

**-Strictly Confidential : (For Internal and Restricted Use Only)**  
**Senior School Certificate Examination**  
**March -2016-17**  
**Marking Scheme - Accountancy (Foreign) 67/2/1, 67/2/2, 67/2/3**

**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.

Q. Set No.			Marking Scheme 2016-17 Accountancy (055) <b>Foreign – 67/2/1</b> Expected Answers / Value points	Distribution of marks															
67/2/1	67/2/2	67/2/3																	
1	6	3	<b>Q. State the two.....provided.</b> <b>Ans. (a)</b> When partners contribute unequal amounts of Capital and Share Profits equally. <b>(b)</b> When the capital contribution is same but profit sharing is unequal.	$\frac{1}{2}$ $\frac{1}{2}$ <b>=1 Mark</b>															
2	5	5	<b>Q. Reena and Raman.....Reena's Sacrifice.</b> <b>Ans.</b> Raman's Old Share = $\frac{3}{7}$ Raman's Sacrifice = $\frac{1}{3}$ of $\frac{3}{7}$ = $\frac{1}{7}$ Roma's Share = $\frac{2}{7}$ Reena's Sacrifice = Roma's share – Raman's sacrifice = $\frac{2}{7} - \frac{1}{7} = \frac{1}{7}$ <b>OR</b> Reena's Old Share = $\frac{4}{7}$ Reena's new share = $\frac{3}{7}$ Reena's Sacrifice = $\frac{4}{7} - \frac{3}{7} = \frac{1}{7}$	<b>=1 Mark</b>															
3	4	1	<b>Q. Suman and Sudha.....rectify the error.</b> <b>Ans.</b> <p style="text-align: center;"><b>Books of the firm</b> <b>Journal</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 50%;">Particulars</th> <th style="width: 5%;">LF</th> <th style="width: 15%;">Dr ( ` )</th> <th style="width: 15%;">Cr ( ` )</th> </tr> </thead> <tbody> <tr> <td>2016 April 1</td> <td>Sudha's Current A/c Dr. To Suman's Current A/c ( Being the adjustment of interest on capital omitted in previous year now rectified)</td> <td></td> <td style="text-align: right;">1,500</td> <td style="text-align: right;">1,500</td> </tr> </tbody> </table>	Date	Particulars	LF	Dr ( ` )	Cr ( ` )	2016 April 1	Sudha's Current A/c Dr. To Suman's Current A/c ( Being the adjustment of interest on capital omitted in previous year now rectified)		1,500	1,500	<b>=1 Mark</b>					
Date	Particulars	LF	Dr ( ` )	Cr ( ` )															
2016 April 1	Sudha's Current A/c Dr. To Suman's Current A/c ( Being the adjustment of interest on capital omitted in previous year now rectified)		1,500	1,500															
4	3	6	<b>Q. Y Ltd. invited.....issue of debentures.</b> <b>Ans.</b> <p style="text-align: center;"><b>Books of the firm</b> <b>Journal</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 50%;">Particulars</th> <th style="width: 5%;">LF</th> <th style="width: 15%;">Dr ( ` )</th> <th style="width: 15%;">Cr ( ` )</th> </tr> </thead> <tbody> <tr> <td>2016 Jan 1</td> <td>Bank A/c Dr. To 9% Debenture Application &amp; Allotment A/c ( Being application money received for 2,400 debentures @ ` 90 each)</td> <td></td> <td style="text-align: right;">2,16,000</td> <td style="text-align: right;">2,16,000</td> </tr> <tr> <td>2016 Jan 1</td> <td>9% Debenture Application &amp; Allotment A/c Dr. Discount on Issue of Debentures A/c Dr. To 9 % Debentures A/c To Bank A/c (Being 2000, 9% debentures allotted on pro-rata basis)</td> <td></td> <td style="text-align: right;">2,16,000 20,000</td> <td style="text-align: right;">2,00,000 36,000</td> </tr> </tbody> </table>	Date	Particulars	LF	Dr ( ` )	Cr ( ` )	2016 Jan 1	Bank A/c Dr. To 9% Debenture Application & Allotment A/c ( Being application money received for 2,400 debentures @ ` 90 each)		2,16,000	2,16,000	2016 Jan 1	9% Debenture Application & Allotment A/c Dr. Discount on Issue of Debentures A/c Dr. To 9 % Debentures A/c To Bank A/c (Being 2000, 9% debentures allotted on pro-rata basis)		2,16,000 20,000	2,00,000 36,000	$\frac{1}{2}$   $\frac{1}{2}$ <b>=1 Mark</b>
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5	2	2	<b>Q. Z Ltd..... can be re-issued.</b> <b>Ans.</b> The maximum amount of discount at which these shares can be re-issued is ` 8 per share or ` 8,000.	<b>=1 Mark</b>															
6	1	4	<b>Q. List the categories.....partnership firm.</b> <b>Ans. Any two</b> of the following: <ul style="list-style-type: none"> <li>• Persons of unsound mind / Lunatics</li> <li>• Insolvent persons</li> <li>• Any other individual who has been disqualified by law</li> </ul>	$\frac{1}{2} \times 2$ <b>=1 Mark</b>															
7	10	8	<b>Q. Raj Motors Ltd..... books of Raj Motors Ltd.</b> <b>Ans.</b>																

Raj Motors Ltd. Journal					1  1  1 = 3 Marks																														
Date	Particulars	LF	Dr. Amt ( )	Cr. Amt ( )																															
	12% Debentures A/c To Debenture holders A/c To Discount on issue of debentures A/c (Being amount payable to debenture holders on conversion)	Dr.	40,000	37,600 2,400																															
	Debenture holders A/c To Equity Share Capital A/c To Securities Premium Reserve A/c (Being 12% debentures converted into equity shares)	Dr.	37,600	30,080 7,520																															
<b>Working Notes:</b> Number of equity shares to be issued = 37,600/12.50 = 3008 shares																																			
8	9	10	<b>Q. P,Q,R, AND S ..... S's retirement.</b> <b>Ans.</b> <b>Books of the firm</b> <b>Journal</b> <table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>LF</th> <th>Dr. Amt ( )</th> <th>Cr. Amt ( )</th> </tr> </thead> <tbody> <tr> <td>2017 Jan 31</td> <td>R's Capital A/c     To P's Capital A/c     To S's Capital A/c (Being adjustment of Goodwill on S's retirement)</td> <td>Dr.</td> <td>84,000</td> <td>42,000 42,000</td> </tr> </tbody> </table> <p><b>Working Notes:</b> 1. Calculation of Gaining Ratio:</p> <table border="1"> <thead> <tr> <th></th> <th>P</th> <th>Q</th> <th>R</th> <th>S</th> </tr> </thead> <tbody> <tr> <td>New Ratio</td> <td>4/10</td> <td>3/10</td> <td>3/10</td> <td>-</td> </tr> <tr> <td>Old Ratio</td> <td>5/10</td> <td>3/10</td> <td>1/10</td> <td>1/10</td> </tr> <tr> <td></td> <td>1/10 (Sacrifice)</td> <td>Nil</td> <td>-2/10 (Gain)</td> <td>1/10 (Sacrifice)</td> </tr> </tbody> </table>		Date	Particulars	LF	Dr. Amt ( )	Cr. Amt ( )	2017 Jan 31	R's Capital A/c To P's Capital A/c To S's Capital A/c (Being adjustment of Goodwill on S's retirement)	Dr.	84,000	42,000 42,000		P	Q	R	S	New Ratio	4/10	3/10	3/10	-	Old Ratio	5/10	3/10	1/10	1/10		1/10 (Sacrifice)	Nil	-2/10 (Gain)	1/10 (Sacrifice)	2   1 = 3 Marks
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9	8	7	<b>Q. C India Ltd. Purchased..... B India Ltd.</b> <b>Ans.</b> <b>C India Ltd.</b> <b>Journal</b> <table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>LF</th> <th>Dr. Amt ( )</th> <th>Cr. Amt ( )</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Machinery A/c     To B India Ltd. (Being machinery purchased from B India Ltd.)</td> <td>Dr.</td> <td>2,52,000</td> <td>2,52,000</td> </tr> <tr> <td>(ii)</td> <td>B India Ltd.     To Equity Share Capital A/c     To Securities Premium Reserve A/c ( Being 10,000 equity shares of ` 10 each issued at 20% premium)</td> <td>Dr.</td> <td>1,20,000</td> <td>1,00,000 20,000</td> </tr> </tbody> </table>		Date	Particulars	LF	Dr. Amt ( )	Cr. Amt ( )	(i)	Machinery A/c To B India Ltd. (Being machinery purchased from B India Ltd.)	Dr.	2,52,000	2,52,000	(ii)	B India Ltd. To Equity Share Capital A/c To Securities Premium Reserve A/c ( Being 10,000 equity shares of ` 10 each issued at 20% premium)	Dr.	1,20,000	1,00,000 20,000	1/2  1															
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(iii)	B India Ltd. Discount on Issue of Debentures A/c To 9% Debentures A/c (Being 1000 9% debentures of ₹ 100 each issued at 5% discount)	Dr. Dr.	95,000 5,000	1,00,000
(iv)	B India Ltd. To Bank A/c (Being balance payment made by giving a bank draft)	Dr.	37,000	37,000

**OR**  
**C India Ltd.**  
**Journal**

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)
(i)	Machinery A/c To B India Ltd. (Being machinery purchased from B India Ltd.)	Dr.	2,52,000	2,52,000
(ii)	B India Ltd. Discount on Issue of Debentures A/c To Equity Share Capital A/c To 9% Debentures A/c To Bank A/c To Securities Premium Reserve A/c (Being payment made to B India Ltd.)	Dr. Dr.	2,52,000 5,000	1,00,000 1,00,000 37,000 20,000

**Working Notes:**

Purchase Consideration = 1,20,000 + 95,000 + 37,000 = ₹ 2,52,000

1

½

½

2 ½

=  
3 Marks

10 7 9

**Q. Gagan Ltd. is..... to propagate.**

**Ans.**

**Balance Sheet of Gagan Ltd.**

As at .....(As per revised schedule VI)

Particulars	Note No.	Amount (₹) Current year	Amount (₹) Previous year
<b>EQUITY &amp; LIABILITIES</b>			
I Shareholder's funds :			
a) Share Capital	1	<u>5,19,98,500</u>	

**Notes to Accounts :**

Particulars	(₹)
<b>(1) Share Capital</b>	
<b>Authorised Capital :</b> 1,50,00,000 equity shares of ₹ 10 each	<u>15,00,00,000</u>
<b>Issued Capital</b> 52,00,000 equity shares of ₹ 10 each	<u>5,20,00,000</u>
<b>Subscribed and fully paid Capital</b> 51,99,500 shares of ₹ 10 each	5,19,95,000
<b>Subscribed but not fully paid Capital</b> 500 equity shares of 10 each	5,000
Less: Calls in arrears ( 500 X 3 )	<u>1,500</u>
	<u>3,500</u>
	<u>5,19,98,500</u>

½

½

½

½

			<p><b>Values (Any two):</b></p> <ul style="list-style-type: none"> <li>• Providing employment opportunities to the local youth.</li> <li>• Promotion of rural development.</li> <li>• Promotion of skill development in the state of Jharkhand.</li> <li>• Paying attention towards regions of social unrest.</li> </ul> <p><b>(Or any other suitable value)</b></p>	<p><math>\frac{1}{2} + \frac{1}{2}</math></p> <p><b>=3 Marks</b></p>																																																
11	12	11	<p><b>Q. Pankaj and Naresh..... treatment of Goodwill.</b></p> <p><b>Ans.</b></p> <p><u>(a) Calculation of Hidden Goodwill:</u>  Saurabh's share = <math>\frac{1}{5}</math>  Saurabh's Capital = ₹ 3,00,000  (a) Total capital of the new firm = <math>3,00,000 \times 5 = 15,00,000</math>  (b) Existing total capital of Pankaj, Naresh and Saurabh = ₹ 5,00,000 + ₹ 3,00,000 + ₹ 3,00,000  = ₹ 11,00,000  Goodwill of the firm = <math>15,00,000 - 11,00,000 = 4,00,000</math>  Thus, Saurabh's share of goodwill = <math>\frac{1}{5} \times 4,00,000 = 80,000</math></p> <p><u>(b) Calculation of New Profit Sharing ratio :</u>  Pankaj's new share = <math>\frac{3}{5} - \frac{1}{5} = \frac{2}{5}</math>  Naresh's new share = <math>\frac{2}{5}</math>  Saurabh's share = <math>\frac{1}{5}</math>  New Ratio = 2:2:1</p> <p><b>(c)</b></p> <p style="text-align: center;"><b>Books of the firm</b></p> <p style="text-align: center;"><b>Journal</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;"></th> <th style="width: 50%; text-align: left;">Dr.</th> <th style="width: 10%;"></th> <th style="width: 10%; text-align: right;">Cr.</th> </tr> <tr> <th>Date</th> <th>Particulars</th> <th>LF</th> <th>Dr (₹)</th> </tr> </thead> <tbody> <tr> <td>2016 Apr 1</td> <td>Saurabh's Current A/c Dr. To Pankaj's Current A/c (Being credit given for goodwill to Pankaj on Saurabh's admission)</td> <td></td> <td style="text-align: right;">80,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">80,000</td> </tr> </tbody> </table>		Dr.		Cr.	Date	Particulars	LF	Dr (₹)	2016 Apr 1	Saurabh's Current A/c Dr. To Pankaj's Current A/c (Being credit given for goodwill to Pankaj on Saurabh's admission)		80,000				80,000	<p><b>1</b></p> <p><b>1</b></p> <p><b>2</b></p> <p><b>=</b></p> <p><b>4 Marks</b></p>																																
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12	11	12	<p><b>Q. X, Y and Z..... Capital Account.</b></p> <p><b>Ans.</b></p> <p style="text-align: center;"><b>Z's Capital A/c</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: left;">Dr</th> <th colspan="3" style="text-align: right;">Cr</th> </tr> <tr> <th>Date</th> <th>Particulars</th> <th>Amt (₹)</th> <th>Date</th> <th>Particulars</th> <th>Amt (₹)</th> </tr> </thead> <tbody> <tr> <td>2016 Sep 30</td> <td>To Drawings A/c <math>\frac{1}{2}</math></td> <td style="text-align: right;">30,000</td> <td>2016 April 1</td> <td>By Balance b/d <math>\frac{1}{2}</math></td> <td style="text-align: right;">80,000</td> </tr> <tr> <td>Sep 30</td> <td>To Interest on Drawings A/c <math>\frac{1}{2}</math></td> <td style="text-align: right;">2,000</td> <td>Sep 30</td> <td>By Interest on Capital A/c <math>\frac{1}{2}</math></td> <td style="text-align: right;">4,800</td> </tr> <tr> <td>Sep 30</td> <td>To Z's Executor's A/c <math>\frac{1}{2}</math></td> <td style="text-align: right;"><b>1,32,800</b></td> <td>Sep 30</td> <td>By P &amp; L Suspense A/c <math>\frac{1}{2}</math></td> <td style="text-align: right;">20,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Sep 30</td> <td>By X's Capital A/c <math>\frac{1}{2}</math></td> <td style="text-align: right;">37,500</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Sep 30</td> <td>By Y's Capital A/c <math>\frac{1}{2}</math></td> <td style="text-align: right;">22,500</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>1,64,800</u></td> <td></td> <td></td> <td style="text-align: right;"><u>1,64,800</u></td> </tr> </tbody> </table>	Dr			Cr			Date	Particulars	Amt (₹)	Date	Particulars	Amt (₹)	2016 Sep 30	To Drawings A/c $\frac{1}{2}$	30,000	2016 April 1	By Balance b/d $\frac{1}{2}$	80,000	Sep 30	To Interest on Drawings A/c $\frac{1}{2}$	2,000	Sep 30	By Interest on Capital A/c $\frac{1}{2}$	4,800	Sep 30	To Z's Executor's A/c $\frac{1}{2}$	<b>1,32,800</b>	Sep 30	By P & L Suspense A/c $\frac{1}{2}$	20,000				Sep 30	By X's Capital A/c $\frac{1}{2}$	37,500				Sep 30	By Y's Capital A/c $\frac{1}{2}$	22,500			<u>1,64,800</u>			<u>1,64,800</u>	<p><math>\frac{1}{2} \times 8</math></p> <p><b>=</b></p> <p><b>4 Marks</b></p>
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		<u>1,64,800</u>			<u>1,64,800</u>																																															
13	-	-	<p><b>Q. Manu, Hari, Ali and Reshma..... reconstituted firm.</b></p> <p><b>Ans.</b></p>																																																	

