharvi forfeited) **OR** Equity Share Capital A/c Dr. Securities Premium Reserve A/c Dr. To Share Forfeiture A/c To Equity Share Allotment A/c To Equity share first and final call A/c (Being 6,000 shares of Sharvi forfeited)		60,000 6,000 60,000 6,000	13,500 52,500 13,500 16,500 36,000	**1**
	Bank A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being 1000 shares reissued for 8 per share fully paid up)		33,000	30,000 3,000	**1**
	Forfeited Shares A/c Dr. To capital reserve A/c (Being gain on reissued shares transferred to capital reserve)		6,750	6,750	**1 = 8 Marks**

16 OR | **17 OR** | **16 OR** | **Q. Bayson Ltd. ....wherever necessary.**

Ans.

Bayson Ltd.

Journal

Date	**Particulars**	**LF**	**Dr. Amt (₹)**	**Cr. Amt (₹)**	
	Bank A/c Dr. To Equity Share Application A/c (Being application money received on shares)		40,00,000	40,00,000	**½**

	Equity Share Application A/c Dr. To Equity Share Capital A/c To Equity Share Allotment A/c To Calls in Advance A/c (Being application money transferred to share capital A/c)		40,00,000	27,00,000 4,00,000 9,00,000	1
	Equity Share Allotment A/c Dr. To Equity Share Capital A/c (Being share allotment made due)		5,40,000	5,40,000	½
	Bank A/c Dr. To Equity Share allotment a/c To Calls in Advance A/c (Being allotment money received and advance of first call)		1,88,000	1,40,000 48,000	1
	Equity Share first & final call A/c Dr. To Equity Share Capital A/c (Being first & final call due)		21,60,000	21,60,000	1
	Bank A/c Dr. Calls in Advance A/c Dr Calls in arrears A/c To share first and final call a/c (Being first & final call money received) **OR** Bank A/c Dr. Calls in advance A/c Dr. To share first and final call A/c (Being first & final call money received)		12,05,000 9,48,000 7,000 12,05,000 9,48,000	21,60,000 21,53,000	1
	Share Capital A/c Dr. To Forfeited shares A/c To Calls in arrears A/c (Being 400 shares of Vidur forfeited)		40,000	33,000 7,000	1
	Bank A/c Dr. To Share Capital A/c To Securities Premium Reserve A/c (Being 400 shares reissued for R 110 per share fully paid up)		44,000	40,000 4,000	1
	Forfeited Shares A/c Dr. To capital reserve A/c (Being gain on reissued shares transferred to capital reserve)		33,000	33,000	1 = **8 Marks**

			PART B **(Financial Statements Analysis)**	
19	**18**	**19**	**Q. Give any one ....type of enterprise.** **Ans. (any one)** • Purchase of Goodwill	**1 Mark**

- Purchase of Fixed assets.
- Sale of fixed assets

18 **19** **18**

Q. What is meant by 'Cash Equivalents'?

1 mark

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

21 **20** **22**

Q. (a) The net profit .... Interest Coverage Ratio.

Ans. (a)

$$\text{Interest Coverage Ratio} = \frac{\text{Net profit before interest and tax}}{\text{Interest on Long term loans}}$$

Net profit before interest and tax = Net profit after interest and tax + tax @40% +Interest

= 1,20,000 + 80,000 + 10,000 = 2,10,000

$$\text{Interest Coverage Ratio} = \frac{2,10,000}{10,000} = \textbf{21 times}$$

2

Q. (b) From the following... Rent Rs.5,000.

Ans. (b)

$$\text{Inventory turnover Ratio} = \frac{\text{Cost of Revenue from Operations}}{\text{Average Inventory}}$$

Cost of Revenue from Operations = Opening Inventory + Net Purchases + Wages + Carriage inwards - Closing Inventory

= 20,000 + 79,000 +9,000 + 4,000 – 22,000 = 90,000

$$\text{Average Inventory} = \frac{(\text{Opening Inventory + Closing Inventory})}{2}$$

$$= \frac{(20,000 + 22,000)}{2} = 21,000$$

$$\text{Inventory turnover Ratio} = \frac{90,000}{21,000} = \textbf{4.29 times}$$

2

=4 Marks

22 **21** **20**

Q. From the following........................Common Size Statement:

Ans.

