

Q. Set No.			Marking Scheme 2017-18 Accountancy (055) Expected Answers / Value points				Distributio n of marks															
67/ 1	67/ 2	67/ 3																				
1	2	4	<p>Q. Amit and Beena were ... acquire from Beena?</p> <p>Ans. Share of profit acquired by Chaman from Aman= $1/6 \times 2/5 = 2/30$</p> <p>Therefore, share of profit acquired by Chaman from Beena = $1/6 - 2/30 = 3/30 = 1/10$</p> <p style="text-align: center;">OR</p> <p>Share of profit acquired by Chaman from Beena= $3/5 \times 1/6 = 3/30$ = $1/10$</p>				=1 Mark															
2	1	6	<p>Q. Neetu, Meetu...Meetu's retirement.</p> <p>Ans.</p> <p style="text-align: center;">Books of the firm Journal</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 60%;">Particulars</th> <th style="width: 5%;">LF</th> <th style="width: 10%;">Dr (₹)</th> <th style="width: 15%;">Cr (₹)</th> </tr> </thead> <tbody> <tr> <td>2018 Jan.1</td> <td>Neetu's capital A/c Teetu's Capital A/c To Meetu's Capital A/c</td> <td></td> <td>70,000 70,000</td> <td>1,40,000</td> </tr> <tr> <td></td> <td>(Being Meetu's share of goodwill credited in her capital account by debiting Neetu's and Teetu's capital account in the gaining ratio)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>				Date	Particulars	LF	Dr (₹)	Cr (₹)	2018 Jan.1	Neetu's capital A/c Teetu's Capital A/c To Meetu's Capital A/c		70,000 70,000	1,40,000		(Being Meetu's share of goodwill credited in her capital account by debiting Neetu's and Teetu's capital account in the gaining ratio)				=1 Mark
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3	5	1	<p>Q. Distinguish between ...liabilities.</p> <p>Ans.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Basis</th> <th style="width: 35%;">Dissolution of partnership</th> <th style="width: 35%;">Dissolution of a partnership firm</th> </tr> </thead> <tbody> <tr> <td>Settlement of assets and liabilities</td> <td>Assets and liabilities are revalued and new balance sheet is drawn</td> <td>Assets are sold and liabilities are paid off</td> </tr> </tbody> </table>				Basis	Dissolution of partnership	Dissolution of a partnership firm	Settlement of assets and liabilities	Assets and liabilities are revalued and new balance sheet is drawn	Assets are sold and liabilities are paid off	=1 Mark									
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4	6	3	<p>Q. Ritesh and Hitesh... your answer.</p> <p>Ans. No, they are not doing business in partnership because they are not involved in doing sale and purchase of land/ plot on a regular basis/ Mere co-ownership of a property does not amount to partnership.</p>				½ mark for writing 'No' + ½ mark for the															

				reason =1 Mark
5	3	2	<p>Q. Is Reserve Capital a part of 'Unsubscribed Capital' or 'Uncalled Capital'?</p> <p>Ans. Reserve Capital is a part of <u>Uncalled Capital</u>.</p>	=1 Mark
6	4	5	<p>Q. Give the meaning of 'Debentures issued as Collateral security'.</p> <p>Ans. When the company issues debentures to the lenders as an additional/ secondary security, in addition to other assets already pledged/ some primary security. Such issue of debentures is called debentures issued as a collateral security.</p>	=1 Mark
7	8	9	<p>Q. Jayant, Kartik and Leena.....New profit sharing ratio of Jayant and Leena.</p> <p>Ans.</p> <p>Jayant's gain = $2/5 \times 2/10 = 4/50$ $\frac{1}{2}$</p> <p>Leena's gain = $3/5 \times 2/10 = 6/50$ $\frac{1}{2}$</p> <p>Jayant's new share = $5/10 + 4/50 = 29/50$ $\frac{1}{2}$</p> <p>Leena's new share = $3/10 + 6/50 = 21/50$ $\frac{1}{2}$</p> <p>New profit sharing ratio of Jayant and Leena = 29:21 or 29/50:21/50 1</p>	$\frac{1}{2} + \frac{1}{2} +$ 1+1 =3 Marks
8	7	8	<p>Q. What is meant by a 'Share'? Give any two differences between 'Preference Shares' and 'Equity Shares'.</p> <p>Ans. A share refers to the unit into which the total share capital of the company is divided.</p> <p style="text-align: center;">OR</p> <p>A share means a share in the share capital of the company and includes stock.</p> <p>Differences between 'Preference Shares' and 'Equity Shares':</p> <p>(i) Preference Shares are shares which <u>carry a preferential right at the time of payment of dividend and at the time of repayment of capital.</u></p> <p>(ii) Equity shares are shares which <u>do not carry a preferential right at the time of payment of dividend and at the time of repayment of capital.</u></p> <p style="text-align: center;">OR</p>	<p style="text-align: right;">1</p> <p style="text-align: right;">2</p>