		<b>Revaluation A/c</b>										
<b>Dr</b>					<b>Cr</b>							
<b>Particulars</b>		<b>Amt ( ` )</b>		<b>Particulars</b>		<b>Amt ( ` )</b>						
To Claim for Workmen Compensation		5,000		By loss on revaluation transferred to Partners' Capital A/c						<b>1</b>		
To Fixed assets A/c		80,000		Manu		17,000						
				Hary		17,000						
				Ali		8,500						
				Reshma		<u>42,500</u>		85,000				
		<u>85,000</u>						<u>85,000</u>				
<b>Partner's Capital A/c</b>												
<b>Dr</b>					<b>Cr</b>							
<b>Particulars</b>	<b>Manu</b>	<b>Hari</b>	<b>Ali</b>	<b>Reshma</b>	<b>Particulars</b>	<b>Manu</b>	<b>Hari</b>	<b>Ali</b>	<b>Reshma</b>			
To Revaluation A/c	17,000	17,000	8,500	42,500	By Balance b/d	2,00,000	2,50,000	1,50,000	3,50,000	<b>2 ½</b>		
To Reshma's Capital A/c	2,000	2,000	6,000	---	By Manu's Capital A/c	---	---	---	2,000			
To Cash A/c	---	14,750	---	1,01,250	By Hary's Capital A/c	---	---	---	2,000			
To Balance c/d	2,16,250	2,16,250	2,16,250	2,16,250	By Ali's Capital A/c	---	---	---	6,000			
	<u>2,35,250</u>	<u>2,50,000</u>	<u>2,30,750</u>	<u>3,60,000</u>	By Cash A/c	35,250	---	80,750	---			
						<u>2,35,250</u>	<u>2,50,000</u>	<u>2,30,750</u>	<u>3,60,000</u>			
<b>Balance Sheet of Manu, Hary, Ali and Reshma as at 31<sup>st</sup> March 2016</b>												
<b>Liabilities</b>			<b>Amt ( ` )</b>		<b>Assets</b>			<b>Amt ( ` )</b>				
Sundry Creditors			45,000		Fixed Assets			7,20,000		<b>2</b>		
Partners' Capital A/c:					Current Assets			2,40,000				
Manu	2,16,250											
Hary	2,16,250											
Ali	2,16,250											
Reshma	<u>2,16,250</u>		8,65,000									
Claim for Workmen Compensation			50,000							=		
			<u>9,60,000</u>					<u>9,60,000</u>		<b>6 Marks</b>		

  

<b>14</b>	-	-	<b>Q. On 1-4-2015.....year ended 31.3.2016.</b> <b>Ans. J.K. Ltd.</b> <b>Journal</b>					
Date	Particulars			LF	Dr ( ` )	Cr ( ` )		
2015 Apr 1	Bank A/c	Dr.		1,45,500		1,45,500	<b>1</b>	
	To 10% Debenture Application & Allotment A/c (Being application money received)							
2015 Apr 1	10% Debenture Application & Allotment A/c	Dr.		1,45,500			<b>1</b>	
	Discount on Issue of Debentures A/c	Dr.		4,500				
	Loss on Issue of Debentures A/c	Dr.		12,000				
	To 10 % Debentures A/c					1,50,000		
	To Premium on Redemption of Debentures A/c					12,000		
	(Being transfer of application money to debenture account issued at discount of 3%, redeemable at premium of 8%)							

			<b>Or</b>								
			10% Debenture Application & Allotment A/c Loss on Issue of Debentures A/c To 10 % Debentures A/c To Premium on Redemption of Debentures A/c (Being transfer of application money to debenture account issued at discount of 3%, redeemable at premium of 8%)	Dr. Dr.		1,45,500 16,500		150,000 12,000			
		2015 Sep 30	Debenture Interest A/c To Debenture holders A/c To TDS Payable A/c (Being interest payable on 10% debentures and tax deducted at source @ 10%)	Dr.		7,500		6,750 750		1	
		2015 Sep 30	Debenture holders A/c TDS Payable A/c To Bank A/c (Being interest paid to debentures and TDS deposited)	Dr. Dr.		6,750 750		7,500		½	
		2016 Mar 31	Debenture Interest A/c To Debenture holders A/c To TDS Payable A/c (Being interest payable on 10% debentures and tax deducted at source @ 10%)	Dr.		7,500		6,750 750		1	
		2016 Mar 31	Debenture holders A/c TDS Payable A/c To Bank A/c (Being interest paid to debentures and TDS deposited)	Dr. Dr.		6,750 750		7,500		½	
		2016 Mar 31	Statement of Profit & Loss To Debenture Interest A/c (Being interest on debentures transferred to statement to P & L)	Dr.		15,000		15,000		1 = 6 Marks	
15	-	-	<b>Q. Pass necessary..... realisation account.</b> <b>Ans.</b>								
			<b>Books of the firm</b> <b>Journal</b>								
			<b>Date</b>	<b>Particulars</b>	<b>LF</b>	<b>Dr ( )</b>	<b>Cr ( )</b>				
			(i)	Realisation A/c To Cash/ Bank A/c (Being dissolution expenses paid)	Dr.	700	700			1	
			(ii)	Realisation A/c To A's Capital A/c ( Being dissolution expenses paid by partner)	Dr.	1,100	1,100			1	
			(iii)	Realisation A/c To B's Capital A/c (Being commission given to B)	Dr.	2,000	2,000			1	
			(iv) a.	Realisation A/c To C's Capital A/c (Being remuneration given to C)	Dr.	10,000	10,000			½	
			(iv) b.	C's Capital A/c To Bank A/c (Being dissolution expenses paid by the firm on behalf of the partner)	Dr.	9,800	9,800			½	

			(v) a.	Realisation A/c To D's Capital A/c (Being remuneration given to D)	Dr.		15,000	15,000	½
			(v) b.	D's Capital A/c To E's Capital A/c (Being dissolution expenses paid by E on behalf of D) <b>Note:</b> In case, an examinee has not passed the second entry, full credit may be given for the first entry only	Dr.		13,000	13,000	½
			(vi) a.	Realisation A/c To F's Capital A/c (Being remuneration given to F)	Dr.		9,000	9,000	½
			(vi) b.	F's Capital A/c To Realisation A/c (Being furniture taken over by F as remuneration)	Dr.		9,000	9,000	½
			(vi) (a.+ b.)	<b>OR</b>					<b>OR</b>
				No Entry					<b>1 = 6 Marks</b>

16	16	17	<b>Q. A and Z are .....B's admission.</b> <b>Ans.</b> <p style="text-align: center;"><b>Books of the firm</b> <b>Journal</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 50%;">Particulars</th> <th style="width: 5%;">LF</th> <th style="width: 15%;">Dr ( )</th> <th style="width: 15%;">Cr ( )</th> <th style="width: 5%;"></th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>General Reserve A/c To A's Capital A/c To Z's Capital A/c (Being General Reserve distributed among partners)</td> <td>Dr.</td> <td>15,000</td> <td>10,500 4,500</td> <td>½</td> </tr> <tr> <td>(ii)</td> <td>Cash A/c To B's Capital A/c To Premium for Goodwill A/c (Being cash received as B's capital and premium for goodwill)</td> <td>Dr.</td> <td>1,20,000</td> <td>90,000 30,000</td> <td>1</td> </tr> <tr> <td>(iii)</td> <td>Premium for Goodwill A/c To A's Capital A/c To Z's Capital A/c (Being premium for Goodwill credited to old partner's capital account in sacrificing ratio)</td> <td>Dr.</td> <td>30,000</td> <td>21,000 9,000</td> <td>1</td> </tr> <tr> <td>(iv)</td> <td>A's Capital A/c Z's Capital A/c To Cash A/c (Being half of goodwill amount withdrawn by A and Z)</td> <td>Dr. Dr.</td> <td>10,500 4,500</td> <td>15,000</td> <td>½</td> </tr> <tr> <td>(v)</td> <td>Bad debts A/c To Debtors A/c (Being debtors ` 4,500 written off)</td> <td>Dr.</td> <td>4,500</td> <td>4,500</td> <td>½</td> </tr> </tbody> </table>						Date	Particulars	LF	Dr ( )	Cr ( )		(i)	General Reserve A/c To A's Capital A/c To Z's Capital A/c (Being General Reserve distributed among partners)	Dr.	15,000	10,500 4,500	½	(ii)	Cash A/c To B's Capital A/c To Premium for Goodwill A/c (Being cash received as B's capital and premium for goodwill)	Dr.	1,20,000	90,000 30,000	1	(iii)	Premium for Goodwill A/c To A's Capital A/c To Z's Capital A/c (Being premium for Goodwill credited to old partner's capital account in sacrificing ratio)	Dr.	30,000	21,000 9,000	1	(iv)	A's Capital A/c Z's Capital A/c To Cash A/c (Being half of goodwill amount withdrawn by A and Z)	Dr. Dr.	10,500 4,500	15,000	½	(v)	Bad debts A/c To Debtors A/c (Being debtors ` 4,500 written off)	Dr.	4,500	4,500	½
Date	Particulars	LF	Dr ( )	Cr ( )																																								
(i)	General Reserve A/c To A's Capital A/c To Z's Capital A/c (Being General Reserve distributed among partners)	Dr.	15,000	10,500 4,500	½																																							
(ii)	Cash A/c To B's Capital A/c To Premium for Goodwill A/c (Being cash received as B's capital and premium for goodwill)	Dr.	1,20,000	90,000 30,000	1																																							
(iii)	Premium for Goodwill A/c To A's Capital A/c To Z's Capital A/c (Being premium for Goodwill credited to old partner's capital account in sacrificing ratio)	Dr.	30,000	21,000 9,000	1																																							
(iv)	A's Capital A/c Z's Capital A/c To Cash A/c (Being half of goodwill amount withdrawn by A and Z)	Dr. Dr.	10,500 4,500	15,000	½																																							
(v)	Bad debts A/c To Debtors A/c (Being debtors ` 4,500 written off)	Dr.	4,500	4,500	½																																							



			(vi)	Provision for bad and doubtful debts A/c To Bad debts A/c (Being provision utilised for writing off bad debts)	Dr.		4,500	4,500	½		
			(vii)	Revaluation A/c To Provision for bad and doubtful debts A/c (Being provision for bad debts created)	Dr.		975	975	½		
			(viii)	Outstanding Wages A/c To Cash A/c (Being outstanding wages paid)	Dr.		9,000	9,000	½		
			(ix)	Revaluation A/c To Stock A/c To Furniture A/c To Plant & Machinery A/c (Being decrease in assets recorded)	Dr.		17,100	6,000 1,500 9,600	1 ½		
			(x)	Investments A/c To Revaluation A/c (Being increase in investments recorded)	Dr.		7,500	7,500	½		
			(xi)	Revaluation A/c To Creditors A/c (Being increase in creditors recorded)	Dr.		6,300	6,300	½		
			(xii)	A's Capital A/c Z's Capital A/c To Revaluation A/c (Being loss on revaluation transferred to Partner's Capital A/c)	Dr. Dr.		11,812.50 5062.50	16875	½ = 8 Marks		
				<b>Note: In case an examinee has combined entry number (vii), (ix) and (xi), full credit may be given.</b> <b>2 ½</b> Revaluation A/c To Provision for bad and doubtful debts A/c To Stock A/c To Furniture A/c To Plant & Machinery A/c To Creditor A/c (Being assets and liabilities revalued)	Dr.		24,375	975 6,000 1,500 9,600 6,300			
16 OR	16 OR	17 OR	Q. N, S and G were.....G's retirement. Ans. <b>Books of the firm Journal</b>								
			<b>Date</b>	<b>Particulars</b>	<b>LF</b>	<b>Dr ( )</b>	<b>Cr ( )</b>				
			(i)	General Reserve A/c To N's Capital A/c To S's Capital A/c To G's Capital A/c (Being General Reserve distributed among partners)	Dr.	90,000	18,000 27,000 45,000		1		
			(ii)	N's Capital A/c S's Capital A/c G's Capital A/c To Profit and Loss A/c (Being accumulated losses divided among partners)	Dr. Dr. Dr.	15,000 22,500 37,500	75,000		1		

			(iii)	Bad Debts A/c To Debtors A/c (Being debtors of ₹ 6000 written off)	Dr.		6,000	6,000	½
			(iv)	Provision for bad and doubtful debts A/c To Bad Debts A/c (Being provision utilised for writing off bad and doubtful debts)	Dr.		6,000	6,000	½
			(v)	Provision for bad and doubtful debts A/c To Revaluation A/c (Being excess provision transferred to Revaluation A/c)	Dr.		2,550	2,550	½
			(vi)	Revaluation A/c To Patents A/c To Stock A/c To Machinery A/c To Building A/c (Being decrease in assets recorded)	Dr.		1,35,000	90,000 7,500 22,500 15,000	2
			(vii)	Revaluation A/c To Creditors A/c (Being increase in creditors recorded)	Dr.		30,000	30,000	½
			(viii)	N's Capital A/c S's Capital A/c G's Capital A/c To Revaluation A/c (Being loss on revaluation transferred to Partners' Capital A/c)	Dr. Dr. Dr.		32,490 48,735 81,225	1,62,450	½
			(ix)	N's Capital A/c S's Capital A/c To G's Capital A/c (Being Goodwill adjusted on G's retirement)	Dr. Dr.		18,000 27,000	45,000	1
			(x)	G's Capital A/c To G's Loan A/c (Being balance of G's Capital transferred to G's Loan A/c)	Dr.		4,21,275	4,21,275	½ =
				<b>Note: In case an examinee has combined entry number (vi) and (vii), full credit may be given.</b>  Revaluation A/c To Patents A/c To Stock A/c To Machinery A/c To Building A/c To Creditors A/c (Being assets and liabilities revalued)	Dr.		1,65,000	90,000 7,500 22,500 15,000 30,000	<b>8 Marks</b>
				<b>Working Notes:</b> Amount payable to G = 4,50,000 - 81,225 + 45,000 + 45,000 - 37,500 = ₹ 4,21,275					
17	17	16		<b>Q. BBG Ltd. ....books of the company.</b> <b>Ans.</b>					

<b>BBG Ltd. Journal</b>					
Date	Particulars	LF	Dr. Amt ( )	Cr. Amt ( )	
(i)	Bank A/c Dr. To Equity Share Application A/c (Being application money received on shares)		8,00,000	8,00,000	1
(ii)	Equity Share Application A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being application money transferred)		8,00,000	4,00,000 4,00,000	1
(iii)	Equity Share Allotment A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being share allotment money due)		10,00,000	6,00,000 4,00,000	1
(iv)	Bank A/c Dr. Calls in Arrears A/c Dr. To Equity Share Allotment A/c To Calls in Advance A/c (Being allotment money received except on 1,000 shares and calls in advance received) <b>OR</b> Bank A/c Dr. To Equity Share Allotment A/c To Calls in Advance A/c (Being allotment money received except on 1,000 shares and calls in advance received)		10,11,500 5,000 10,11,500	10,00,000 16,500 9,95,000 16,500	1
(v)	Equity Share Capital A/c Dr. Securities Premium Reserve A/c Dr. To Shares Forfeited A/c To Equity Share Allotment A/c/ Calls in arrears A/c (Being 1,000 shares forfeited after allotment)		5,000 2,000	2,000 5,000	1
(vi)	Equity Share First call A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being first call made due on 1,99,000 shares)		9,95,000	3,98,000 5,97,000	½
(vii)	Bank A/c Dr. Calls in arrears A/c Dr. Calls in advance A/c Dr. To Equity Share First Call A/c To Calls in advance A/c (Being first call money and calls in advance received, advance received earlier adjusted) <b>OR</b> Bank A/c Dr. Calls in advance A/c Dr. To Equity Share First Call A/c To Calls in advance A/c (Being first call money and calls in advance received, advance received earlier adjusted)		9,88,600 2,500 7,500 9,88,600 7,500	9,95,000 3,600 9,92,500 3,600	½
(viii)	Equity Share Capital A/c Dr. Securities Premium Reserve A/c Dr. To Shares Forfeited A/c To Calls in arrears A/c/ Equity Share First Call A/c (Being 500 shares forfeited)		3,500 1,500	2,500 2,500	½