Common Size Statement of Profit and Loss

For the year ended 31st March 2015 and 2016

Particulars	**Note No.**	**Absolute Amounts**		**Percentage of Revenue from operations**	
		2014-15 (₹)	**2015-16 (₹)**	**2014-15**	**2015-16**
Revenue from operations Add Other incomes		20,00,000 4,00,000	30,00,000 3,60,000	100 20	100 12
Total Revenue from operations Less Expenses		24,00,000 10,00,000	33,60,000 12,00,000	120 50	112 40
Profit before tax Less Income Tax		14,00,000 5,60,000	21,60,000 10,80,000	70 28	72 36
Profit after tax		8,40,000	10,80,000	42	36

1 X 2=2

½ X 4=2

=
4 Marks

20 **22** **21**

Q. (a) Classify the .... capital advances.

Ans. . (a)

	Item	**Major Head**	**Sub- Head**
(i)	Income received in advance	Current Liabilities	Other Current Liabilities
(ii)	Capital Advances	Non Current Assets	Long term loans and Advances

1

1

(b) State any two......................................Financial Statements.'

Ans. Limitations of 'Analysis of Financial Statements' are : **(any two)**

- Does not consider price level changes.
- May be misleading without the knowledge of the changes in accounting procedures followed by a firm.
- Monetary information alone is considered and non-monetary aspects are ignored.
- Financial analysis is historical analysis and does not reflect the future position.
- Since subjectivity due to personal judgement inherent in financial statements, the analysis is not free from personal bias.
- It only identifies the symptoms & does not offer complete diagnosis or remedy to the problems.

2

=

4 Marks

- **23** **-**

Q. Calculate........................ was ₹50,000.

Ans. **Cash flows From Investing Activities**

Particulars	**Details (₹)**	**Amount (₹)**
B. Cash flows from Investing Activities :		
Dividend Received	1,60,000	
Sale of Long Term Investments	7,00,000	
Interest on Long Term investments	1,10,000	
Purchase of Plant and Machinery	(4,10,000)	
Sale of Plant and Machinery	60,000	
Purchase of Goodwill	(2,60,000)	
Net Cash inflow from investing activities		**3,60,000**

½ mark for each item

½ *6 = 3
+
1

Notes:

Plant and Machinery A/c

Particulars	**₹**	**Particulars**	**₹**
To Balance b/d	9,00,000	By Cash A/c	60,000
To Cash A/c (Bal figure) (Purchase)	4,10,000	By Depreciation A/c	50,000
		By Balance c/d	12,00,000
	13,10,000		**13,10,000**

2

= 6 marks

PART B

(Computerized Accounting)

19 **18** **18**

Q. What..................................'Query'?

Ans.

Queries provide the real power to a database in terms of its capabilities to answer more complex request.

=1 Mark

18 **19** **19**

Q. What is........................'Block Code'?

Ans.

In a block code, a range of computer is partitioned into a desired number of sub rangesand each range is allotted to a specific group. In most of the uses of block codes, numbers within a sub range follow sequential coding scheme, i.e. the numbers increase consecutively.

½ X 2
=1 Mark

22	**20**	**21**	**Q. Give..DBMS.** **Ans.** SQL and MS ACCESS are the two commonly available DBMS software Advantages of DBMS **(Any two)** with explanation: 1. Reduce Data redundancy. 2. Information protection 3. Data dictionary management. 4. Greater consistency 5. Reduced cost 6. Backup and recovery facility.	**2** **2** **=4 Marks**
20	**21**	**22**	**Q. State................................accounting system.** **Ans.** **Advantages of CAS** Following are the advantages of computerized accounting system(CAS) **(Any two)** 1. Timely generation of reports and information in desired format. 2. Efficient record keeping 3. Ensures effective control over the system. 4. Economy in the processing of accounting data. 5. Confidentiality of data is maintained. **Limitations of CAS** Following are the limitation of CAS software: **(Any Two)** 1. Faster obsolescence of technology necessitates investment in shorter period of time. 2. Data may be lost or corrupted due to power interruptions. 3. Data are prone to hacking. 4. Un-programmed and un-specified reports cannot be generated	**2** **2** **=** **4 Marks**
21	**22**	**20**	**Q. Explain............................software.** **Ans.** Any **two** from the following with explanation: 1. Flexibility. 2. Cost of installation and maintenance. 3. Size of organization. 4. Ease of adaptation and training needs. 5. Utilities/MIS reports. 6. Expected level of secrecy. 7. Vendors' reputation and capabilities.	**2x2** **=4 Marks**
-	**23**	**-**	**Q. Name the table.................................five advantages.** **Ans.** Pivot table. Advantages of pivot table : **(any five)** 1. User friendly. 2. Focus on results. 3. Multiple summarizations of data. 4. Filtering, sorting, grouping etc. makes it possible to focus on information. 5. Presenting concise, attractive and annotated online or printed reports. 6. Analysis of related tables is facilitated. (with suitable explanation).	**1+5** **=** **6 marks**