Differences between 'Preference Shares' and 'Equity Shares': (Any two)

	Preference Shares	Equity Shares
(i)	Share which enjoys preferential right at the time of payment of dividend/ Dividend is paid on preference shares before it is paid on equity shares.	Shares which do not enjoy preferential right at the time of payment of dividend/ Dividend is paid on equity shares after it is paid on preference shares.
(ii)	Enjoy preferential right at the time of repayment of capital.	Do not enjoy preferential right at the time of repayment of capital.
(iii)	Rate of dividend may be fixed.	Rate of dividend is proposed every year by the directors and approved by the shareholders.
(iv)	Preference shares may be converted into equity shares if the terms of issue provide for it.	Equity shares are not convertible.
(v)	Preference shareholders have voting rights in special circumstances.	Equity shareholders have voting rights in all circumstances.
(vi)	Preference shareholders do not have the right to participate in the management of the company.	Equity shareholders have the right to participate in the management of the company.
(vii)	Arrears on cumulative preference shares are paid before dividend is paid on equity shares.	If dividend is not declared during the year, it is not accumulated to be paid the coming years.

1 x 2
=

2 marks
=
1+2
=
3 Marks

9 10 7

Q. NK Ltd., a truck manufacturing.... Two values that the company wants to communicate. Ans.

Balance Sheet of NK Ltd.

As at(As per revised schedule III)

Particulars	Note No.	Amount ₹ Current year
EQUITY & LIABILITIES		
I Shareholders' funds :		
a) Share Capital	1	<u>70,00,000</u>

½

Notes to Accounts :

Particulars	₹
1. Share Capital	
Authorised Capital :	
1,00,000 equity shares of ₹ 100 each	<u>1,00,00,000</u>
Issued Capital	
70,000 equity shares of ₹ 100 each	<u>70,00,000</u>
Subscribed Capital	
Subscribed and fully paid	
70,000 shares of ₹ 100 each	<u>70,00,000</u>

½

½

½

Values (Any two):

- (i) Concern for the specially abled.
- (ii) Creation of job opportunities.
- (iii) Development of backward regions.

½ + ½

(Or any other suitable value)

**=3
Marks**

10 9 10

Q. Complete the following...VK Ltd.:

Ans.

**VK Ltd.
Journal**

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)
2018 Feb 01	Own Debentures A/c Dr. To Bank A/c (Purchased own 500, 9% debentures of ₹ 100 each at ₹ 97 each for immediate cancellation)		48,500	48,500
Feb 01	9% Debentures A/c Dr. To Own Debentures A/c To Profit on redemption of Debentures A/c/ Gain on cancellation of Debentures A/c (Cancelled own debentures)		50,000	48,500 1,500
Feb 01	Profit on redemption of Debentures A/c / Gain on cancellation of Debentures A/c Dr. To Capital reserve A/c (Profit on redemption transferred to capital reserve)		1,500	1,500