			(ix)	Equity Share Second & Final call A/c To Equity Share Capital A/c To Securities Premium Reserve A/c (Being second call due on 1,98,500 shares)	Dr.		11,91,000		5,95,500 5,95,500		$\frac{1}{2}$	
			(x)	Bank A/c Calls in advance A/c To Equity share second and final call A/c (Being second and final call received)	Dr. Dr.		11,78,400 12,600		11,91,000		<b>1</b> = <b>8 Marks</b>	
<b>17</b> <b>OR</b>	<b>17</b> <b>OR</b>	<b>16</b> <b>OR</b>	<b>Q. Joy Ltd..... books of the company.</b>									
<b>Ans.</b>												
<b>Joy Ltd.</b>												
<b>Journal</b>												
			<b>Date</b>	<b>Particulars</b>	<b>LF</b>		<b>Dr. Amt</b> <b>( )</b>		<b>Cr. Amt</b> <b>( )</b>			
			(i)	Bank A/c To Equity Share Application A/c (Being application money received on 60,000 shares)	Dr.		1,80,000		1,80,000		$\frac{1}{2}$	
			(ii)	Equity Share Application A/c To Equity Share Capital A/c To Bank A/c To Equity Share Allotment A/c To Calls in Advance A/c (Being application money transferred)	Dr.		1,80,000		60,000 40,000 65,000 15,000		$\frac{1}{2}$	
			(iii)	Equity Share Allotment A/c To Equity Share Capital A/c (Being share allotment money due)	Dr.		80,000		80,000		$\frac{1}{2}$	
			(iv)	Bank A/c Calls in arrears A/c To Equity share allotment a/c (Being amount received on allotment)	Dr. Dr.		14,700 300		15,000		<b>1</b>	
<b>OR</b>												
				Bank A/c To Equity share allotment a/c (Being amount received on allotment)	Dr.		14,700		14,700			
			(v)	Equity Share capital A/c To Shares Forfeited A/c To Calls in arrears A/c (Being 300 shares forfeited on which allotment money was not received)	Dr.		2,100		1,800 300		<b>1</b>	
			(vi)	Equity share first and final call A/c To Equity share Capital A/c (Being First and final call money due)	Dr.		59,100		59,100		$\frac{1}{2}$	
			(vii)	Bank A/c Calls in arrears A/c Calls in advance A/c To Equity share first and final call A/c (Being first and final call money received except on 200 shares)	Dr. Dr. Dr.		43,500 600 15,000		59,100		<b>1</b>	
<b>OR</b>												
				Bank A/c Calls in advance A/c To Equity share first and final call A/c (Being first and final call money received except on 200 shares)	Dr. Dr.		43,500 15,000		58,500			

			(viii) Equity Share capital A/c To Shares Forfeited A/c To Calls in arrears A/c/ Equity share first and final call A/c (Being 200 shares forfeited on which first and final call money was not received)	Dr.	2,000	1,400 600	1	
			(ix) Bank A/c To Equity Share Capital A/c To Securities Premium Reserve A/c (Being forfeited shares reissued)	Dr.	6,000	5,000 1,000	1	
			(x) Shares Forfeited A/c To Capital Reserve A/c (Being gain on reissue on forfeited shares transferred to capital reserve account)	Dr.	3,200	3,200	1 = <b>8 Marks</b>	
<b>PART B</b> <b>(Financial Statements Analysis)</b>								
18	-	-	<b>Q. What is meant by.....Investing Activities?</b> <b>Ans.</b> Cash flow from Investing activities implies Inflows and outflows of cash and cash equivalents from sale or acquisition of fixed assets and non-current investments.					1 Mark
19	-	-	<b>Q. J.K. Ltd. purchased.....in each activity.</b> <b>Ans.</b> Cash outflows from Investing Activities = ` 3,60,000 Cash outflows from Financing Activities = ` 40,000					1 Mark
20	-	-	<b>Q. What is meant by.....an analysis.</b> <b>Ans.</b> Analysis of Financial Statements is the process of critical evaluation of the financial information contained in the financial statements in order to understand and make decisions regarding the operations of the firm. <b>(Or any other suitable meaning)</b> <b>Objectives of 'Financial Statements Analysis': (Any two)</b> (i) <u>Assessing the earning capacity or profitability</u> of the firm as a whole as well as its different departments so as to judge the financial health of the firm. (ii) <u>Assessing the managerial efficiency</u> by using financial ratios to identify favourable and unfavourable variations in managerial performance. (iii) <u>Assessing the short term and the long term solvency</u> of the enterprise to assess the ability of the company to repay principal amount and interest. (iv) Assessing the performance of business in comparison to that of others through <u>inter firm comparison</u> . (v) Assessing developments in future by <u>forecasting and preparing budgets</u> . (vi) <u>To Ascertain the relative importance of different components of the financial position of the firm.</u>					2  +  <b>1 X 2= 2 = 4 Marks</b>
21	21	21	<b>Q. State with reason.....equity shares.</b> <b>Ans.</b>					<b>1 X 4 =4 Marks</b>
			<b>Transaction</b>	<b>Effect on Return on Investment</b>	<b>Reasons</b>			
			(i)	Decrease	No change in Net Profit before Interest and Tax and increase in capital employed			
			(ii)	Decrease	Decrease in Net Profit before Interest and Tax and in capital employed			
			(iii)	Increase	No change in Net Profit before Interest and Tax but decrease in capital employed			
			(iv)	No change	No change in Net Profit before Interest and Tax and capital employed			
22	22	22	<b>Q. Financial Statements.....Balance Sheet.</b> <b>Ans. Values (Any two):</b> • Authentic up to date financial statements					

- Flexibility and dynamic financial statements
- Concern towards users of financial statements
- Seriousness towards meaningful decision making

(Or any other suitable value)

	Heads	Sub-heads
<b>Calls-in-arrears</b>	Shareholders' funds	Share Capital
<b>Calls -in-advance</b>	Current Liabilities	Other Current Liabilities
<b>Gain on reissue of forfeited equity shares</b>	Shareholders' funds	Reserves and Surplus
<b>Trade payables to be settled beyond 12 months from the date of Balance Sheet</b>	Non-Current Liabilities	Other Long Term Liabilities

1 X 2

½ X 4  
=  
4 Marks

23 23 23

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

**Cash flow statement of J.M. Ltd.**  
**For the year ended 31<sup>st</sup> March 2016 as per AS-3 (Revised)**

Particulars	Details (₹)	Amount (₹)
<b><u>A. Cash Flows from Operating Activities:</u></b>		
Net Profit before tax & extraordinary items (note 1)	87,500	
<b><u>Add: Non cash and non-operating charges</u></b>		
Goodwill written off	12,500	
Depreciation on machinery	27,500	
Interest on debentures	10,500	
Loss on sale of machinery	<u>2,500</u>	
<i>Operating profit before working capital changes</i>	1,40,500	
<b><u>Less: Increase in Current Assets</u></b>		
Increase in inventories	<u>(12,500)</u>	
Net Cash generated from Operating Activities		<b>1,28,000</b>
<b><u>B. Cash flows from Investing Activities :</u></b>		
Purchase of machinery	(1,75,000)	
Sale of machinery	7,500	
Purchase of non current investments	<u>(12,500)</u>	
Net Cash used in investing activities		<b>(1,80,000)</b>
<b><u>C. Cash flows from Financing Activities:</u></b>		
Issue of share capital	50,000	
Issue of 12% debentures	25,000	
Interest on debentures paid	(10,500)	
Dividend paid	(31,250)	
Bank overdraft raised	18,750	
Net Cash flow from financing activities		<b><u>52,000</u></b>
Net change in cash & cash equivalents (A+B+C)		<b>Nil</b>
<b><u>Add: Opening balance of cash &amp; cash equivalents</u></b>		
Current Investments	17,500	
Cash and Cash Equivalents	10,750	
Closing Balance of cash & cash equivalents		<b><u>28,250</u></b>
Current Investments	10,000	
Cash and Cash Equivalents	18,250	
		<b><u>28,250</u></b>

1 ½

+

1

+

1 ½

+

1



			bank account of employees and other salary related statutory payments such as provident fund tax etc.	
23	-	-	<p><b>Q. Explain the various.....Graphs.</b></p> <p><b>Ans.</b> Different elements of Chart/ Graph are (with explanation):</p> <ol style="list-style-type: none"> <li>1. The chart area</li> <li>2. The plot area</li> <li>3. The data points</li> <li>4. The horizontal (Category) and Vertical (Value) axis.</li> <li>5. The Legend</li> <li>6. A Chart and axis title.</li> <li>7. A data label</li> </ol>	<b>=6 Marks</b>



Q. Set No.			Marking Scheme 2016-17 Accountancy (055) <u>Foreign – 67/2/2</u> Expected Answers / Value points				Distribution of marks															
67/2/1	67/2/2	67/2/3																				
6	1	4	<b>Q. List the categories.....partnership firm.</b> <b>Ans. Any two</b> of the following: <ul style="list-style-type: none"> <li>• Persons of unsound mind / Lunatics</li> <li>• Insolvent persons</li> <li>• Any other individual who has been disqualified by law</li> </ul>				½ x 2 =1 Mark															
5	2	2	<b>Q. Z Ltd..... can be re-issued.</b> <b>Ans.</b> The maximum amount of discount at which these shares can be re-issued is ` 8 per share or ` 8,000.				=1 Mark															
4	3	6	<b>Q. Y Ltd. invited.....issue of debentures.</b> <b>Ans.</b> <b>Books of the firm</b> <b>Journal</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>LF</th> <th>Dr ( )</th> <th>Cr ( )</th> </tr> </thead> <tbody> <tr> <td>2016 Jan 1</td> <td>Bank A/c Dr. To 9% Debenture Application &amp; Allotment A/c ( Being application money received for 2,400 debentures @ ` 90 each)</td> <td></td> <td>2,16,000</td> <td>2,16,000</td> </tr> <tr> <td>2016 Jan 1</td> <td>9% Debenture Application &amp; Allotment A/c Dr. Discount on Issue of Debentures A/c Dr. To 9 % Debentures A/c To Bank A/c (Being 2000, 9% debentures allotted on pro-rata basis)</td> <td></td> <td>2,16,000 20,000</td> <td>2,00,000 36,000</td> </tr> </tbody> </table>				Date	Particulars	LF	Dr ( )	Cr ( )	2016 Jan 1	Bank A/c Dr. To 9% Debenture Application & Allotment A/c ( Being application money received for 2,400 debentures @ ` 90 each)		2,16,000	2,16,000	2016 Jan 1	9% Debenture Application & Allotment A/c Dr. Discount on Issue of Debentures A/c Dr. To 9 % Debentures A/c To Bank A/c (Being 2000, 9% debentures allotted on pro-rata basis)		2,16,000 20,000	2,00,000 36,000	½  ½ =1 Mark
Date	Particulars	LF	Dr ( )	Cr ( )																		
2016 Jan 1	Bank A/c Dr. To 9% Debenture Application & Allotment A/c ( Being application money received for 2,400 debentures @ ` 90 each)		2,16,000	2,16,000																		
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3	4	1	<b>Q. Suman and Sudha.....rectify the error.</b> <b>Ans.</b> <b>Books of the firm</b> <b>Journal</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>LF</th> <th>Dr ( )</th> <th>Cr ( )</th> </tr> </thead> <tbody> <tr> <td>2016 April 1</td> <td>Sudha's Current A/c Dr. To Suman's Current A/c ( Being the adjustment of interest on capital omitted in previous year now rectified)</td> <td></td> <td>1,500</td> <td>1,500</td> </tr> </tbody> </table>				Date	Particulars	LF	Dr ( )	Cr ( )	2016 April 1	Sudha's Current A/c Dr. To Suman's Current A/c ( Being the adjustment of interest on capital omitted in previous year now rectified)		1,500	1,500	=1 Mark					
Date	Particulars	LF	Dr ( )	Cr ( )																		
2016 April 1	Sudha's Current A/c Dr. To Suman's Current A/c ( Being the adjustment of interest on capital omitted in previous year now rectified)		1,500	1,500																		
2	5	5	<b>Q. Reena and Raman.....Reena's Sacrifice.</b> <b>Ans.</b> Raman's Old Share = 3/7 Raman's Sacrifice = 1/3 of 3/7 = 1/7 Roma's Share = 2/7 Reena's Sacrifice = Roma's share – Raman's sacrifice = 2/7 – 1/7 = 1/7 <b>OR</b> Reena's Old Share = 4/7 Reena's new share = 3/7 Reena's Sacrifice = 4/7 – 3/7 = 1/7				=1 Mark															
1	6	3	<b>Q. State the two.....provided.</b> <b>Ans. (a)</b> When partners contribute unequal amounts of Capital and Share Profits equally. <b>(b)</b> When the capital contribution is same but profit sharing is unequal.				½ ½ =1 Mark															
10	7	9	<b>Q. Gagan Ltd. Is..... to propagate.</b> <b>Ans.</b>																			

				<b>Balance Sheet of Gagan Ltd.</b>								
				As at .....(As per revised schedule VI)								
		Particulars		Note No.		Amount ( ` ) Current year		Amount ( ` ) Previous year				
		<b>EQUITY &amp; LIABILITIES</b>										
		I Shareholder's funds :										
		a) Share Capital		1		5,19,98,500				½		
		<b>Notes to Accounts :</b>										
		Particulars						( ` )				
		<b>(1) Share Capital</b>										
		<b>Authorised Capital :</b>										
		1,50,00,000 equity shares of ` 10 each						15,00,00,000				½
		<b>Issued Capital</b>										
		52,00,000 equity shares of ` 10 each						5,20,00,000				½
		<b>Subscribed and fully paid Capital</b>										
		51,99,500 shares of ` 10 each						5,19,95,000				
		<b>Subscribed but not fully paid Capital</b>										
		500 equity shares of 10 each						5,000				
		Less: Calls in arrears ( 500 X 3 )						1,500				½
								3,500				½
								5,19,98,500				
		<b>Values (Any two):</b>										
		<ul style="list-style-type: none"> <li>• Providing employment opportunities to the local youth.</li> <li>• Promotion of rural development.</li> <li>• Promotion of skill development in the state of Jharkhand.</li> <li>• Paying attention towards regions of social unrest.</li> </ul>										½ + ½
		<b>(Or any other suitable value)</b>										<b>=3 Marks</b>
9	8	7	<b>Q. C India Ltd. Purchased..... B India Ltd.</b>									
			<b>Ans.</b>									
			<b>C India Ltd.</b>									
			<b>Journal</b>									
		Date	Particulars			LF	Dr. Amt ( ` )		Cr. Amt ( ` )			
		(i)	Machinery A/c Dr. To B India Ltd. (Being machinery purchased from B India Ltd.)				2,52,000		2,52,000		½	
		(ii)	B India Ltd. Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c ( Being 10,000 equity shares of ` 10 each issued at 20% premium)				1,20,000		1,00,000 20,000		1	
		(iii)	B India Ltd. Dr. Discount on Issue of Debentures A/c Dr. To 9% Debentures A/c (Being 1000 9% debentures of ` 100 each issued at 5% discount)				95,000 5,000		1,00,000		1	
		(iv)	B India Ltd. Dr. To Bank A/c (Being balance payment made by giving a bank draft)				37,000		37,000		½	