<table>
<tr><td colspan="3">Q Set No.</td><td rowspan="2">Marking Scheme Compartment 2016-17
Accountancy (055)
<u>Outside Delhi – 67/3</u>
Expected Answers / Value points</td><td rowspan="2">DISTRIBUTION OF MARKS</td></tr>
<tr><td>67/1</td><td>67/2</td><td>67/3</td></tr>
<tr><td>3</td><td>5</td><td>1</td><td>Q. Differentiate between .... of business'.
Ans.
<table>
<tr><th>Basic of Distinction</th><th>Dissolution of Partnership</th><th>Dissolution Firm</th></tr>
<tr><td>Continuation of the business</td><td>In case of dissolution of partnership, the firm continues its business.</td><td>In case of dissolution of firm, the firm does not continue its business.</td></tr>
</table></td><td>1 Mark</td></tr>
<tr><td>4</td><td>6</td><td>2</td><td>Q. Does the change..support of your answer.
Ans. No, change in profit sharing ratio does not result into dissolution of partnership firm as it results in a change is the existing agreement leading to the reconstitution of the firm.</td><td>1 Mark</td></tr>
<tr><td>5</td><td>1</td><td>3</td><td>Q. State the ....assets and liabilities.
Ans. The partners share the gain or loss on revaluation of assets and liabilities in their " old profit sharing ratio".</td><td>1 Mark</td></tr>
<tr><td>6</td><td>2</td><td>4</td><td>Q. What is ....of Shares?
Ans. Private Placement means any offer of securities or invitation to subscribe securities to a select group of persons by a company.</td><td>1 Mark</td></tr>
<tr><td>1</td><td>3</td><td>5</td><td>Q. What is ....goodwill?
Ans. When the value of goodwill of the firm is not given but has to be inferred on the basis of net worth of the firm.</td><td>1 Mark</td></tr>
<tr><td>2</td><td>4</td><td>6</td><td>Q. Akash, Naveen and ....the date of Zaid's death.
Ans.
Books of the Akash, Naveen and Zaid
Journal
<table>
<tr><th>Date</th><th>Particulars</th><th>LF</th><th>Dr (₹)</th><th>Cr (₹)</th></tr>
<tr><td></td><td>Zaid's Capital A/c................................ Dr
To Zaid's executor's A/c
(Amount due to Zaid transferred to his executor's account)</td><td></td><td>60,000</td><td>60,000</td></tr>
</table></td><td>1 Mark</td></tr>
<tr><td>10</td><td>8</td><td>7</td><td>Q. Farhan, Hina .... to her executors.
Ans.
Dolly's Capital A/c
Dr. Cr.
<table>
<tr><th>Particulars</th><th>Amt(₹)</th><th>Particulars</th><th>Amt(₹)</th></tr>
<tr><td>To Dolly's Executors A/c
(Bal. Figure)</td><td>2,06,200</td><td>By balance b/d
By P & L Suspense A/c
By Farhan's Capital A/c
By Hina's Capital A/c</td><td>2,00,000
200
3,750
2,250</td></tr>
<tr><td></td><td>2,06,200</td><td></td><td>2,06,200</td></tr>
</table></td><td>3 Marks</td></tr>
<tr><td>7</td><td>9</td><td>8</td><td>Q. The total capital .... goodwill of the firm.</td><td></td></tr>
</table>

Ans. Total Profits of last 3 years. 1

= ₹ 40,000 + ₹ (46,000 + 3000) + ₹ 52,000 = ₹ 1,41,000. 1

Average Profit = $\frac{1,41,000}{3}$ = ₹ 47,000 1

Goodwill = ₹ 47,000*2 = ₹ 94,000

=3 Marks

- - 9 **Q. Pico Ltd..Pico Ltd..**

Ans.