1

1

1

=

3 Marks

11	12	11	<p>Q. Banwari, Girdhari...loan account till it is finally paid showing the working notes clearly.</p> <p>Ans.</p> <p style="text-align: center;">Dr. Girdhari's Loan Account Cr.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Date</th> <th style="width: 25%;">Particulars</th> <th style="width: 15%;">Amount (₹)</th> <th style="width: 15%;">Date</th> <th style="width: 20%;">Particulars</th> <th style="width: 10%;">Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>2015 Mar.31</td> <td>To Bank A/c $\frac{1}{2}$</td> <td style="text-align: right;">75,000</td> <td>2014 Apr.1</td> <td>By Girdhari's Capital A/c</td> <td style="text-align: right;">1,50,000</td> </tr> <tr> <td>Mar.31</td> <td>To balance c/d</td> <td style="text-align: right;">90,000</td> <td>2015 Mar.31</td> <td>By Interest A/c $\frac{1}{2}$</td> <td style="text-align: right;">15,000</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>1,65,000</u></td> <td></td> <td></td> <td style="text-align: right;"><u>1,65,000</u></td> </tr> <tr> <td>2016 Mar.31</td> <td>To Bank A/c $\frac{1}{2}$</td> <td style="text-align: right;">75,000</td> <td>2015 Apr.1</td> <td>By balance b/d</td> <td style="text-align: right;">90,000</td> </tr> <tr> <td>Mar.31</td> <td>To balance c/d</td> <td style="text-align: right;">24,000</td> <td>2016 Mar.31</td> <td>By Interest A/c $\frac{1}{2}$</td> <td style="text-align: right;">9,000</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>99,000</u></td> <td></td> <td></td> <td style="text-align: right;"><u>99,000</u></td> </tr> <tr> <td>2017 Mar.31</td> <td>To Bank A/c $\frac{1}{2}$</td> <td style="text-align: right;">26,400</td> <td>2016 Apr.1</td> <td>By balance b/d</td> <td style="text-align: right;">24,000</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>26,400</u></td> <td>2017 Mar.31</td> <td>By Interest A/c $\frac{1}{2}$</td> <td style="text-align: right;">2,400</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>26,400</u></td> </tr> </tbody> </table> <p>Working Notes:</p> <p><u>Calculation of amount payable to Girdhari:</u></p> <table style="margin-left: 20px;"> <tr> <td>Girdhari's Capital</td> <td style="text-align: right;">₹ 1,00,000</td> <td rowspan="5" style="font-size: 3em; vertical-align: middle;">}</td> </tr> <tr> <td>Share of goodwill</td> <td style="text-align: right;">38,000</td> </tr> <tr> <td>Share of Revaluation profit</td> <td style="text-align: right;">2,000</td> </tr> <tr> <td>Share of General reserve</td> <td style="text-align: right;"><u>10,000</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>1,50,000</u></td> </tr> </table> <p style="text-align: center;">(WORKING NOTES MAY BE SHOWN IN ANY FORM)</p>	Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)	2015 Mar.31	To Bank A/c $\frac{1}{2}$	75,000	2014 Apr.1	By Girdhari's Capital A/c	1,50,000	Mar.31	To balance c/d	90,000	2015 Mar.31	By Interest A/c $\frac{1}{2}$	15,000			<u>1,65,000</u>			<u>1,65,000</u>	2016 Mar.31	To Bank A/c $\frac{1}{2}$	75,000	2015 Apr.1	By balance b/d	90,000	Mar.31	To balance c/d	24,000	2016 Mar.31	By Interest A/c $\frac{1}{2}$	9,000			<u>99,000</u>			<u>99,000</u>	2017 Mar.31	To Bank A/c $\frac{1}{2}$	26,400	2016 Apr.1	By balance b/d	24,000			<u>26,400</u>	2017 Mar.31	By Interest A/c $\frac{1}{2}$	2,400						<u>26,400</u>	Girdhari's Capital	₹ 1,00,000	}	Share of goodwill	38,000	Share of Revaluation profit	2,000	Share of General reserve	<u>10,000</u>		<u>1,50,000</u>	<p>1</p> <p>1</p> <p>1</p> <p>1 = 4 marks</p>
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Working Notes:Calculation of goodwill:

Profits

2013-14 ₹3,50,000 – ₹56,250 = ₹2,93,750

2014-15 ₹4,75,000 – ₹56,250 = ₹4,18,750

2015-16 ₹6,70,000 – ₹56,250 = ₹6,13,750

2016-17 ₹7,45,000 – ₹56,250 - ₹15,000 = ₹6,73,750

$$\text{Goodwill of the firm} = \frac{\text{₹2,93,750} + \text{₹4,18,750} + \text{₹6,13,750} + \text{₹6,73,750}}{4} \times 2 = \text{₹10,00,000}$$
Raghav's share of goodwill = $\frac{1}{4} \times \text{₹10,00,000} = \text{₹2,50,000}$ **OR**Calculation of goodwill:

$$\begin{aligned} \text{Total Profits of four years} &= \text{₹3,50,000} + \text{₹4,75,000} + \text{₹6,70,000} + \text{₹7,30,000} \\ &= \text{₹22,25,000} \end{aligned}$$

$$\begin{aligned} \text{Average Profits} &= \text{₹} \frac{22,25,000}{4} - \text{₹} 56,250 \\ &= \text{₹} 5,00,000 \end{aligned}$$

Goodwill of the firm = ₹ 5,00,000 x 2 = ₹10,00,000

Raghav's share of goodwill = $\frac{1}{4} \times \text{₹10,00,000} = \text{₹2,50,000}$

2

=
1+1+2
=
4 Marks

13 14 15

Q.Pranav, Karan and Rahim....his representatives.**Ans.**

Dr.		Karan's Capital A/c		Cr.	
Particulars	Amt (₹)	Particulars	Amt (₹)		
To Karan's Executors' A/c (Balancing figure) 1	3,28,800	By Balance b/d	2,00,000		
		By Interest on Capital A/c 1	4,800		
		By P & L Suspense A/c 1	40,000		
		By Pranav's Capital A/c 1	16,000		
		By Rahim's Capital A/c 1	8,000		
		By General Reserve A/c 1	60,000		
	<u>3,28,800</u>		<u>3,28,800</u>		

1+1+1+
1+1+1
=
6 Marks

Working Notes:

Interest on Capital = $12/100 \times 73/365 \times ₹2,00,000 = ₹4,800$

Share of Profits = $2/5 \times 5,00,000 \times 73/365 = ₹40,000$

Share of goodwill = $2/5 \times ₹60,000 = ₹24,000$

Share of General Reserve = $2/5 \times ₹1,50,000 = ₹60,000$

14 15 13

Q. Chander and Damini ...Partners' Capital Accounts.**Ans.****Revaluation A/c**

Dr		Cr	
Particulars	Amount (₹)	Particulars	Amount (₹)
To Furniture A/c $\frac{1}{2}$	11,000	By Debtors A/c $\frac{1}{2}$	5,000
To Provision for doubtful debts on debtors A/c $\frac{1}{2}$	4,000	By Land and building A/c $\frac{1}{2}$	62,000
To provision for doubtful debts on B/R A/c $\frac{1}{2}$	2,250		
To Claim for damages A/c $\frac{1}{2}$	8,000		
To profit transferred to Partners' Capital A/cs			
Chander 20,875			
Damini 20,875	41,750		
	<u>67,000</u>		<u>67,000</u>

IF AN EXAMINEE HAS COMBINED PROVISION FOR DOUBTFUL DEBTS ON DEBTORS AND BILLS RECEIVABLE AND SHOWS ₹6,250 FOR THE SAME IN THE REVALUATION A/C, FULL CREDIT MAY BE GIVEN

Partners' Capital Accounts

Dr				Cr			
Particulars	Chander (₹)	Damini (₹)	Elina (₹)	Particulars	Chander (₹)	Damini (₹)	Elina (₹)
To Bank A/c $\frac{1}{2}$	12,500	12,500	-	By Balance b/d $\frac{1}{2}$	2,50,000	2,16,000	-
To Balance c/d $\frac{1}{2}$	2,83,375	2,49,375	3,00,000	By Bank A/c $\frac{1}{2}$	-	-	3,00,000
				By premium for goodwill A/c $\frac{1}{2}$	25,000	25,000	-
				By Revaluation A/c $\frac{1}{2}$	20,875	20,875	-
	<u>2,95,875</u>	<u>2,61,875</u>	<u>3,00,000</u>		<u>2,95,875</u>	<u>2,61,875</u>	<u>3,00,000</u>