			<b>OR C India Ltd. Journal</b>						
			<b>Date</b>	<b>Particulars</b>	<b>LF</b>	<b>Dr. Amt ( )</b>	<b>Cr. Amt ( )</b>		
			(i)	Machinery A/c To B India Ltd. (Being machinery purchased from B India Ltd.)	Dr.	2,52,000	2,52,000	½	
			(ii)	B India Ltd. Discount on Issue of Debentures A/c To Equity Share Capital A/c To 9% Debentures A/c To Bank A/c To Securities Premium Reserve A/c (Being payment made to B India Ltd.)	Dr. Dr.	2,52,000 5,000	1,00,000 1,00,000 37,000 20,000	2 ½	
			<b>Working Notes:</b>					=	
			Purchase Consideration = 1,20,000 + 95,000 + 37,000 = ` 2,52,000					=	<b>3 Marks</b>
<b>8</b>	<b>9</b>	<b>10</b>	<b>Q. P,Q,R, AND S ..... S's retirement.</b>						
			<b>Ans.</b>						
			<b>Books of the firm Journal</b>						
			<b>Date</b>	<b>Particulars</b>	<b>LF</b>	<b>Dr. Amt ( )</b>	<b>Cr. Amt ( )</b>		
			<b>2017 Jan 31</b>	R's Capital A/c To P's Capital A/c To S's Capital A/c (Being adjustment of Goodwill on S's retirement)	Dr.	84,000	42,000 42,000	2	
			<b>Working Notes:</b>						
			1. Calculation of Gaining Ratio:						
				<b>P</b>	<b>Q</b>	<b>R</b>	<b>S</b>		
			New Ratio	4/10	3/10	3/10	-	1	
			Old Ratio	5/10	3/10	1/10	1/10	=	
				1/10 (Sacrifice)	Nil	-2/10 (Gain)	1/10 (Sacrifice)	<b>3 Marks</b>	
<b>7</b>	<b>10</b>	<b>8</b>	<b>Q. Raj Motors Ltd..... books of Raj Motors Ltd.</b>						
			<b>Ans.</b>						
			<b>Raj Motors Ltd. Journal</b>						
			<b>Date</b>	<b>Particulars</b>	<b>LF</b>	<b>Dr. Amt ( )</b>	<b>Cr. Amt ( )</b>		
				12% Debentures A/c To Debenture holders A/c To Discount on issue of debentures A/c (Being amount payable to debenture holders on conversion)	Dr.	40,000	37,600 2,400	1	
				Debenture holders A/c To Equity Share Capital A/c To Securities Premium Reserve A/c (Being 12% debentures converted into equity shares)	Dr.	37,600	30,080 7,520	1	

			<p><b>Working Notes:</b>  Number of equity shares to be issued = 37,600/12.50  = 3008 shares</p>	<p>1  =</p> <p><b>3 Marks</b></p>																																																						
12	11	12	<p><b>Q. X, Y and Z..... Capital Account.</b>  <b>Ans.</b></p> <p style="text-align: center;"><b>Z's Capital A/c</b></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: left;">Dr</th> <th colspan="3" style="text-align: right;">Cr</th> </tr> <tr> <th style="width: 15%;">Date</th> <th style="width: 35%;">Particulars</th> <th style="width: 15%;">Amt ( ` )</th> <th style="width: 15%;">Date</th> <th style="width: 15%;">Particulars</th> <th style="width: 15%;">Amt ( ` )</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td></td> <td></td> <td>2016</td> <td></td> <td></td> </tr> <tr> <td>Sep 30</td> <td>To Drawings A/c <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">1/2</span></td> <td style="text-align: right;">30,000</td> <td>April 1</td> <td>By Balance b/d <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">1/2</span></td> <td style="text-align: right;">80,000</td> </tr> <tr> <td>Sep 30</td> <td>To Interest on Drawings A/c <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">1/2</span></td> <td style="text-align: right;">2,000</td> <td>Sep 30</td> <td>By Interest on Capital A/c <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">1/2</span></td> <td style="text-align: right;">4,800</td> </tr> <tr> <td>Sep 30</td> <td>To Z's Executor's A/c</td> <td style="text-align: right;"><b>1,32,800</b></td> <td>Sep 30</td> <td>By P &amp; L Suspense A/c <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">1/2</span></td> <td style="text-align: right;">20,000</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><span style="border: 1px solid black; border-radius: 50%; padding: 2px;">1/2</span></td> <td>Sep 30</td> <td>By X's Capital A/c</td> <td style="text-align: right;"><b>37,500</b></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Sep 30</td> <td>By Y's Capital A/c <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">1/2</span></td> <td style="text-align: right;"><b>22,500</b></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><b>1,64,800</b></td> <td></td> <td></td> <td style="text-align: right;"><span style="border: 1px solid black; border-radius: 50%; padding: 2px;">1/2</span> <b>1,64,800</b></td> </tr> </tbody> </table>	Dr			Cr			Date	Particulars	Amt ( ` )	Date	Particulars	Amt ( ` )	2016			2016			Sep 30	To Drawings A/c <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">1/2</span>	30,000	April 1	By Balance b/d <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">1/2</span>	80,000	Sep 30	To Interest on Drawings A/c <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">1/2</span>	2,000	Sep 30	By Interest on Capital A/c <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">1/2</span>	4,800	Sep 30	To Z's Executor's A/c	<b>1,32,800</b>	Sep 30	By P & L Suspense A/c <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">1/2</span>	20,000			<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">1/2</span>	Sep 30	By X's Capital A/c	<b>37,500</b>				Sep 30	By Y's Capital A/c <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">1/2</span>	<b>22,500</b>			<b>1,64,800</b>			<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">1/2</span> <b>1,64,800</b>	<p>1/2 X 8</p> <p>=</p> <p><b>4 Marks</b></p>
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11	12	11	<p><b>Q. Pankaj and Naresh..... treatment of Goodwill.</b>  <b>Ans.</b>  <u>(a) Calculation of Hidden Goodwill:</u>  Saurabh's share = 1/5  Saurabh's Capital = ` 3,00,000  (a) Total capital of the new firm = 3,00,000 X 5 = 15,00,000  (b) Existing total capital of Pankaj, Naresh and Saurabh = ` 5,00,000 + ` 3,00,000 + ` 3,00,000 = ` 11,00,000  Goodwill of the firm = 15,00,000 - 11,00,000 = 4,00,000  Thus, Saurabh's share of goodwill = 1/5 X 4,00,000 = 80,000</p> <p><u>(b) Calculation of New Profit Sharing ratio :</u>  Pankaj's new share = 3/5 - 1/5 = 2/5  Naresh's new share = 2/5  Saurabh's share = 1/5  New Ratio = 2:2:1</p> <p><b>(c)</b></p> <p style="text-align: center;"><b>Books of the firm</b></p> <p style="text-align: center;"><b>Journal</b></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left;">Dr.</th> <th colspan="3" style="text-align: right;">Cr.</th> </tr> <tr> <th style="width: 15%;">Date</th> <th style="width: 35%;">Particulars</th> <th style="width: 10%;">LF</th> <th style="width: 15%;">Dr ( ` )</th> <th style="width: 15%;">Cr ( ` )</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>Saurabh's Current A/c</td> <td style="text-align: center;">Dr.</td> <td style="text-align: right;">80,000</td> <td></td> </tr> <tr> <td>Apr 1</td> <td>To Pankaj's Current A/c (Being credit given for goodwill to Pankaj on Saurabh's admission)</td> <td></td> <td></td> <td style="text-align: right;">80,000</td> </tr> </tbody> </table>	Dr.		Cr.			Date	Particulars	LF	Dr ( ` )	Cr ( ` )	2016	Saurabh's Current A/c	Dr.	80,000		Apr 1	To Pankaj's Current A/c (Being credit given for goodwill to Pankaj on Saurabh's admission)			80,000	<p>1</p> <p>1</p> <p>2  =</p> <p><b>4 Marks</b></p>																																		
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-	13	-	<p><b>Q. Mahadev, Sukesh, Menon..... reconstituted firm.</b>  <b>Ans.</b></p> <p style="text-align: center;"><b>Revaluation A/c</b></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left;">Dr</th> <th colspan="2" style="text-align: right;">Cr</th> </tr> <tr> <th style="width: 35%;">Particulars</th> <th style="width: 15%;">Amt ( ` )</th> <th style="width: 35%;">Particulars</th> <th style="width: 15%;">Amt ( ` )</th> </tr> </thead> <tbody> <tr> <td>To Claim for Workmen Compensation</td> <td style="text-align: right;">25,000</td> <td>By loss on revaluation transferred to Partners' Capital A/c</td> <td></td> </tr> <tr> <td>To Fixed Assets A/c</td> <td style="text-align: right;">75,000</td> <td>Mahadev</td> <td style="text-align: right;">50,000</td> </tr> <tr> <td></td> <td></td> <td>Sukesh</td> <td style="text-align: right;">20,000</td> </tr> <tr> <td></td> <td></td> <td>Menon</td> <td style="text-align: right;">20,000</td> </tr> <tr> <td></td> <td></td> <td>Thomas</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td></td> <td style="text-align: right;"><b>1,00,000</b></td> <td></td> <td style="text-align: right;"><b>1,00,000</b></td> </tr> </tbody> </table>	Dr		Cr		Particulars	Amt ( ` )	Particulars	Amt ( ` )	To Claim for Workmen Compensation	25,000	By loss on revaluation transferred to Partners' Capital A/c		To Fixed Assets A/c	75,000	Mahadev	50,000			Sukesh	20,000			Menon	20,000			Thomas	10,000		<b>1,00,000</b>		<b>1,00,000</b>	<p>1 1/2</p>																						
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Partners' Capital A/c									
Dr					Cr				
Particulars	Mahadev	Sukesh	Menon	Thomas	Particulars	Mahadev	Sukesh	Menon	Thomas
To Revaluation A/c	50,000	20,000	20,000	10,000	By Balance b/d	7,00,000	6,00,000	5,00,000	4,50,000
To Mahadev's Capital A/c	---	12,000	---	---	By Sukesh's Capital A/c	12,000	---	---	---
To Cash A/c	---	---	50,000	2,25,000	By Cash A/c	1,98,000	77,000	---	---
To Balance c/d	8,60,000	6,45,000	4,30,000	2,15,000					
	9,10,000	6,77,000	5,00,000	4,50,000		9,10,000	6,77,000	5,00,000	4,50,000

**Balance Sheet of Mahadev, Sukesh, Menon and Thomas  
as at 31<sup>st</sup> March 2016**

Liabilities	Amt (₹)	Assets	Amt (₹)
Partners' Capital A/c:		Fixed Assets	17,25,000
Mahadev	8,60,000	Current Assets	6,75,000
Sukesh	6,45,000		
Menon	4,30,000		
Thomas	<u>2,15,000</u>		
Claim for Workmen Compensation	1,00,000		
Sundry Creditors	1,50,000		
	<u>24,00,000</u>		<u>24,00,000</u>

**Q. On 1-4-2015.....ended 31<sup>st</sup> March, 2016.**  
**Ans.**

**GGY Ltd.**  
**Journal**

Date	Particulars	LF	Dr (₹)	Cr (₹)
2015 Apr 1	Bank A/c Dr. To 9% Debenture Application & Allotment A/c (Being application money received)		2,82,000	2,82,000
2015 Apr 1	9% Debenture Application & Allotment A/c Dr. Discount on Issue of Debentures A/c Dr. Loss on Issue of Debentures A/c Dr. To 9 % Debentures A/c To Premium on Redemption of Debentures A/c (Being transfer of application money to debenture account issued at discount of 6%, but redeemable at premium of 10%)		2,82,000 18,000 30,000	3,00,000 30,000
	<b>Or</b>			
	9% Debenture Application & Allotment A/c Dr. Loss on Issue of Debentures A/c Dr. To 9 % Debentures A/c To Premium on Redemption of Debentures A/c (Being transfer of application money to debenture account issued at discount of 6%, but redeemable at premium of 10%)		2,82,000 48,000	3,00,000 30,000

2 ½

2

= 6 Marks

1

1

			2015 Sep 30	Debenture Interest A/c To Debenture holders A/c To TDS Payable A/c (Being interest payable on 9% debentures and tax deducted at source @ 10%)	Dr.		13,500	12,150 1,350	<b>1</b>
			2015 Sep 30	Debenture holders A/c TDS Payable A/c To Bank A/c (Being interest paid to debentures and TDS deposited in government account)	Dr. Dr.		12,150 1,350	13,500	$\frac{1}{2}$
			2016 Mar 31	Debenture Interest A/c To Debenture holders A/c To TDS Payable A/c (Being interest payable on 9% debentures and tax deducted at source @ 10%)	Dr.		13,500	12,150 1,350	<b>1</b>
			2016 Mar 31	Debenture holders A/c TDS Payable A/c To Bank A/c (Being interest paid to debentures and TDS deposited in government account)	Dr. Dr.		12,150 1,350	13,500	$\frac{1}{2}$
			2016 Mar 31	Statement of Profit & Loss To Debenture Interest A/c (Being interest on debentures transferred to statement to P & L)	Dr.		27,000	27,000	<b>1</b> = <b>6 Marks</b>

-	15	-	<b>Q. Pass necessary..... realisation account.</b> <b>Ans.</b> <p style="text-align: center;"><b>Books of the firm</b> <b>Journal</b></p> <table border="1" style="width: 100%;"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>LF</th> <th>Dr ( )</th> <th>Cr ( )</th> <th></th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Realisation A/c To Cash/ Bank A/c (Being dissolution expenses paid)</td> <td>Dr.</td> <td>4,500</td> <td>4,500</td> <td><b>1</b></td> </tr> <tr> <td>(ii)</td> <td>Realisation A/c To Sudhir's Capital A/c ( Being dissolution expenses paid by partner)</td> <td>Dr.</td> <td>5,000</td> <td>5,000</td> <td><b>1</b></td> </tr> <tr> <td>(iii)</td> <td>Realisation A/c To Sudha's Capital A/c (Being commission paid to Sudha for dissolution work)</td> <td>Dr.</td> <td>7,300</td> <td>7,300</td> <td><b>1</b></td> </tr> <tr> <td>(iv)a.</td> <td>Realisation A/c To Somesh's Capital A/c (Being dissolution expenses paid by Somesh and compensated by firm)</td> <td>Dr.</td> <td>5,000</td> <td>5,000</td> <td><math>\frac{1}{2}</math></td> </tr> <tr> <td>(iv) b.</td> <td>Somesh's Capital A/c To Bank A/c (Being dissolution expenses paid by firm )</td> <td>Dr.</td> <td>4,750</td> <td>4,750</td> <td><math>\frac{1}{2}</math></td> </tr> </tbody> </table>						Date	Particulars	LF	Dr ( )	Cr ( )		(i)	Realisation A/c To Cash/ Bank A/c (Being dissolution expenses paid)	Dr.	4,500	4,500	<b>1</b>	(ii)	Realisation A/c To Sudhir's Capital A/c ( Being dissolution expenses paid by partner)	Dr.	5,000	5,000	<b>1</b>	(iii)	Realisation A/c To Sudha's Capital A/c (Being commission paid to Sudha for dissolution work)	Dr.	7,300	7,300	<b>1</b>	(iv)a.	Realisation A/c To Somesh's Capital A/c (Being dissolution expenses paid by Somesh and compensated by firm)	Dr.	5,000	5,000	$\frac{1}{2}$	(iv) b.	Somesh's Capital A/c To Bank A/c (Being dissolution expenses paid by firm )	Dr.	4,750	4,750	$\frac{1}{2}$
Date	Particulars	LF	Dr ( )	Cr ( )																																								
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(iv)a.	Realisation A/c To Somesh's Capital A/c (Being dissolution expenses paid by Somesh and compensated by firm)	Dr.	5,000	5,000	$\frac{1}{2}$																																							
(iv) b.	Somesh's Capital A/c To Bank A/c (Being dissolution expenses paid by firm )	Dr.	4,750	4,750	$\frac{1}{2}$																																							