Pico Ltd.
Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)
(i)	Assets A/c Dr. To Liabilities A/c To Rajware Ltd. To Capital Reserve A/c (Being business acquired from Rajware Ltd.)		2,40,000	 40,000 1,60,000 40,000
(ii)	Rajware Ltd. Dr. To Bills Payables A/c (being Rs. 10,000 payment made through acceptance of 3 months bill)		10,000	 10,000
(iii)	Rajware Ltd. Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being Equity shares of ₹ 100 each issued at 50% premium) **OR combined entry for (ii) & (iii)** Rajware Ltd. Dr. To Bills Payables A/c To Equity Share Capital A/c To Securities Premium Reserve A/c (being Rs. 10,000 payment made through acceptance of 3 months bill & Equity shares of ₹ 100 each issued at 50% premium)		1,50,000 1,60,000	 1,00,000 50,000 10,000 1,00,000 50,000

1 ½

½

1

= 3 marks

- - 10 **Q. Vivo Ltd..’Notes to Accounts’.**

Ans.

Balance Sheet of Vivo Ltd.
As at ....(As per revised schedule VI)

Particulars	Note No.	Amount ₹ Current year	Amount ₹ Previous year
EQUITY & LIABILITIES			
I Shareholder’s funds :			
a) Share Capital	1	13,80,000	

1

Notes to Accounts :

Particulars	₹
(1) **Share Capital**	
Authorised Capital :	
................equity shares of ₹ 100 each	xxxxxxxxx
Issued Capital	

½

16,000 equity shares of ₹ 100 each		
Subscribed Capital	16,00,000	½
Subscribed and fully paid		
13,000 equity shares of ₹ 100 each		
Add: Forfeited Shares A/c	13,00,000	
	80,000	1
	13,80,000	=3 Marks

11 12 11

Q. Bhavya and .... the above para.

Ans.

(a) **Books of the Bhavya & Naman**

Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)	
	Revaluation A/c Dr. To Bhavya's Capital A/c To Naman's Capital A/c (Gain on revaluation transferred to Capital accounts of partners in old ratio 1:1)		18,000	 9,000 9,000	1
	Naman's Capital A/c Dr. To Bhavya's Capital A/c (Treatment of goodwill due to change in profit sharing ratio)		20,000	 20,000	1

Old Ratio = 1:1 New Ratio = 1:2

Naman's gain= 1/6 Bhavya's sacrifice = 1/6

(b) Values (Any two):

- Compassion,
- Sensitivity towards underprivileged,
- Optimum utilisation of resources,
- Concern for society

(Or any other suitable value)

1+1 = 4 Marks

12 11 12

Q Cemto Ltd. .... forfeited account.

Ans. **Books of the Bhavya & Naman**

Journal

Date	Particulars	LF	Dr. Amt(₹)	Cr. Amt(₹)	
	Share Capital A/c ....Dr. To Forfeited Shares A/c To Calls in arrear/ Share final call A/c (6,000 shares of Rs.10 each forfeited for non payment of final call of Rs.3 per share)		60,000	 42,000 18,000	1
	Bank A/c...Dr. Forfeited Shares A/c ....Dr. To Share Capital A/c (300 of the forfeited shares reissued for Rs.8 per share)		2,400 600	 3,000	1
	Forfeited Shares A/c..........................Dr To Capital Reserve A/c (Gain on reissued shares transferred to capital reserve A/c)		1,500	 1,500	1

Forfeited Shares A/c

Dr
Cr

Particulars	Amt (₹)	Particulars	Amt (₹)
To Equity Share Capital A/c To Capital Reserve A/c To Balance c/d	600 1,500 39,900	By Equity Share Capital A/c	42,000
	42,000		42,000

1

= 4 Marks

- - 13

Q. Shrey and Kavya are .... Necessary rectifying entry.

Ans.

Books of the Shrey and Kavya
Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)
2016 Apr 1	Kavya's Capital A/c........................ Dr. To Shrey's Capital A/c [Rectifying entry for omission of IOC, IOD and Shrey's commission]		1,704	 1,70

2

Past Adjustment Table

Particulars	**Shrey**	**Kavya**	**Total**
Omission of IOC	2,100 (Cr.)	1,800(Cr.)	3,900 (Dr.)
Omission of Shrey's Commission	2,000 (Cr.)	-----	2,000 (Dr.)
Interest On Drawings	120 (Dr.)	90 (Dr.)	210 (Dr.)
	3,980 (Cr.)	1,710(Cr.)	5,690 (Dr.)
Dr. Total divided in PSR	2,276 (Dr.)	3,414 (Dr.)	5,690 (Cr.)
Net Effect	1,704(Cr.)	1,704 (Dr.)	00000