				=																																								
15	13	14	<p>Q. On 1st April 2014, KK Ltd. invited applications...interest paid on debentures.</p> <p>Ans.</p> <p style="text-align: center;">KK Ltd. Journal</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 60%;">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 style="vertical-align: top;">2014 Apr 1</td> <td style="vertical-align: top;">Bank A/c Dr. To Debenture Application & Allotment A/c (Being application money received on 6,000 debentures)</td> <td></td> <td style="vertical-align: top;">56,40,000</td> <td style="vertical-align: top;">56,40,000</td> </tr> <tr> <td style="vertical-align: top;">Apr 1</td> <td style="vertical-align: top;">Debenture Application & Allotment A/c Dr. Discount on Issue of Debentures A/c Dr. Loss on Issue of Debentures A/c Dr. To 10% Debentures A/c To Premium on Redemption of Debentures A/c To Bank A/c (Being transfer of application money to debenture account issued at discount of 6%, redeemable at premium of 10%, balance refunded)</td> <td></td> <td style="vertical-align: top;">56,40,000 3,00,000 5,00,000</td> <td style="vertical-align: top;">50,00,000 5,00,000 9,40,000</td> </tr> <tr> <td colspan="5" style="text-align: center;">Or</td> </tr> <tr> <td></td> <td style="vertical-align: top;">Debenture Application & Allotment A/c Dr. Loss on Issue of Debentures A/c Dr. To 10% Debentures A/c To Premium on Redemption of Debentures A/c To Bank A/c (Being transfer of application money to debenture account issued at discount of 6%, redeemable at premium of 10%, balance refunded)</td> <td></td> <td style="vertical-align: top;">56,40,000 8,00,000</td> <td style="vertical-align: top;">50,00,000 5,00,000 9,40,000</td> </tr> <tr> <td style="vertical-align: top;">2016 Mar 31</td> <td style="vertical-align: top;">Surplus in Statement of Profit and Loss Dr. To Debenture Redemption Reserve A/c (Being Debenture Redemption Reserve created equal to 25% of the face value of debentures)</td> <td></td> <td style="vertical-align: top;">12,50,000</td> <td style="vertical-align: top;">12,50,000</td> </tr> <tr> <td style="vertical-align: top;">2016 Apr 1</td> <td style="vertical-align: top;">Debenture Redemption Investments A/c Dr To Bank A/c (Being Debenture Redemption Investments purchased equal to 15% of face value of debentures)</td> <td></td> <td style="vertical-align: top;">7,50,000</td> <td style="vertical-align: top;">7,50,000</td> </tr> <tr> <td style="vertical-align: top;">2017 Mar 31</td> <td style="vertical-align: top;">Bank A/c Dr. TDS Collected/ TDS receivable A/c Dr. To Interest on Debenture Redemption Investments A/c</td> <td></td> <td style="vertical-align: top;">60,750 6,750</td> <td style="vertical-align: top;">67,500</td> </tr> </tbody> </table>	Date	Particulars	LF	Dr. (₹)	Cr. (₹)	2014 Apr 1	Bank A/c Dr. To Debenture Application & Allotment A/c (Being application money received on 6,000 debentures)		56,40,000	56,40,000	Apr 1	Debenture Application & Allotment A/c Dr. Discount on Issue of Debentures A/c Dr. Loss on Issue of Debentures A/c Dr. To 10% Debentures A/c To Premium on Redemption of Debentures A/c To Bank A/c (Being transfer of application money to debenture account issued at discount of 6%, redeemable at premium of 10%, balance refunded)		56,40,000 3,00,000 5,00,000	50,00,000 5,00,000 9,40,000	Or						Debenture Application & Allotment A/c Dr. Loss on Issue of Debentures A/c Dr. To 10% Debentures A/c To Premium on Redemption of Debentures A/c To Bank A/c (Being transfer of application money to debenture account issued at discount of 6%, redeemable at premium of 10%, balance refunded)		56,40,000 8,00,000	50,00,000 5,00,000 9,40,000	2016 Mar 31	Surplus in Statement of Profit and Loss Dr. To Debenture Redemption Reserve A/c (Being Debenture Redemption Reserve created equal to 25% of the face value of debentures)		12,50,000	12,50,000	2016 Apr 1	Debenture Redemption Investments A/c Dr To Bank A/c (Being Debenture Redemption Investments purchased equal to 15% of face value of debentures)		7,50,000	7,50,000	2017 Mar 31	Bank A/c Dr. TDS Collected/ TDS receivable A/c Dr. To Interest on Debenture Redemption Investments A/c		60,750 6,750	67,500	<p>6 Marks</p> <p style="text-align: center;">1</p> <p style="text-align: center;">1</p> <p style="text-align: center;">1/2</p> <p style="text-align: center;">1/2</p> <p style="text-align: center;">1</p>
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			(Being interest received on Debenture Redemption Investments and tax deducted at source @ 10%)					
			Bank A/c To Debenture Redemption Investments A/c (Being Debenture Redemption Investments sold)	Dr.		7,50,000	7,50,000	1/2
			10% Debentures A/c Premium on Redemption of Debentures A/c To Debenture holders A/c (Being Debentures due for redemption at a premium of 10%)	Dr. Dr.		50,00,000 5,00,000	55,00,000	1/2
			Debenture holders A/c To Bank A/c (Being Debenture holders paid)	Dr.		55,00,000	55,00,000	1/2
			Debenture Redemption Reserve A/c To General Reserve A/c (Being Debenture Redemption Reserve transferred to general reserve)	Dr.		12,50,000	12,50,000	1/2
								=
								6 Marks