			(v) a.	Realisation A/c To Sheetal's Capital A/c (Being partner Sheetal remunerated for dissolution expenses)	Dr.		8,000	8,000	½
			(v) b.	Sheetal's Capital A/c To Smita's Capital A/c (Being dissolution expenses paid by Smita on behalf of Sheetal) <b>Note:</b> In case, an examinee has not passed the second entry, full credit may be given for the first entry only	Dr.		7,500	7,500	½
			(vi) a.	Realisation A/c To Somaya's Capital A/c (Being partner Somaya remunerated for dissolution expenses)	Dr.		11,000	11,000	½ + ½
			(vi) b.	Somaya's Capital A/c To Realisation A/c (Being stock taken over by Somaya as remuneration which had been transferred to realisation A/c)	Dr.		11,000	11,000	
			(vi) a.+b.	No Entry					<b>OR</b> <b>1</b> <b>=</b> <b>6 Marks</b>

16	16	17	<b>Q. A and Z are .....B's admission.</b> <b>Ans.</b> <p style="text-align: center;"><b>Books of the firm</b> <b>Journal</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 50%;">Particulars</th> <th style="width: 5%;">LF</th> <th style="width: 15%;">Dr ( )</th> <th style="width: 15%;">Cr ( )</th> <th style="width: 5%;"></th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>General Reserve A/c To A's Capital A/c To Z's Capital A/c (Being General Reserve distributed among partners)</td> <td>Dr.</td> <td>15,000</td> <td>10,500 4,500</td> <td>½</td> </tr> <tr> <td>(ii)</td> <td>Cash A/c To B's Capital A/c To Premium for Goodwill A/c (Being cash received as B's capital and premium for goodwill)</td> <td>Dr.</td> <td>1,20,000</td> <td>90,000 30,000</td> <td>1</td> </tr> <tr> <td>(iii)</td> <td>Premium for Goodwill A/c To A's Capital A/c To Z's Capital A/c (Being premium for Goodwill credited to old partner's capital account in sacrificing ratio)</td> <td>Dr.</td> <td>30,000</td> <td>21,000 9,000</td> <td>1</td> </tr> <tr> <td>(iv)</td> <td>A's Capital A/c Z's Capital A/c To Cash A/c (Being half of goodwill amount withdrawn by A and Z)</td> <td>Dr. Dr.</td> <td>10,500 4,500</td> <td>15,000</td> <td>½</td> </tr> <tr> <td>(v)</td> <td>Bad debts A/c To Debtors A/c (Being debtors ` 4,500 written off)</td> <td>Dr.</td> <td>4,500</td> <td>4,500</td> <td>½</td> </tr> </tbody> </table>						Date	Particulars	LF	Dr ( )	Cr ( )		(i)	General Reserve A/c To A's Capital A/c To Z's Capital A/c (Being General Reserve distributed among partners)	Dr.	15,000	10,500 4,500	½	(ii)	Cash A/c To B's Capital A/c To Premium for Goodwill A/c (Being cash received as B's capital and premium for goodwill)	Dr.	1,20,000	90,000 30,000	1	(iii)	Premium for Goodwill A/c To A's Capital A/c To Z's Capital A/c (Being premium for Goodwill credited to old partner's capital account in sacrificing ratio)	Dr.	30,000	21,000 9,000	1	(iv)	A's Capital A/c Z's Capital A/c To Cash A/c (Being half of goodwill amount withdrawn by A and Z)	Dr. Dr.	10,500 4,500	15,000	½	(v)	Bad debts A/c To Debtors A/c (Being debtors ` 4,500 written off)	Dr.	4,500	4,500	½
Date	Particulars	LF	Dr ( )	Cr ( )																																								
(i)	General Reserve A/c To A's Capital A/c To Z's Capital A/c (Being General Reserve distributed among partners)	Dr.	15,000	10,500 4,500	½																																							
(ii)	Cash A/c To B's Capital A/c To Premium for Goodwill A/c (Being cash received as B's capital and premium for goodwill)	Dr.	1,20,000	90,000 30,000	1																																							
(iii)	Premium for Goodwill A/c To A's Capital A/c To Z's Capital A/c (Being premium for Goodwill credited to old partner's capital account in sacrificing ratio)	Dr.	30,000	21,000 9,000	1																																							
(iv)	A's Capital A/c Z's Capital A/c To Cash A/c (Being half of goodwill amount withdrawn by A and Z)	Dr. Dr.	10,500 4,500	15,000	½																																							
(v)	Bad debts A/c To Debtors A/c (Being debtors ` 4,500 written off)	Dr.	4,500	4,500	½																																							

			(vi)	Provision for bad and doubtful debts A/c To Bad debts A/c (Being provision utilised for writing off bad debts)	Dr.		4,500	4,500	½		
			(vii)	Revaluation A/c To Provision for bad and doubtful debts A/c (Being provision for bad debts created)	Dr.		975	975	½		
			(viii)	Outstanding Wages A/c To Cash A/c (Being outstanding wages paid)	Dr.		9,000	9,000	½		
			(ix)	Revaluation A/c To Stock A/c To Furniture A/c To Plant & Machinery A/c (Being decrease in assets recorded)	Dr.		17,100	6,000 1,500 9,600	1 ½		
			(x)	Investments A/c To Revaluation A/c (Being increase in investments recorded)	Dr.		7,500	7,500	½		
			(xi)	Revaluation A/c To Creditors A/c (Being increase in creditors recorded)	Dr.		6,300	6,300	½		
			(xii)	A's Capital A/c Z's Capital A/c To Revaluation A/c (Being loss on revaluation transferred to Partner's Capital A/c)	Dr. Dr.		11,812.50 5062.50	16875	½ = 8 Marks		
				<b>Note: In case an examinee has combined entry number (vii), (ix) and (xi), full credit may be given.</b> <b>2 ½</b> Revaluation A/c To Provision for bad and doubtful debts A/c To Stock A/c To Furniture A/c To Plant & Machinery A/c To Creditor A/c (Being assets and liabilities revalued)	Dr.		24,375	975 6,000 1,500 9,600 6,300			
16 OR	16 OR	17 OR	Q. N, S and G were.....G's retirement. Ans. <b>Books of the firm Journal</b>								
				<b>Date</b>	<b>Particulars</b>	<b>LF</b>	<b>Dr ( )</b>	<b>Cr ( )</b>			
			(i)		General Reserve A/c To N's Capital A/c To S's Capital A/c To G's Capital A/c (Being General Reserve distributed among partners)	Dr.	90,000	18,000 27,000 45,000	1		
			(ii)		N's Capital A/c S's Capital A/c G's Capital A/c To Profit and Loss A/c (Being accumulated losses divided among partners)	Dr. Dr. Dr.	15,000 22,500 37,500	75,000	1		



			(iii)	Bad Debts A/c To Debtors A/c (Being debtors of ₹ 6000 written off)	Dr.		6,000	6,000	½
			(iv)	Provision for bad and doubtful debts A/c To Bad Debts A/c (Being provision utilised for writing off bad and doubtful debts)	Dr.		6,000	6,000	½
			(v)	Provision for bad and doubtful debts A/c To Revaluation A/c (Being excess provision transferred to Revaluation A/c)	Dr.		2,550	2,550	½
			(vi)	Revaluation A/c To Patents A/c To Stock A/c To Machinery A/c To Building A/c (Being decrease in assets recorded)	Dr.		1,35,000	90,000 7,500 22,500 15,000	2
			(vii)	Revaluation A/c To Creditors A/c (Being increase in creditors recorded)	Dr.		30,000	30,000	½
			(viii)	N's Capital A/c S's Capital A/c G's Capital A/c To Revaluation A/c (Being loss on revaluation transferred to Partners' Capital A/c)	Dr. Dr. Dr.		32,490 48,735 81,225	1,62,450	½
			(ix)	N's Capital A/c S's Capital A/c To G's Capital A/c (Being Goodwill adjusted on G's retirement)	Dr. Dr.		18,000 27,000	45,000	1
			(x)	G's Capital A/c To G's Loan A/c (Being balance of G's Capital transferred to G's Loan A/c)	Dr.		4,21,275	4,21,275	½ =
				<b>Note: In case an examinee has combined entry number (vi) and (vii), full credit may be given.</b>					<b>8 Marks</b>
				Revaluation A/c To Patents A/c To Stock A/c To Machinery A/c To Building A/c To Creditors A/c (Being assets and liabilities revalued)	Dr.		1,65,000	90,000 7,500 22,500 15,000 30,000	
				<b>Working Notes:</b> Amount payable to G = 4,50,000 - 81,225 + 45,000 + 45,000 - 37,500 = ₹ 4,21,275					
17	17	16		<b>Q. BBG Ltd. ....books of the company.</b> <b>Ans.</b>					

<b>BBG Ltd. Journal</b>					
Date	Particulars	LF	Dr. Amt ( )	Cr. Amt ( )	
(i)	Bank A/c Dr. To Equity Share Application A/c (Being application money received on shares)		8,00,000	8,00,000	1
(ii)	Equity Share Application A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being application money transferred)		8,00,000	4,00,000 4,00,000	1
(iii)	Equity Share Allotment A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being share allotment money due)		10,00,000	6,00,000 4,00,000	1
(iv)	Bank A/c Dr. Calls in Arrears A/c Dr. To Equity Share Allotment A/c To Calls in Advance A/c (Being allotment money received except on 1,000 shares and calls in advance received) <b>OR</b> Bank A/c Dr. To Equity Share Allotment A/c To Calls in Advance A/c (Being allotment money received except on 1,000 shares and calls in advance received)		10,11,500 5,000 10,11,500	10,00,000 16,500 9,95,000 16,500	1
(v)	Equity Share Capital A/c Dr. Securities Premium Reserve A/c Dr. To Shares Forfeited A/c To Equity Share Allotment A/c/ Calls in arrears A/c (Being 1,000 shares forfeited after allotment)		5,000 2,000	2,000 5,000	1
(vi)	Equity Share First call A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being first call made due on 1,99,000 shares)		9,95,000	3,98,000 5,97,000	½
(vii)	Bank A/c Dr. Calls in arrears A/c Dr. Calls in advance A/c Dr. To Equity Share First Call A/c To Calls in advance A/c (Being first call money and calls in advance received, advance received earlier adjusted) <b>OR</b> Bank A/c Dr. Calls in advance A/c Dr. To Equity Share First Call A/c To Calls in advance A/c (Being first call money and calls in advance received, advance received earlier adjusted)		9,88,600 2,500 7,500 9,88,600 7,500	9,95,000 3,600 9,92,500 3,600	½

			(viii)	Equity Share Capital A/c Securities Premium Reserve A/c To Shares Forfeited A/c To Calls in arrears A/c/ Equity Share First Call A/c (Being 500 shares forfeited)	Dr. Dr.		3,500 1,500		2,500 2,500	$\frac{1}{2}$
			(ix)	Equity Share Second & Final call A/c To Equity Share Capital A/c To Securities Premium Reserve A/c (Being second call due on 1,98,500 shares)	Dr.		11,91,000		5,95,500 5,95,500	$\frac{1}{2}$
			(x)	Bank A/c Calls in advance A/c To Equity share second and final call A/c (Being second and final call received)	Dr. Dr.		11,78,400 12,600		11,91,000	<b>1</b> <b>=</b> <b>8 Marks</b>

<b>17</b> <b>OR</b>	<b>17</b> <b>OR</b>	<b>16</b> <b>OR</b>	<b>Q. Joy Ltd..... books of the company.</b>							
			<b>Ans.</b>							
			<b>Joy Ltd.</b>							
			<b>Journal</b>							
			<b>Date</b>	<b>Particulars</b>	<b>LF</b>	<b>Dr. Amt</b>	<b>Cr. Amt</b>			
						<b>( )</b>	<b>( )</b>			
			(i)	Bank A/c To Equity Share Application A/c (Being application money received on 60,000 shares)	Dr.		1,80,000		1,80,000	$\frac{1}{2}$
			(ii)	Equity Share Application A/c To Equity Share Capital A/c To Bank A/c To Equity Share Allotment A/c To Calls in Advance A/c (Being application money transferred)	Dr.		1,80,000		60,000 40,000 65,000 15,000	$\frac{1}{2}$
			(iii)	Equity Share Allotment A/c To Equity Share Capital A/c (Being share allotment money due)	Dr.		80,000		80,000	$\frac{1}{2}$
			(iv)	Bank A/c Calls in arrears A/c To Equity share allotment a/c (Being amount received on allotment)	Dr. Dr.		14,700 300		15,000	<b>1</b>
			<b>OR</b>							
				Bank A/c To Equity share allotment a/c (Being amount received on allotment)	Dr.		14,700		14,700	
			(v)	Equity Share capital A/c To Shares Forfeited A/c To Calls in arrears A/c (Being 300 shares forfeited on which allotment money was not received)	Dr.		2,100		1,800 300	<b>1</b>
			(vi)	Equity share first and final call A/c To Equity share Capital A/c (Being First and final call money due)	Dr.		59,100		59,100	$\frac{1}{2}$
			(vii)	Bank A/c Calls in arrears A/c Calls in advance A/c To Equity share first and final call A/c (Being first and final call money received except on 200 shares)	Dr. Dr. Dr.		43,500 600 15,000		59,100	<b>1</b>
			<b>OR</b>							

			Bank A/c Calls in advance A/c To Equity share first and final call A/c (Being first and final call money received except on 200 shares)	Dr. Dr.	43,500 15,000	58,500		
		(viii)	Equity Share capital A/c To Shares Forfeited A/c To Calls in arrears A/c/ Equity share first and final call A/c (Being 200 shares forfeited on which first and final call money was not received)	Dr.	2,000	1,400 600	1	
		(ix)	Bank A/c To Equity Share Capital A/c To Securities Premium Reserve A/c (Being forfeited shares reissued)	Dr.	6,000	5,000 1,000	1	
		(x)	Shares Forfeited A/c To Capital Reserve A/c (Being gain on reissue on forfeited shares transferred to capital reserve account)	Dr.	3,200	3,200	1 = 8 Marks	
<b>PART B</b> <b>(Financial Statements Analysis)</b>								
-	18	-	<b>Q. Cash advances and loans.....answer.</b> <b>Ans.</b> Operating Activity <b>Reason:</b> Advances and Loans made by financial enterprises is their main operating activity.					½ ½ =1 Mark
-	19	-	<b>Q. State any two.....statement'.</b> <b>Ans. Benefits of Cash Flow Statement (Any two):</b> <ul style="list-style-type: none"> <li>• Useful for short term financial planning</li> <li>• Useful in preparing the cash budget</li> <li>• Comparison with the cash budget</li> <li>• Study of the trend of cash receipts and payments</li> <li>• Helpful in ascertaining cash flow from various activities</li> <li>• Helpful in making dividend decisions.</li> </ul>					½ ½ =1 Mark
-	20	-	<b>Q. Briefly explain.....Trade Payables.</b> <b>Ans.</b> <b>(a) Significance to the Finance Manager:</b> Finance Manager can make policies and decisions keeping in mind the liquidity, solvency, efficiency and profitability of the firm. <b>(b) Significance to Trade Payables:</b> Trade payables can check whether the firm is able to pay their debts on time or not.					2 2 =4 Marks
21	21	21	<b>Q. State with reason.....equity shares.</b> <b>Ans.</b>					<b>1 X 4</b> <b>=4 Marks</b>
			<b>Transaction</b>	<b>Effect on Return on Investment</b>	<b>Reasons</b>			
			(i)	Decrease	No change in Net Profit before Interest and Tax and increase in capital employed			
			(ii)	Decrease	Decrease in Net Profit before Interest and Tax and in capital employed			
			(iii)	Increase	No change in Net Profit before Interest and Tax but decrease in capital employed			
			(iv)	No change	No change in Net Profit before Interest and Tax and capital employed			
22	22	22	<b>Q. Financial Statements.....Balance Sheet.</b> <b>Ans. Values (Any two):</b> <ul style="list-style-type: none"> <li>• Authentic up to date financial statements</li> <li>• Flexibility and dynamic financial statements</li> </ul>					1 X 2

- Concern towards users of financial statements
  - Seriousness towards meaningful decision making
- (Or any other suitable value)**