4

=
6 Marks

- - 14

Q. (a) Journalise...5%.

Ans. (a) **Mona Ltd.**
Journal

Date	Particulars	LF	Dr (₹)	Cr (₹
	Bank A/c Dr. To 12% Debenture Application & Allotment A/c (Being application money received)		44,00,000	 44,00,00
	12% Debenture Application & Allotment A/c Dr. Discount/ loss on Issue of Debentures A/c Dr. To 12% Debentures A/c To Securities Premium Reserve A/c To Premium on Redemption of Debentures A/c (Being transfer of application money to debenture account issued at premium of 10%, redeemable at premium of 5%)		44,00,000 2,00,000	 40,00,00 4,00,00 2,00,00

½

1 ½

Q.(b) Journalise...investments and interest.

Ans. **Girid Ltd.**

Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)	
(b) (i)	11% Debentures A/c Dr. Premium on redemption A/c Dr. To Debentureholders' A/c (Being debentures due to be redeemed)		4,00,000 40,000	4,40,00	½
	Debentureholders A/c Dr. To Equity share capital A/c To Securities Premium Reserve A/c (Being 8,800 equity shares issued by converting redeemable debentures)		4,40,000	4,00,00 40,00	1 ½
(b) (ii)	**Uniner Ltd.** **Journal**				
	Own Debentures A/c Dr. To Bank A/c (Being debentures purchased for immediate cancellation)		2,11,890	2,11,89	½
	13% Debentures A/c Dr. Loss on redemption of debentures A/c Dr. To Own Debentures A/c (Being debentures cancelled at a loss)		2,10,000 1,890	2,11,89	1
	Statement of P& L Dr. To Loss on redemption of debentures A/c (Being loss on cancellation transferred to statement of P& L)		1,890	1,89	½ = **6 Marks**

14 13 15

Q. Give the necessary .... realization was Rs. 45,000.

Ans. **Books of Anita & Ravi**

Journal

Date	**Particulars**	**LF**	**Dr. Amt (₹)**	**Cr. Amt (₹)**	
(a)	(i) Realisation A/c Dr. To Ravi's capital A/c (Being remuneration allowed to the partners to carry out dissolution)		23,000	23,000	½
	(ii) Ravi's Capital A/c Dr. To Cash A/c (Realisation expenses paid by the firm & borne by Ravi)		10,000	10,000	½
(b)	Bank A/c Dr. To Realisation A/c (Amount recovered from debtors earlier written off as bad debts)		54,000	54000	1
(c)	No entry				1
					1

(d)	Bank A/c Dr. To Realisation A/c (Being amount realised from land &building after deducting commission)		2,94,000	2,94,000	**1**
(e)	Anita's capital A/c Dr. Ravi's capital A/c Dr. To Realisation A/c (Being Shares transferred to Anita, Ravi in their profit sharing ratio)		15,000 10,000	25,000	**1**
(f)	Realisation A/c Dr. To Anita's capital A/c To Ravi's capital A/c (Being profit on realization transferred to Anita and Ravi in 3:2)		45,000	27,000 18,000	**=** **6 Marks**

16 | 17 | 16 | Q. Benolac Paints ....Benolac Paints Ltd.

Ans. **Benolac Paints Ltd.**

Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)	
	Bank A/c Dr. To Equity Share Application A/c (Being application money received on shares)		4,20,000	4,20,000	½
	Equity Share Application A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c To Bank A/c To Equity Share Allotment A/c (Being application money transferred)		4,20,000	2,40,000 1,20,000 30,000 30,000	1 ½
	Equity Share Allotment A/c Dr. To Equity Share Capital A/c (Being share allotment money due)		3,60,000	3,60,000	1
	Bank A/c Dr. To Equity share allotment a/c (Being allotment money received except on 6,000 shares) **OR** Bank A/c Dr. Calls in arrears A/c Dr.		3,13,500 3,13,500 16,500	3,13,500 3,30,000	