	Heads	Sub-heads
<b>Calls-in-arrears</b>	Shareholders' funds	Share Capital
<b>Calls -in-advance</b>	Current Liabilities	Other Current Liabilities
<b>Gain on reissue of forfeited equity shares</b>	Shareholders' funds	Reserves and Surplus
<b>Trade payables to be settled beyond 12 months from the date of Balance Sheet</b>	Non-Current Liabilities	Other Long Term Liabilities

½ X 4  
=  
4 Marks

23 23 23

**Q. From the following..... Cash Flow Statement.**

**Ans.**

**Cash flow statement of J.M. Ltd.  
For the year ended 31<sup>st</sup> March 2016 as per AS-3 (Revised)**

Particulars	Details ( ` )	Amount ( ` )
<b><u>A. Cash Flows from Operating Activities:</u></b>		
Net Profit before tax & extraordinary items (note 1)	87,500	
<b><u>Add: Non cash and non-operating charges</u></b>		
Goodwill written off	12,500	
Depreciation on machinery	27,500	
Interest on debentures	10,500	
Loss on sale of machinery	<u>2,500</u>	
<i>Operating profit before working capital changes</i>	1,40,500	
<b><u>Less: Increase in Current Assets</u></b>		
Increase in inventories	<u>(12,500)</u>	
Net Cash generated from Operating Activities		<b>1,28,000</b>
<b><u>B. Cash flows from Investing Activities :</u></b>		
Purchase of machinery	(1,75,000)	
Sale of machinery	7,500	
Purchase of non current investments	<u>(12,500)</u>	
Net Cash used in investing activities		<b>(1,80,000)</b>
<b><u>C. Cash flows from Financing Activities:</u></b>		
Issue of share capital	50,000	
Issue of 12% debentures	25,000	
Interest on debentures paid	(10,500)	
Dividend paid	(31,250)	
Bank overdraft raised	18,750	
Net Cash flow from financing activities		<b><u>52,000</u></b>
Net change in cash & cash equivalents (A+B+C)		<b>Nil</b>
<b><u>Add: Opening balance of cash &amp; cash equivalents</u></b>		
Current Investments	17,500	
Cash and Cash Equivalents	10,750	<b><u>28,250</u></b>
Closing Balance of cash & cash equivalents		
Current Investments	10,000	
Cash and Cash Equivalents	18,250	<b><u>28,250</u></b>

1 ½

+

1

+

1 ½

+

1

			<b>Notes:</b> <b>Calculation of Net Profit before tax:</b> Net profit as per statement of Profit & Loss 37,500 Add: Proposed Dividend <u>50,000</u> Net Profit before tax & extraordinary items <u>87,500</u>	+ ½																								
			<b>Machinery A/c</b> <table border="1"> <thead> <tr> <th>Particulars</th> <th></th> <th>Particulars</th> <th></th> </tr> </thead> <tbody> <tr> <td>To Balance b/d</td> <td>2,63,750</td> <td>By Cash A/c</td> <td>7,500</td> </tr> <tr> <td>To Cash A/c (Purchase)</td> <td>1,75,000</td> <td>By Statement of P/L (Bal fig.)</td> <td>2,500</td> </tr> <tr> <td></td> <td></td> <td>By Accumulated Depreciation A/c</td> <td>10,000</td> </tr> <tr> <td></td> <td></td> <td>By Balance c/d</td> <td>4,18,750</td> </tr> <tr> <td></td> <td><u>4,38,750</u></td> <td></td> <td><u>4,38,750</u></td> </tr> </tbody> </table>	Particulars		Particulars		To Balance b/d	2,63,750	By Cash A/c	7,500	To Cash A/c (Purchase)	1,75,000	By Statement of P/L (Bal fig.)	2,500			By Accumulated Depreciation A/c	10,000			By Balance c/d	4,18,750		<u>4,38,750</u>		<u>4,38,750</u>	+
Particulars		Particulars																										
To Balance b/d	2,63,750	By Cash A/c	7,500																									
To Cash A/c (Purchase)	1,75,000	By Statement of P/L (Bal fig.)	2,500																									
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		By Balance c/d	4,18,750																									
	<u>4,38,750</u>		<u>4,38,750</u>																									
			<b>Accumulated Depreciation A/c</b> <table border="1"> <thead> <tr> <th>Particulars</th> <th></th> <th>Particulars</th> <th></th> </tr> </thead> <tbody> <tr> <td>To Machinery A/c</td> <td>10,000</td> <td>By Balance b/d</td> <td>35,000</td> </tr> <tr> <td>To Balance c/d</td> <td>52,500</td> <td>By Statement of P/L</td> <td>27,500</td> </tr> <tr> <td></td> <td><u>62,500</u></td> <td></td> <td><u>62,500</u></td> </tr> </tbody> </table>	Particulars		Particulars		To Machinery A/c	10,000	By Balance b/d	35,000	To Balance c/d	52,500	By Statement of P/L	27,500		<u>62,500</u>		<u>62,500</u>	½ = <b>6 Marks</b>								
Particulars		Particulars																										
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	<u>62,500</u>		<u>62,500</u>																									
			<p align="center"><b>PART B</b> <b>(Computerized Accounting)</b></p>																									
19	18	18	<b>Q. What is meant .....SQL?</b> <b>Ans.</b> The process of matching rows in two tables based on their primary and foreign keys is called a 'JOIN'. Joins along with Structured Query Language serve as a valuable tool for manipulating tables.	<b>1 Mark</b>																								
18	19	19	<b>Q. Why is it.....database?</b> <b>Ans.</b> They are merely computational outcomes from other attributes and keep on changing with the change in affecting attributes.	<b>1 Mark</b>																								
22	20	21	<b>Q. What information.....bill? Explain.</b> <b>Ans.</b> The preparation of salary bill should provide for the following: <ul style="list-style-type: none"> <li>• Maintaining payroll related data such as employee number, Name, Attendance, Basic Pay and other allowances and deductions to be made.</li> <li>• Periodic payroll computations which includes the calculations of earning and deduction heads, which are to be divided from basic values as per the formulae</li> <li>• Preparation of salary slip of an employee</li> <li>• Generation of advice to bank as it contains net salary to be transferred to individual bank account of employees and other salary related statutory payments such as provident fund tax etc.</li> </ul>	<b>=4 Marks</b>																								
20	21	22	<b>Q. Explain 'Size of Organisation'.....software.</b> <b>Ans.</b> <b>Size of Organisation:</b> (Explanation may include following points) <ul style="list-style-type: none"> <li>• Volume of business transactions affects the choice of software.</li> <li>• Small organisations or non profit organisations can opt for single user operated software.</li> <li>• Large organisations will require sophisticated software</li> </ul> <b>Ease of adapting and training needs:</b> <ul style="list-style-type: none"> <li>• User friendly software require simple and short training</li> <li>• Complex software require intense and continuous training</li> <li>• If it is simple it should be able to motivate people to use it</li> </ul>	2  2 <b>=4 Marks</b>																								
21	22	20	<b>Q. State any four.....Tables'.</b> <b>Ans. Advantages of Pivot Table are: (Any four)</b> <ol style="list-style-type: none"> <li>1. User friendly</li> <li>2. Focus on results</li> <li>3. Multiple summarisation of data</li> <li>4. Filtering, sorting, grouping etc. Makes it possible to focus on information.</li> </ol>	<b>=4 Marks</b>																								

			5. Presenting concise, attractive and annotated online or printed reports. 6. Analysis of related tables is facilitated	
23	-	-	<p><b>Q. What is meant by.....its benefits.</b></p> <p><b>Ans.</b> Conditional formatting means a format change, such as background cell shading or font colour i.e. applied to a cell when a specified condition for the data in the cell is true. Conditional formatting is often applied to worksheets to find:</p> <ol style="list-style-type: none"> <li>1. Data that is above or below a certain value.</li> <li>2. Duplicate data values.</li> <li>3. Cells containing specific text.</li> <li>4. Data that is above or below average</li> <li>5. Data that falls in the top ten or bottom ten values</li> </ol> <p>Benefits of using conditional formatting:</p> <ol style="list-style-type: none"> <li>1. Helps in answering questions which are important for taking decisions</li> <li>2. Guides with help of using visuals</li> </ol> <p>Helps in understanding distribution and variation of critical data.</p>	<p style="text-align: right;"><b>3</b></p> <p style="text-align: right;"><b>3</b></p> <p style="text-align: right;"><b>=6 Marks</b></p>

Q. Set No.			Marking Scheme 2016-17 Accountancy (055) <b>Foreign – 67//2/3</b> Expected Answers / Value points				Distribution of marks															
67/ 2/1	67/ 2/2	67/ 2/3																				
3	4	1	<b>Q. Suman and Sudha.....rectify the error.</b> <b>Ans.</b> <p style="text-align: center;"><b>Books of the firm</b> <b>Journal</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 50%;">Particulars</th> <th style="width: 5%;">LF</th> <th style="width: 15%;">Dr (₹)</th> <th style="width: 10%;">Cr (₹)</th> </tr> </thead> <tbody> <tr> <td>2016 April 1</td> <td>Sudha's Current A/c Dr. To Suman's Current A/c ( Being the adjustment of interest on capital omitted in previous year now rectified)</td> <td></td> <td style="text-align: right;">1,500</td> <td style="text-align: right;">1,500</td> </tr> </tbody> </table>				Date	Particulars	LF	Dr (₹)	Cr (₹)	2016 April 1	Sudha's Current A/c Dr. To Suman's Current A/c ( Being the adjustment of interest on capital omitted in previous year now rectified)		1,500	1,500	<b>=1 Mark</b>					
Date	Particulars	LF	Dr (₹)	Cr (₹)																		
2016 April 1	Sudha's Current A/c Dr. To Suman's Current A/c ( Being the adjustment of interest on capital omitted in previous year now rectified)		1,500	1,500																		
5	2	2	<b>Q. Z Ltd..... can be re-issued.</b> <b>Ans.</b> The maximum amount of discount at which these shares can be re-issued is ₹ 8 per share or ₹ 8,000.				<b>=1 Mark</b>															
1	6	3	<b>Q. State the two.....provided.</b> <b>Ans. (a)</b> When partners contribute unequal amounts of Capital and Share Profits equally. <b>(b)</b> When the capital contribution is same but profit sharing is unequal.				½ ½ <b>=1 Mark</b>															
6	1	4	<b>Q. List the categories.....partnership firm.</b> <b>Ans. Any two</b> of the following: <ul style="list-style-type: none"> <li>• Persons of unsound mind / Lunatics</li> <li>• Insolvent persons</li> <li>• Any other individual who has been disqualified by law</li> </ul>				½ x 2 <b>=1 Mark</b>															
2	5	5	<b>Q. Reena and Raman.....Reena's Sacrifice.</b> <b>Ans.</b> Raman's Old Share = 3/7 Raman's Sacrifice = 1/3 of 3/7 = 1/7 Roma's Share = 2/7 Reena's Sacrifice = Roma's share – Raman's sacrifice = 2/7 – 1/7 = 1/7 <p style="text-align: center;"><b>OR</b></p> Reena's Old Share = 4/7 Reena's new share = 3/7 Reena's Sacrifice = 4/7 – 3/7 = 1/7				<b>=1 Mark</b>															
4	3	6	<b>Q. Y Ltd. invited.....issue of debentures.</b> <b>Ans.</b> <p style="text-align: center;"><b>Books of the firm</b> <b>Journal</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 50%;">Particulars</th> <th style="width: 5%;">LF</th> <th style="width: 15%;">Dr (₹)</th> <th style="width: 10%;">Cr (₹)</th> </tr> </thead> <tbody> <tr> <td>2016 Jan 1</td> <td>Bank A/c Dr. To 9% Debenture Application &amp; Allotment A/c ( Being application money received for 2,400 debentures @ ₹ 90 each)</td> <td></td> <td style="text-align: right;">2,16,000</td> <td style="text-align: right;">2,16,000</td> </tr> <tr> <td>2016 Jan 1</td> <td>9% Debenture Application &amp; Allotment A/c Dr. Discount on Issue of Debentures A/c Dr. To 9 % Debentures A/c To Bank A/c (Being 2000, 9% debentures allotted on pro-rata basis)</td> <td></td> <td style="text-align: right;">2,16,000 20,000</td> <td style="text-align: right;">2,00,000 36,000</td> </tr> </tbody> </table>				Date	Particulars	LF	Dr (₹)	Cr (₹)	2016 Jan 1	Bank A/c Dr. To 9% Debenture Application & Allotment A/c ( Being application money received for 2,400 debentures @ ₹ 90 each)		2,16,000	2,16,000	2016 Jan 1	9% Debenture Application & Allotment A/c Dr. Discount on Issue of Debentures A/c Dr. To 9 % Debentures A/c To Bank A/c (Being 2000, 9% debentures allotted on pro-rata basis)		2,16,000 20,000	2,00,000 36,000	½  ½ <b>=1 Mark</b>
Date	Particulars	LF	Dr (₹)	Cr (₹)																		
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9	8	7	<b>Q. C India Ltd. Purchased..... B India Ltd.</b> <b>Ans.</b>																			



			<b>C India Ltd. Journal</b>						
			<b>Date</b>	<b>Particulars</b>	<b>LF</b>	<b>Dr. Amt ( )</b>	<b>Cr. Amt ( )</b>		
			(i)	Machinery A/c To B India Ltd. (Being machinery purchased from B India Ltd.)	Dr.	2,52,000	2,52,000	½	
			(ii)	B India Ltd. To Equity Share Capital A/c To Securities Premium Reserve A/c ( Being 10,000 equity shares of ₹ 10 each issued at 20% premium)	Dr.	1,20,000	1,00,000 20,000	1	
			(iii)	B India Ltd. Discount on Issue of Debentures A/c To 9% Debentures A/c (Being 1000 9% debentures of ₹ 100 each issued at 5% discount)	Dr. Dr.	95,000 5,000	1,00,000	1	
			(iv)	B India Ltd. To Bank A/c (Being balance payment made by giving a bank draft)	Dr.	37,000	37,000	½	
			<b>OR C India Ltd. Journal</b>						
			<b>Date</b>	<b>Particulars</b>	<b>LF</b>	<b>Dr. Amt ( )</b>	<b>Cr. Amt ( )</b>		
			(i)	Machinery A/c To B India Ltd. (Being machinery purchased from B India Ltd.)	Dr.	2,52,000	2,52,000	½	
			(ii)	B India Ltd. Discount on Issue of Debentures A/c To Equity Share Capital A/c To 9% Debentures A/c To Bank A/c To Securities Premium Reserve A/c (Being payment made to B India Ltd.)	Dr. Dr.	2,52,000 5,000	1,00,000 1,00,000 37,000 20,000	2 ½	
			<b>Working Notes:</b> Purchase Consideration = 1,20,000 + 95,000 + 37,000 = ₹ 2,52,000						<b>= 3 Marks</b>
<b>7</b>	<b>10</b>	<b>8</b>	<b>Q. Raj Motors Ltd..... books of Raj Motors Ltd. Ans.</b>						
			<b>Raj Motors Ltd. Journal</b>						
			<b>Date</b>	<b>Particulars</b>	<b>LF</b>	<b>Dr. Amt ( )</b>	<b>Cr. Amt ( )</b>		
				12% Debentures A/c To Debenture holders A/c To Discount on issue of debentures A/c (Being amount payable to debenture holders on conversion)	Dr.	40,000	37,600 2,400	1	