				To Equity Share Allotment A/c (Being allotment money received except on 6,000 shares)				1
				Equity Share first & final call A/c Dr. To Equity Share Capital A/c To Securities premium/ Securities premium reserve A/c (Being first & final call money due on 1,20,000 shares)		7,20,000	6,00,000 1,20,000	1
				Bank A/c Dr. To Equity share first and final call a/c (Being first & final call money received except on 6,000 shares) **OR** Bank A/c Dr. Calls in arrears A/c Dr. To Equity share first and final call A/c (Being first & final call money received except on 6,000 shares)		6,84,000 6,84,000 36,000	6,84,000 7,20,000	1
				Equity Share Capital A/c Dr. Securities Premium Reserve A/c Dr. To Share Forfeiture A/c To Calls in arrears A/c (Being 6,000 shares of Sharvi forfeited) **OR** Equity Share Capital A/c Dr. Securities Premium Reserve A/c Dr. To Share Forfeiture A/c To Equity Share Allotment A/c To Equity share first and final call A/c (Being 6,000 shares of Sharvi forfeited)		60,000 6,000 60,000 6,000	13,500 52,500 13,500 16,500 36,000	1 1 = **8 Marks**
				Bank A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being 1000 shares reissued for 8 per share fully paid up)		33,000	30,000 3,000	

	Forfeited Shares A/c Dr. To capital reserve A/c (Being gain on reissued shares transferred to capital reserve)		6,750	6,750

16 OR | **17 OR** | **16 OR**

Q. Bayson Ltd. ....wherever necessary.

Ans.

Bayson Ltd.

Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)	
	Bank A/c Dr. To Equity Share Application A/c (Being application money received on shares)		40,00,000	40,00,000	½
	Equity Share Application A/c Dr. To Equity Share Capital A/c To Equity Share Allotment A/c To Calls in Advance A/c (Being application money transferred to share capital A/c)		40,00,000	27,00,000 4,00,000 9,00,000	1
	Equity Share Allotment A/c Dr. To Equity Share Capital A/c (Being share allotment made due)		5,40,000	5,40,000	½
	Bank A/c Dr. To Equity Share allotment a/c To Calls in Advance A/c (Being allotment money received and advance of first call)		1,88,000	1,40,000 48,000	1 1
	Equity Share first & final call A/c Dr. To Equity Share Capital A/c (Being first & final call due)		21,60,000	21,60,000	1
	Bank A/c Dr. Calls in Advance A/c Dr Calls in arrears A/c To share first and final call a/c (Being first & final call money received) **OR** Bank A/c Dr. Calls in advance A/c Dr. To share first and final call A/c (Being first & final call money received)		12,05,000 9,48,000 7,000 12,05,000 9,48,000	21,60,000 21,53,000	1 1

	Share Capital A/c Dr.		40,000	
	To Forfeited shares A/c			33,000
	To Calls in arrears A/c			7,000
	(Being 400 shares of Vidur forfeited)			
	Bank A/c		44,000	
	Dr.			40,000
	To Share Capital A/c			4,000
	To Securities Premium Reserve A/c			
	(Being 400 shares reissued for R 110 per share fully paid up)			
	Forfeited Shares A/c		33,000	
	Dr.			33,000
	To capital reserve A/c			
	(Being gain on reissued shares transferred to capital reserve)			

1
=
8 Marks

17 16 17

Q. Qadir and Rishab are.. reconstituted firm.

Ans. **Revaluation A/c**

Dr. **Cr.**

Particulars	**Amt.₹**	Particulars	**Amt.₹**
To Creditors	30,000	By Plant and Machinery A/c	1,50,000
To profit transferred to Capital Accounts:			
Qadir 72,000			
Rishab 48,000	1,20,000		
	1,50,000		1,50,000

2

Partners' Capital Accounts

Dr.
Cr.

Particulars	**Qadir ₹**	**Rishab ₹**	**Sapna ₹**	**Particulars**	**Qadir ₹**	**Rishab ₹**	**Sapna ₹**
To Balance c/d	12,42,000	7,68,000	6,00,000	By Balance b/d	11,40,000	7,00,000	-
				By Bank A/c	-	-	6,00,000
				By Revaluation A/c	72,000	48,000	-
				By Premium for goodwill A/c	18,000	12,000	-
				By Workmen's Compensation Reserve	12,000	8,000	
	12,42,000	**7,68,000**	**6,00,000**		**12,42,000**	**7,68,000**	**6,00,000**

3

Balance Sheet of Qadir, Rishab and Sapna as at 1st April 2016

Liabilities	**Amt.₹**	**Assets**	**Amt.₹**
Qadir's Capital	12,42,000	Land and Building	5,60,000
Rishab's Capital	7,68,000	Plant and Machinery	7,50,000
Sapna's Capital	6,00,000	Stock	1,60,000
Workmen's Compensation Claim	40,000	Debtors 6,00,000 Less Provision 20,000	5,80,000
Creditors	1,30,000	Bank	7,30,000
	27,80,000		**27,80,000**

3

=
8 Marks

17 OR | 16 OR | 17 OR

Q. Kanika, Disha and Kabir......................... the reconstituted firm.

Ans.

Revaluation A/c

Dr. **Cr.**

Particulars	**Amt.₹**	**Particulars**	**Amt.₹**
To profit transferred to Partners' Capital Accounts:		By Fixed assets A/c	60,000
Kanika	40,000	By Stock A/c	20,000
Disha	20,000		
Kabir	20,000		
	80,000		**80,000**

2

Partners' Capital Accounts

Dr.

Cr.

Particulars	**Kanika ₹**	**Disha ₹**	**Kabir ₹**	**Particulars**	**Kanika ₹**	**Disha ₹**	**Kabir ₹**
To Kanika's CapitalA/c	-	35,000	35,000	By Balance b/d	2,00,000	1,00,000	80,00
To Profit & Loss A/c	10,000	5,000	5,000	By Revaluation A/c	40,000	20,000	20,00
To Kanika's loan A/c	3,00,000	-	-	By Disha's Capital A/c	35,000	-	
To Balance c/d	-	80,000	60,000	By Kabir's Capital A/c	35,000	-	
	3,10,000	**1,20,000**	**1,00,000**		**3,10,000**	**1,20,000**	**1,00,00**

3

Balance Sheet of the reconstituted firm as at 1st April 2016

Liabilities	**₹**	**Assets**	**₹**
Trade creditors	53,000	Bank	60,000
Employees' Provident Fund	47,000	Debtors	60,000
Kanika's loan	3,00,000	Stock	1,20,000
Disha's capital	80,000	Fixed assets	3,00,000
Kabir's capital	60,000		
	5,40,000		**5,40,000**

3
=
8 Marks

PART B

(Financial Statements Analysis)

18 | 19 | 18

Q. What is meant by 'Cash Equivalents'? — 1 mark

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

19 | 18 | 19

Q. Give any one ....type of enterprise. — 1 Mark

Ans. (any one)

- Purchase of Goodwill
- Purchase of Fixed assets.
- Sale of fixed assets

22 | 21 | 20

Q. From the following.........................Common Size Statement:

Ans. **Common Size Statement of Profit and Loss**

For the year ended 31st March 2015 and 2016

Particulars	**Note No.**	**Absolute Amounts**		**Percentage of Revenue from operations**	
		2014-15	**2015-16**	**2014-15**	**2015-16**

		(₹)	(₹)		
Revenue from operations		20,00,000	30,00,000	100	100
Add Other incomes		4,00,000	3,60,000	20	12
Total Revenue from operations		24,00,000	33,60,000	120	112
Less Expenses		10,00,000	12,00,000	50	40
Profit before tax		14,00,000	21,60,000	70	72
Less Income Tax		5,60,000	10,80,000	28	36
Profit after tax		8,40,000	10,80,000	42	36

1 X 2=2

½ X 4=2

=

4 Marks

20 22 21

Q. (a) Classify the .... capital advances.

Ans. . (a)

	Item	Major Head	Sub- Head
(i)	Income received in advance	Current Liabilities	Other Current Liabilities
(ii)	Capital Advances	Non Current Assets	Long term loans and Advances

1

1

(b) State any two......................................Financial Statements.'

Ans. Limitations of 'Analysis of Financial Statements' are : **(any two)**

- Does not consider price level changes.
- May be misleading without the knowledge of the changes in accounting procedures followed by a firm.
- Monetary information alone is considered and non-monetary aspects are ignored.
- Financial analysis is historical analysis and does not reflect the future position.
- Since subjectivity due to personal judgement inherent in financial statements, the analysis is not free from personal bias.

It only identifies the symptoms & does not offer complete diagnosis or remedy to the problems.