			Debiture holders A/c Dr. 37,600 To Equity Share Capital A/c 30,080 To Securities Premium Reserve A/c 7,520 (Being 12% debentures converted into equity shares)				1																										
			<b>Working Notes:</b> Number of equity shares to be issued = $37,600/12.50$ = 3008 shares				1 =																										
							3 Marks																										
10	7	9	<b>Q. Gagan Ltd. Is..... to propagate.</b> <b>Ans.</b> <b>Balance Sheet of Gagan Ltd.</b> <b>As at .....(As per revised schedule VI)</b>																														
			<table border="1"> <thead> <tr> <th>Particulars</th> <th>Note No.</th> <th>Amount ( ` ) Current year</th> <th>Amount ( ` ) Previous year</th> </tr> </thead> <tbody> <tr> <td><b>EQUITY &amp; LIABILITIES</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td>I Shareholder's funds :</td> <td></td> <td></td> <td></td> </tr> <tr> <td>    b) Share Capital</td> <td>1</td> <td><u>5,19,98,500</u></td> <td></td> </tr> </tbody> </table>	Particulars	Note No.	Amount ( ` ) Current year	Amount ( ` ) Previous year	<b>EQUITY &amp; LIABILITIES</b>				I Shareholder's funds :				b) Share Capital	1	<u>5,19,98,500</u>					½										
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			<b>Values (Any two):</b> <ul style="list-style-type: none"> <li>• Providing employment opportunities to the local youth.</li> <li>• Promotion of rural development.</li> <li>• Promotion of skill development in the state of Jharkhand.</li> <li>• Paying attention towards regions of social unrest.</li> </ul>				½ + ½																										
			<b>(Or any other suitable value)</b>				=3 Marks																										
8	9	10	<b>Q. P,Q,R, AND S ..... S's retirement.</b> <b>Ans.</b> <b>Books of the firm</b> <b>Journal</b>																														
			<table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>LF</th> <th>Dr. Amt ( ` )</th> <th>Cr. Amt ( ` )</th> </tr> </thead> <tbody> <tr> <td><b>2017</b></td> <td>R's Capital A/c Dr.</td> <td></td> <td>84,000</td> <td></td> </tr> <tr> <td><b>Jan 31</b></td> <td>To P's Capital A/c</td> <td></td> <td></td> <td>42,000</td> </tr> <tr> <td></td> <td>To S's Capital A/c</td> <td></td> <td></td> <td>42,000</td> </tr> <tr> <td></td> <td>(Being adjustment of Goodwill on S's retirement)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Particulars	LF	Dr. Amt ( ` )	Cr. Amt ( ` )	<b>2017</b>	R's Capital A/c Dr.		84,000		<b>Jan 31</b>	To P's Capital A/c			42,000		To S's Capital A/c			42,000		(Being adjustment of Goodwill on S's retirement)							2	
Date	Particulars	LF	Dr. Amt ( ` )	Cr. Amt ( ` )																													
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**Working Notes:**

1. Calculation of Gaining Ratio:

	P	Q	R	S
New Ratio	4/10	3/10	3/10	-
Old Ratio	5/10	3/10	1/10	1/10
	1/10 (Sacrifice)	Nil	-2/10 (Gain)	1/10 (Sacrifice)

1  
=  
3 Marks

11 12 11

**Q. Pankaj and Naresh..... treatment of Goodwill.****Ans.**(a) Calculation of Hidden Goodwill:

Saurabh's share = 1/5

Saurabh's Capital = ₹ 3,00,000

(a) Total capital of the new firm = 3,00,000 X 5 = 15,00,000

(b) Existing total capital of Pankaj, Naresh and Saurabh = ₹ 5,00,000 + ₹ 3,00,000 + ₹ 3,00,000  
= ₹ 11,00,000

Goodwill of the firm = 15,00,000 - 11,00,000 = 4,00,000

Thus, Saurabh's share of goodwill = 1/5 X 4,00,000 = 80,000

1

(b) Calculation of New Profit Sharing ratio :

Pankaj's new share = 3/5 - 1/5 = 2/5

Naresh's new share = 2/5

Saurabh's share = 1/5

New Ratio = 2:2:1

1

(c)

**Books of the firm****Dr.****Journal****Cr.**

Date	Particulars	LF	Dr (₹)	Cr (₹)
2016 Apr 1	Saurabh's Current A/c Dr. To Pankaj's Current A/c (Being credit given for goodwill to Pankaj on Saurabh's admission)		80,000	80,000

2  
=  
4 Marks

12 11 12

**Q. X, Y and Z..... Capital Account.****Ans.****Z's Capital A/c****Dr****Cr**

Date	Particulars	Amt (₹)	Date	Particulars	Amt (₹)
2016 Sep 30	<u>To Drawings A/c</u> (1/2)	30,000	2016 April 1	<u>By Balance b/d</u> (1/2)	80,000
Sep 30	<u>To Interest on Drawings A/c</u> (1/2)	2,000	Sep 30	<u>By Interest on Capital A/c</u> (1/2)	4,800
Sep 30	<u>To Z's Executor's A/c</u> (1/2)	<b>1,32,800</b>	Sep 30	<u>By P &amp; L Suspense A/c</u> (1/2)	20,000
			Sep 30	<u>By X's Capital A/c</u> (1/2)	37,500
			Sep 30	<u>By Y's Capital A/c</u> (1/2)	22,500
		<u>1,64,800</u>			<u>1,64,800</u>

1/2 X 8

=

4 Marks

- - 13

**Q. Singh, Jain, Sharma and Gupta..... reconstituted firm.****Ans.**

		<b>Revaluation A/c</b>												
		<b>Dr</b>					<b>Cr</b>							
		<b>Particulars</b>		<b>Amt ( ` )</b>		<b>Particulars</b>		<b>Amt ( ` )</b>						
		To Claim for Workmen Compensation		5,000		By loss on revaluation transferred to Partners' Capital A/c						<b>1 ½</b>		
		To fixed assets A/c		15,000		Singh		8,000						
						Jain		6,000						
						Sharma		4,000						
						Gupta		<u>2,000</u>		20,000				
				<u>20,000</u>						<u>20,000</u>				
		<b>Partners' Capital A/c</b>												
		<b>Dr</b>					<b>Cr</b>							
		<b>Particulars</b>	<b>Singh</b>	<b>Jain</b>	<b>Sharma</b>	<b>Gupta</b>	<b>Particulars</b>	<b>Singh</b>	<b>Jain</b>	<b>Sharma</b>	<b>Gupta</b>			
		To Revaluation A/c	8,000	6,000	4,000	2,000	By Balance b/d	50,000	40,000	40,000	40,000			
		To Singh's Capital A/c	---	---	2,250	6,750	By Sharma's Capital A/c	2,250	750	---	---			
		To Jain's Capital A/c	---	---	750	2,250	By Gupta's Capital A/c	6,750	2,250	---	---	<b>2 ½</b>		
		To Partners' Current A/c	13,500	---	---	---	By Partners' Current A/c	---	500	4,500	8,500			
		To Balance c/d	37,500	37,500	37,500	37,500								
			59,000	43,500	44,500	48,500		59,000	43,500	44,500	48,500			
		<b>Balance Sheet of Singh, Jain, Sharma and Gupta as at 31<sup>st</sup> March 2016</b>												
		<b>Liabilities</b>				<b>Amt ( ` )</b>		<b>Assets</b>				<b>Amt ( ` )</b>		
		Partners' Capital A/c:						Fixed Assets				1,45,000		<b>2</b>  <b>=</b> <b>6 Marks</b>
		Singh		37,500				Current Assets				90,000		
		Jain		37,500				Partners' Current A/c:						
		Sharma		37,500				Jain		500				
		Gupta		<u>37,500</u>		1,50,000		Sharma		4,500				
		Claim for Workmen Compensation				40,000		Gupta		<u>8,500</u>		13,500		
		Sundry Creditors				45,000								
		Singh's Current A/c				13,500								
						<u>2,48,500</u>						<u>2,48,500</u>		
-	-	<b>14 Q. On 1-4-2015.....ended 31.3.2016.</b>												
		<b>Ans.</b>												
		<b>Neena Ltd.</b>												
		<b>Journal</b>												
		<b>Date</b>	<b>Particulars</b>				<b>LF</b>	<b>Dr ( ` )</b>		<b>Cr ( ` )</b>				
		2015 Apr 1	Bank A/c		Dr.		76,000		76,000		<b>1</b>			
			To 9% Debenture Application & Allotment A/c (Being application money received)											
		2015 Apr 1	9% Debenture Application & Allotment A/c		Dr.		76,000				<b>1</b>			
			Discount on Issue of Debentures A/c		Dr.		4,000							
			Loss on Issue of Debentures A/c		Dr.		6,400							
			To 9 % Debentures A/c						80,000					
			To Premium on Redemption of Debentures A/c						6,400					

			(Being transfer of application money to debenture account issued at discount of 5%, redeemable at premium of 8%) <b>Or</b> 9% Debenture Application & Allotment A/c Dr. 76,000 Loss on Issue of Debentures A/c Dr. 10,400 To 9 % Debentures A/c 80,000 To Premium on Redemption of Debentures A/c 6,400 (Being transfer of application money to debenture account issued at discount of 5%, redeemable at premium of 8%)					
		2015 Sep 30	Debenture Interest A/c Dr. To Debenture holders A/c To TDS Payable A/c (Being interest payable on 9% debentures and tax deducted at source @ 10%)		3,600	3,240 360	<b>1</b>	
		2015 Sep 30	Debenture holders A/c Dr. TDS Payable A/c Dr. To Bank A/c (Being interest paid to debentures and TDS deposited)		3,240 360	3,600	$\frac{1}{2}$	
		2016 Mar 31	Debenture Interest A/c Dr. To Debenture holders A/c To TDS Payable A/c (Being interest payable on 9% debentures and tax deducted at source @ 10%)		3,600	3,240 360	<b>1</b>	
		2016 Mar 31	Debenture holders A/c Dr. TDS Payable A/c Dr. To Bank A/c (Being interest paid to debentures and TDS deposited)		3,240 360	3,600	$\frac{1}{2}$	
		2016 Mar 31	Statement of Profit & Loss Dr. To Debenture Interest A/c (Being interest on debentures transferred to statement to P & L )		7,200	7,200	<b>1</b> = <b>6 Marks</b>	
-	-	<b>15</b>	<b>Q. Pass necessary..... Bank Account.</b> <b>Ans.</b> <b>Books of the firm</b> <b>Journal</b>					
			<b>Date</b>	<b>Particulars</b>	<b>LF</b>	<b>Dr (₹)</b>	<b>Cr (₹)</b>	
			(i)	Realisation A/c Dr. To Satish's Capital A/c (Being remuneration given to Satish)		18,000	18,000	<b>1</b>
			(ii)	Realisation A/c Dr. To Suleman's Capital A/c ( Being dissolution expenses paid by partner)		750	750	<b>1</b>
			(iii)	Realisation A/c Dr. To Cash/ Bank A/c (Being dissolution expenses paid)		500	500	<b>1</b>

			(iv) a.	Realisation A/c To Sandhya's Capital A/c (Being dissolution expenses paid by Sandhya)	Dr.		3,000	3,000	$\frac{1}{2}$	
			(iv) b.	Sandhya's Capital A/c To Sunil's Capital A/c (Being expenses paid by Sunil on behalf of Sandhya)	Dr.		2,750	2,750	$\frac{1}{2}$	
			<b>Note:</b> In case, an examinee has not passed the second entry, full credit may be given for the first entry only							
			(v)	a. Realisation A/c To Seema's Capital A/c (Being remuneration given to Seema)	Dr.		4,500	4,500	$\frac{1}{2} + \frac{1}{2}$	
				b. Seema's Capital A/c To Realisation A/c (Being stock taken over by Seema as remuneration)	Dr.		4,500	4,500		
			<b>OR</b>							<b>OR</b>
			No Entry							<b>1</b>
			(vi) a.	Realisation A/c To Santosh's Capital A/c (Being remuneration given to Santosh)	Dr.		6,000	6,000	$\frac{1}{2}$	
			(vi) b.	Santosh's Capital A/c To Bank A/c (Being dissolution expenses paid by firm)	Dr.		4,500	4,500	$\frac{1}{2}$ = <b>6 Marks</b>	
16	16	17	<b>Q. A and Z are .....B's admission.</b>							
			<b>Ans.</b>							
			<b>Books of the firm</b>							
			<b>Journal</b>							
			<b>Date</b>	<b>Particulars</b>	<b>LF</b>	<b>Dr (₹)</b>	<b>Cr (₹)</b>			
			(i)	General Reserve A/c To A's Capital A/c To Z's Capital A/c (Being General Reserve distributed among partners)	Dr.	15,000	10,500 4,500	$\frac{1}{2}$		
			(ii)	Cash A/c To B's Capital A/c To Premium for Goodwill A/c (Being cash received as B's capital and premium for goodwill)	Dr.	1,20,000	90,000 30,000	<b>1</b>		
			(iii)	Premium for Goodwill A/c To A's Capital A/c To Z's Capital A/c (Being premium for Goodwill credited to old partner's capital account in sacrificing ratio)	Dr.	30,000	21,000 9,000	<b>1</b>		

			(iv)	A's Capital A/c Z's Capital A/c To Cash A/c (Being half of goodwill amount withdrawn by A and Z)	Dr. Dr.	10,500 4,500	15,000	½		
			(v)	Bad debts A/c To Debtors A/c (Being debtors ` 4,500 written off)	Dr.	4,500	4,500	½		
			(vi)	Provision for bad and doubtful debts A/c To Bad debts A/c (Being provision utilised for writing off bad debts)	Dr.	4,500	4,500	½		
			(vii)	Revaluation A/c To Provision for bad and doubtful debts A/c (Being provision for bad debts created)	Dr.	975	975	½		
			(viii)	Outstanding Wages A/c To Cash A/c (Being outstanding wages paid)	Dr.	9,000	9,000	½		
			(ix)	Revaluation A/c To Stock A/c To Furniture A/c To Plant & Machinery A/c (Being decrease in assets recorded)	Dr.	17,100	6,000 1,500 9,600	1 ½		
			(x)	Investments A/c To Revaluation A/c (Being increase in investments recorded)	Dr.	7,500	7,500	½		
			(xi)	Revaluation A/c To Creditors A/c (Being increase in creditors recorded)	Dr.	6,300	6,300	½		
			(xii)	A's Capital A/c Z's Capital A/c To Revaluation A/c (Being loss on revaluation transferred to Partner's Capital A/c)	Dr. Dr.	11,812.50 5062.50	16875	½ = 8 Marks		
				<b>Note: In case an examinee has combined entry number (vii), (ix) and (xi), full credit may be given.</b> <b>2 ½</b> Revaluation A/c To Provision for bad and doubtful debts A/c To Stock A/c To Furniture A/c To Plant & Machinery A/c To Creditor A/c (Being assets and liabilities revalued)	Dr.	24,375	975 6,000 1,500 9,600 6,300			
16 OR	16 OR	17 OR	Q. N, S and G were.....G's retirement. Ans.							
<b>Books of the firm Journal</b>										
			<b>Date</b>	<b>Particulars</b>	<b>LF</b>	<b>Dr ( )</b>	<b>Cr ( )</b>			
			(i)	General Reserve A/c To N's Capital A/c To S's Capital A/c To G's Capital A/c (Being General Reserve distributed among partners)	Dr.	90,000	18,000 27,000 45,000	1		

(ii)	N's Capital A/c S's Capital A/c G's Capital A/c To Profit and Loss A/c (Being accumulated losses divided among partners)	Dr. Dr. Dr.	15,000 22,500 37,500	75,000	1
(iii)	Bad Debts A/c To Debtors A/c (Being debtors of ₹ 6000 written off)	Dr.	6,000	6,000	½
(iv)	Provision for bad and doubtful debts A/c To Bad Debts A/c (Being provision utilised for writing off bad and doubtful debts)	Dr.	6,000	6,000	½
(v)	Provision for bad and doubtful debts A/c To Revaluation A/c (Being excess provision transferred to Revaluation A/c)	Dr.	2,550	2,550	½
(vi)	Revaluation A/c To Patents A/c To Stock A/c To Machinery A/c To Building A/c (Being decrease in assets recorded)	Dr.	1,35,000	90,000 7,500 22,500 15,000	2
(vii)	Revaluation A/c To Creditors A/c (Being increase in creditors recorded)	Dr.	30,000	30,000	½
(viii)	N's Capital A/c S's Capital A/c G's Capital A/c To Revaluation A/c (Being loss on revaluation transferred to Partners' Capital A/c)	Dr. Dr. Dr.	32,490 48,735 81,225	1,62,450	½
(ix)	N's Capital A/c S's Capital A/c To G's Capital A/c (Being Goodwill adjusted on G's retirement)	Dr. Dr.	18,000 27,000	45,000	1
(x)	G's Capital A/c To G's Loan A/c (Being balance of G's Capital transferred to G's Loan A/c)	Dr.	4,21,275	4,21,275	½ =
	<b>Note: In case an examinee has combined entry number (vi) and (vii), full credit may be given.</b>  <div style="text-align: center; border: 1px solid black; border-radius: 50%; width: 30px; margin: 0 auto; padding: 2px;">2 ½</div> Revaluation A/c To Patents A/c To Stock A/c To Machinery A/c To Building A/c To Creditors A/c (Being assets and liabilities revalued)	Dr.	1,65,000	90,000 7,500 22,500 15,000 30,000	8 Marks
<b>Working Notes:</b> Amount payable to G = (81,225) + 45,000 + 45,000 - 37,500 = ₹ (28,725)					