2

=

4 Marks

21 20 22

Q. (a) The net profit .... Interest Coverage Ratio.

Ans. (a)

$$\text{Interest Coverage Ratio} = \frac{\text{Net profit before interest and tax}}{\text{Interest on Long term loans}}$$

Net profit before interest and tax = Net profit after interest and tax + tax @40% +Interest

= 1,20,000 + 80,000 + 10,000 = 2,10,000

$$\text{Interest Coverage Ratio} = \frac{2,10,000}{10,000} \quad \textbf{= 21 times}$$

2

Q. (b) From the following... Rent Rs.5,000.

Ans. (b)

$$\text{Inventory turnover Ratio} = \frac{\text{Cost of Revenue from Operations}}{\text{Average Inventory}}$$

Cost of Revenue from Operations = Opening Inventory + Net Purchases + Wages + Carriage inwards - Closing Inventory

= 20,000 + 79,000 +9,000 + 4,000 – 22,000 = 90,000

2

$$\text{Average Inventory} = \frac{\text{(Opening Inventory + Closing Inventory)}}{2}$$

$$= \frac{(20{,}000 + 22{,}000)}{2} = 21{,}000$$

$$\text{Inventory turnover Ratio} = \frac{90{,}000}{21{,}000} = \mathbf{4.29\ times}$$

=4 Marks

- | - | 23

Q. Calculate........................ was ₹ 5,000.

Ans. **Cash flows From Investing Activities**

Particulars	Details (₹)	Amount (₹)
B. Cash flows from Investing Activities :		
Dividend Received	45,000	
Sale of Long Term Investments	3,50,000	
Interest on Long Term investments	45,000	
Purchase of Plant and Machinery	(1,30,000)	
Sale of Plant and Machinery	40,000	
Purchase of Goodwill	(1,80,000)	
Net Cash inflow from investing activities		**3,60,000**

Notes:

Plant and Machinery A/c

Particulars	Amt.₹	Particulars	Amt.₹
To Balance b/d	3,00,000	By Cash A/c	40,000
To Statement of P/L	15,000	By Depreciation A/c	5,000
To Cash A/c (Bal figure) (Purchase)	1,30,000	By Balance c/d	4,00,000
	4,45,000		**4,45,000**

½ mark for each item = ½ *6 = 3

+

1

2

= 6 marks

PART C

(Computerized Accounting)

19 | 18 | 18

Q. What..................................'Query'?

Ans.

Queries provide the real power to a database in terms of its capabilities to answer more complex request.

=1 Mark

18 | 19 | 19

Q. What is.........................'Block Code'?

Ans.

In a block code, a range of computer is partitioned into a desired number of sub rangesand each range is allotted to a specific group. In most of the uses of block codes, numbers within a sub range follow sequential coding scheme, i.e. the numbers increase consecutively.

½ X 2

=1 Mark

21 | 22 | 20

Q. Explain............................software.

Ans.

Any **two** from the following with explanation:

1. Flexibility.
2. Cost of installation and maintenance.
3. Size of organization.
4. Ease of adaptation and training needs.
5. Utilities/MIS reports.
6. Expected level of secrecy.
7. Vendors' reputation and capabilities.

2x2

=4 Marks

22	**20**	**21**	**Q. Give.......................................DBMS.** **Ans.** SQL and MS ACCESS are the two commonly available DBMS software Advantages of DBMS **(Any two)** with explanation: 1. Reduce Data redundancy. 2. Information protection 3. Data dictionary management. 4. Greater consistency 5. Reduced cost 6. Backup and recovery facility.	**2** **2** **=4 Marks**
20	**21**	**22**	**Q. State...............................accounting system.** **Ans.** **Advantages of CAS** Following are the advantages of computerized accounting system(CAS) **(Any two)** 1. Timely generation of reports and information in desired format. 2. Efficient record keeping 3. Ensures effective control over the system. 4. Economy in the processing of accounting data. 5. Confidentiality of data is maintained. **Limitations of CAS** Following are the limitation of CAS software: **(Any Two)** 1. Faster obsolescence of technology necessitates investment in shorter period of time. 2. Data may be lost or corrupted due to power interruptions. 3. Data are prone to hacking. Un-programmed and un-specified reports cannot be generated	**2** **2** **=** **4 Marks**
-	**-**	**23**	**Q. identify the error……………………………………..removed?** **Ans.** The Error is #NUM! Error. Following steps can be taken to correct the error. 1. Optionally, click the cell that displays the error, Click the button that appears , and then click show Calculation steps if it appears. 2. Review the following possible causes and solutions. 3. Using an unacceptable argument in a function that requires a numeric argument. 4. Make sure that arguments used in the function are numbers Use a different starting value for worksheet function.	**1** **+** **5** **=** **6 marks**