17	17	16	Q. BBG Ltd. ....books of the company. Ans.					
			<b>BBG Ltd. Journal</b>					
			<b>Date</b>	<b>Particulars</b>	<b>LF</b>	<b>Dr. Amt ( )</b>	<b>Cr. Amt ( )</b>	
			(i)	Bank A/c Dr. To Equity Share Application A/c (Being application money received on shares)		8,00,000	8,00,000	1
			(ii)	Equity Share Application A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being application money transferred)		8,00,000	4,00,000 4,00,000	1
			(iii)	Equity Share Allotment A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being share allotment money due)		10,00,000	6,00,000 4,00,000	1
			(iv)	Bank A/c Dr. Calls in Arrears A/c Dr. To Equity Share Allotment A/c To Calls in Advance A/c (Being allotment money received except on 1,000 shares and calls in advance received)		10,11,500 5,000	10,00,000 16,500	1
				<b>OR</b>	Bank A/c Dr. To Equity Share Allotment A/c To Calls in Advance A/c (Being allotment money received except on 1,000 shares and calls in advance received)		10,11,500	
			(v)	Equity Share Capital A/c Dr. Securities Premium Reserve A/c Dr. To Shares Forfeited A/c To Equity Share Allotment A/c/ Calls in arrears A/c (Being 1,000 shares forfeited after allotment)		5,000 2,000	2,000 5,000	1
			(vi)	Equity Share First call A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being first call made due on 1,99,000 shares)		9,95,000	3,98,000 5,97,000	½
			(vii)	Bank A/c Dr. Calls in arrears A/c Dr. Calls in advance A/c Dr. To Equity Share First Call A/c To Calls in advance A/c (Being first call money and calls in advance received, advance received earlier adjusted)		9,88,600 2,500 7,500	9,95,000 3,600	½
				<b>OR</b>	Bank A/c Dr. Calls in advance A/c Dr. To Equity Share First Call A/c To Calls in advance A/c (Being first call money and calls in advance received, advance received earlier adjusted)		9,88,600 7,500	

			(viii)	Equity Share Capital A/c Securities Premium Reserve A/c To Shares Forfeited A/c To Calls in arrears A/c/ Equity Share First Call A/c (Being 500 shares forfeited)	Dr. Dr.		3,500 1,500		2,500 2,500	$\frac{1}{2}$
			(ix)	Equity Share Second & Final call A/c To Equity Share Capital A/c To Securities Premium Reserve A/c (Being second call due on 1,98,500 shares)	Dr.		11,91,000		5,95,500 5,95,500	$\frac{1}{2}$
			(x)	Bank A/c Calls in advance A/c To Equity share second and final call A/c (Being second and final call received)	Dr. Dr.		11,78,400 12,600		11,91,000	1 =
										<b>8 Marks</b>

<b>17 OR</b>	<b>17 OR</b>	<b>16 OR</b>	<b>Q. Joy Ltd..... books of the company.</b>							
			<b>Ans.</b>							
			<b>Joy Ltd. Journal</b>							
			<b>Date</b>	<b>Particulars</b>	<b>LF</b>	<b>Dr. Amt ( )</b>	<b>Cr. Amt ( )</b>			
			(i)	Bank A/c To Equity Share Application A/c (Being application money received on 60,000 shares)	Dr.	1,80,000	1,80,000			$\frac{1}{2}$
			(ii)	Equity Share Application A/c To Equity Share Capital A/c To Bank A/c To Equity Share Allotment A/c To Calls in Advance A/c (Being application money transferred)	Dr.	1,80,000	60,000 40,000 65,000 15,000			$\frac{1}{2}$
			(iii)	Equity Share Allotment A/c To Equity Share Capital A/c (Being share allotment money due)	Dr.	80,000	80,000			$\frac{1}{2}$
			(iv)	Bank A/c Calls in arrears A/c To Equity share allotment a/c (Being amount received on allotment)	Dr. Dr.	14,700 300	15,000			1
				<b>OR</b>						
				Bank A/c To Equity share allotment a/c (Being amount received on allotment)	Dr.	14,700	14,700			
			(v)	Equity Share capital A/c To Shares Forfeited A/c To Calls in arrears A/c (Being 300 shares forfeited on which allotment money was not received)	Dr.	2,100	1,800 300			1
			(vi)	Equity share first and final call A/c To Equity share Capital A/c (Being First and final call money due)	Dr.	59,100	59,100			$\frac{1}{2}$
			(vii)	Bank A/c Calls in arrears A/c Calls in advance A/c To Equity share first and final call A/c (Being first and final call money received except on 200 shares)	Dr. Dr. Dr.	43,500 600 15,000	59,100			1
				<b>OR</b>						

			Bank A/c Calls in advance A/c To Equity share first and final call A/c (Being first and final call money received except on 200 shares)	Dr. Dr.	43,500 15,000	58,500	
			(viii) Equity Share capital A/c To Shares Forfeited A/c To Calls in arrears A/c/ Equity share first and final call A/c (Being 200 shares forfeited on which first and final call money was not received)	Dr.	2,000	1,400 600	1
			(ix) Bank A/c To Equity Share Capital A/c To Securities Premium Reserve A/c (Being forfeited shares reissued)	Dr.	6,000	5,000 1,000	1
			(x) Shares Forfeited A/c To Capital Reserve A/c (Being gain on reissue on forfeited shares transferred to capital reserve account)	Dr.	3,200	3,200	1 = 8 Marks
<b>PART B</b> <b>(Financial Statements Analysis)</b>							
-	-	18	<b>Q. Why is separate.....necessary? State.</b> <b>Ans.</b> Separate disclosure of cash flows from investing activities is necessary in order to know the inflow and outflow of cash and cash equivalents from the acquisition and sale of fixed assets and non-current investments.				1 Mark
-	-	19	<b>Q. What is meant by.....non-cash transaction.</b> <b>Ans.</b> Non Cash Transactions are those transactions which don't result in any inflow and outflow of cash and cash equivalents. For e.g. issue of shares in consideration of purchase of fixed assets. (Or any other example)				½  ½ =1 Mark
-	-	20	<b>Q. What is meant by.....such analysis.</b> <b>Ans.</b> Analysis of Financial Statements is the process of critical evaluation of the financial information contained in the financial statements in order to understand and make decisions regarding the operations of the firm. <b>(Or any other suitable meaning)</b>  <b><u>Limitations of 'Financial Statements Analysis': (Any two)</u></b> (i) Historical Analysis as it analyses what has happened till date. It doesn't reflect the future. (ii) Ignores price level changes as a change in price level makes analysis of financial statements of different accounting years invalid. (iii) Qualitative aspect ignored as the quality of management, quality of staff etc. Are ignored while carrying out the analysis of financial statements. (iv) Suffers from the limitations of financial statements as the analysis is based on the information given in the financial statements. (v) Not free from bias of accountants such as method of inventory valuation, method of depreciation etc. (vi) Window dressing to show a better financial position than the actual one by manipulating the books of accounts.				2          1 X 2 = 4 Marks
21	21	21	<b>Q. State with reason.....equity shares.</b> <b>Ans.</b>				

			<b>Transaction</b>	<b>Effect on Return on Investment</b>	<b>Reasons</b>																	
			(i)	Decrease	No change in Net Profit before Interest and Tax and increase in capital employed	<b>1 X 4 =4 Marks</b>																
			(ii)	Decrease	Decrease in Net Profit before Interest and Tax and in capital employed																	
			(iii)	Increase	No change in Net Profit before Interest and Tax but decrease in capital employed																	
			(iv)	No change	No change in Net Profit before Interest and Tax and capital employed																	
22	22	22	<b>Q. Financial Statements.....Balance Sheet.</b> <b>Ans. Values (Any two):</b> <ul style="list-style-type: none"> <li>• Authentic up to date financial statements</li> <li>• Flexibility and dynamic financial statements</li> <li>• Concern towards users of financial statements</li> <li>• Seriousness towards meaningful decision making</li> </ul> <b>(Or any other suitable value)</b>				<b>1 X 2</b>															
			<table border="1"> <thead> <tr> <th></th> <th><b>Heads</b></th> <th><b>Sub-heads</b></th> </tr> </thead> <tbody> <tr> <td><b>Calls-in-arrears</b></td> <td>Shareholders' funds</td> <td>Share Capital</td> </tr> <tr> <td><b>Calls -in-advance</b></td> <td>Current Liabilities</td> <td>Other Current Liabilities</td> </tr> <tr> <td><b>Gain on reissue of forfeited equity shares</b></td> <td>Shareholders' funds</td> <td>Reserves and Surplus</td> </tr> <tr> <td><b>Trade payables to be settled beyond 12 months from the date of Balance Sheet</b></td> <td>Non-Current Liabilities</td> <td>Other Long Term Liabilities</td> </tr> </tbody> </table>					<b>Heads</b>	<b>Sub-heads</b>	<b>Calls-in-arrears</b>	Shareholders' funds	Share Capital	<b>Calls -in-advance</b>	Current Liabilities	Other Current Liabilities	<b>Gain on reissue of forfeited equity shares</b>	Shareholders' funds	Reserves and Surplus	<b>Trade payables to be settled beyond 12 months from the date of Balance Sheet</b>	Non-Current Liabilities	Other Long Term Liabilities	
	<b>Heads</b>	<b>Sub-heads</b>																				
<b>Calls-in-arrears</b>	Shareholders' funds	Share Capital																				
<b>Calls -in-advance</b>	Current Liabilities	Other Current Liabilities																				
<b>Gain on reissue of forfeited equity shares</b>	Shareholders' funds	Reserves and Surplus																				
<b>Trade payables to be settled beyond 12 months from the date of Balance Sheet</b>	Non-Current Liabilities	Other Long Term Liabilities																				
23	23	23	<b>Q. From the following..... Cash Flow Statement.</b> <b>Ans.</b>																			

**Cash flow statement of J.M. Ltd.**  
**For the year ended 31<sup>st</sup> March 2016 as per AS-3 (Revised)**

Particulars	Details (₹)	Amount (₹)
<b><u>A. Cash Flows from Operating Activities:</u></b>		
Net Profit before tax & extraordinary items (note 1)	87,500	
<b><u>Add: Non cash and non-operating charges</u></b>		
Goodwill written off	12,500	
Depreciation on machinery	27,500	
Interest on debentures	10,500	
Loss on sale of machinery	<u>2,500</u>	
<i>Operating profit before working capital changes</i>	1,40,500	
<b><u>Less: Increase in Current Assets</u></b>		
Increase in inventories	<u>(12,500)</u>	
Net Cash generated from Operating Activities		<b>1,28,000</b>
<b><u>B. Cash flows from Investing Activities :</u></b>		
Purchase of machinery	(1,75,000)	
Sale of machinery	7,500	
Purchase of non current investments	<u>(12,500)</u>	
Net Cash used in investing activities		<b>(1,80,000)</b>
<b><u>C. Cash flows from Financing Activities:</u></b>		
Issue of share capital	50,000	
Issue of 12% debentures	25,000	
Interest on debentures paid	(10,500)	
Dividend paid	(31,250)	
Bank overdraft raised	18,750	
Net Cash flow from financing activities		<b><u>52,000</u></b>
Net change in cash & cash equivalents (A+B+C)		<b>Nil</b>
<b><u>Add: Opening balance of cash &amp; cash equivalents</u></b>		
Current Investments	17,500	
Cash and Cash Equivalents	10,750	
Closing Balance of cash & cash equivalents		<b><u>28,250</u></b>
Current Investments	10,000	
Cash and Cash Equivalents	18,250	
		<b><u>28,250</u></b>

**Notes:**

**Calculation of Net Profit before tax:**

Net profit as per statement of Profit & Loss	37,500
Add: Proposed Dividend	<u>50,000</u>
Net Profit before tax & extraordinary items	<u><u>87,500</u></u>

**Machinery A/c**

Particulars	₹	Particulars	₹
To Balance b/d	2,63,750	By Cash A/c	7,500
To Cash A/c (Purchase)	1,75,000	By Statement of P/L (Bal fig.)	2,500
		By Accumulated Depreciation A/c	10,000
		By Balance c/d	4,18,750
	<b><u>4,38,750</u></b>		<b><u>4,38,750</u></b>

**Accumulated Depreciation A/c**

Particulars	₹	Particulars	₹
To Machinery A/c	10,000	By Balance b/d	35,000
To Balance c/d	52,500	By Statement of P/L	27,500
	<b><u>62,500</u></b>		<b><u>62,500</u></b>

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**6 Marks**

<b>PART B</b>				
<b>(Computerized Accounting)</b>				
19	18	18	<p><b>Q. What is meant .....SQL?</b>  <b>Ans.</b> The process of matching rows in two tables based on their primary and foreign keys is called a 'JOIN'. Joins along with Structured Query Language serve as a valuable tool for manipulating tables.</p>	<b>1 Mark</b>
18	19	19	<p><b>Q. Why is it.....database?</b>  <b>Ans.</b> They are merely computational outcomes from other attributes and keep on changing with the change in affecting attributes.</p>	<b>1 Mark</b>
21	22	20	<p><b>Q. State any four.....Tables'.</b>  <b>Ans. Advantages of Pivot Table are: (Any four)</b>            1. User friendly            2. Focus on results            3. Multiple summarisation 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</p>	<b>=4 Marks</b>
22	20	21	<p><b>Q. What information.....bill? Explain.</b>  <b>Ans.</b> The preparation of salary bill should provide for the following:</p> <ul style="list-style-type: none"> <li>• Maintaining payroll related data such as employee number, Name, Attendance, Basic Pay and other allowances and deductions to be made.</li> <li>• Periodic payroll computations which includes the calculations of earning and deduction heads, which are to be divided from basic values as per the formulae</li> <li>• Preparation of salary slip of an employee</li> <li>• Generation of advice to bank as it contains net salary to be transferred to individual bank account of employees and other salary related statutory payments such as provident fund tax etc.</li> </ul>	<b>=4 Marks</b>
20	21	22	<p><b>Q. Explain 'Size of Organisation'.....software.</b>  <b>Ans.</b>  <b>Size of Organisation:</b> (Explanation may include following points)</p> <ul style="list-style-type: none"> <li>• Volume of business transactions affects the choice of software.</li> <li>• Small organisations or non profit organisations can opt for single user operated software.</li> <li>• Large organisations will require sophisticated software</li> </ul> <p><b>Ease of adapting and training needs:</b></p> <ul style="list-style-type: none"> <li>• User friendly software require simple and short training</li> <li>• Complex software require intense and continuous training</li> <li>• If it is simple it should be able to motivate people to use it</li> </ul>	<p style="text-align: right;"><b>2</b></p> <p style="text-align: right;"><b>2</b> <b>=4 Marks</b></p>
-	-	23	<p><b>Q. State the steps.....text file.</b>  <b>Ans. Following are the steps:</b>            1. Create data file using note pad program of MS Windows            2. A comma separated data values in one line of this text file is a row in a spreadsheet and each entry, separated by comma is a column entry for that row.            3. First line provides names for the columns            4. Next line onwards start entering data separated by commas as per the names given in the first line.            5. Data may vary in length but it should be separated by comma.            6. Pen a new excel worksheet from the office button.            7. Select a data tab from the ribbon.            8. Click to the option to get external data.            9. Click on from text.            10. Saved as .cvm into excel format copy to respective columns and rows.            11. Now the data can be saved.</p>	<b>=6 Marks</b>