16	17	16 OR	Q. Srijan, Raman and Manan....and Bank Account.																																																																																																																					
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Dr. Partners' Capital A/c				Cr.			
Particulars	Srijan (₹)	Raman (₹)	Manan (₹)	Particulars	Srijan (₹)	Raman (₹)	Manan (₹)
To Balance b/d $\frac{1}{2}$	---	---	10,000	By Balance b/d $\frac{1}{2}$	2,00,000	1,50,000	---
To Profit and Loss A/c $\frac{1}{2}$	32,000	32,000	16,000	By Realisation A/c	11,575	---	--
To Realisation A/c	81,030	81,030	40,515	By Bank A/c $\frac{1}{2}$	--	--	66,515
To Bank A/c $\frac{1}{2}$	98,545	36,970	---				
	<u>2,11,575</u>	<u>1,50,000</u>	<u>66,515</u>		<u>2,11,575</u>	<u>1,50,000</u>	<u>66,515</u>

Dr. Bank A/c		Cr.	
Liabilities	Amt (₹)	Assets	Amt (₹)
To Balance b/d	10,000	By Realisation A/c $\frac{1}{2}$	1,72,500
To Realisation A/c $\frac{1}{2}$	2,31,500	By Srijan's capital A/c $\frac{1}{2}$	98,545
To Manan's capital A/c $\frac{1}{2}$	66,515	By Raman's capital A/c $\frac{1}{2}$	36,970
	<u>3,08,015</u>		<u>3,08,015</u>

2 ½

2 ½
=

8 marks

16
OR17
OR

16

Q. Moli, Bhola and Raj....at the end of each half year.

Dr. Profit and Loss Appropriation A/c for the year ended 31st March 2017 Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To Interest on Capital: $\frac{1}{2}$ Moli's Current A/c 25,000 Bhola's Current A/c 40,000 Raj's Current A/c <u>20,000</u>	85,000	By Profit and Loss A/c $\frac{1}{2}$ (3,06,000 – 6,000)	3,00,000
To Salary: $\frac{1}{2}$ Moli's Current A/c	4,000	By Interest on Drawings: $\frac{1}{2}$ Moli's Current A/c 1,800 Bhola's Current A/c 3,300 Raj's Current A/c <u>2,400</u>	7,500
To Commission: Bhola's Current A/c $\frac{1}{2}$	30,000		
To profits transferred to: $\frac{1}{2}$ Moli's Current A/c 56,550 Less guarantee <u>(37,300)</u>	19,250		
Bhola's Current A/c 56,550 Less guarantee <u>(37,300)</u>	19,250		
Raj's Current A/c 75,400 Add: from Moli 37,300 Add: from Bhola <u>37,300</u>	1,50,000		
	<u>3,07,500</u>		<u>3,07,500</u>

5

Dr.				Cr.			
Partner's Current Accounts							
Particulars	Moli (₹)	Bhola (₹)	Raj (₹)	Particulars	Moli (₹)	Bhola (₹)	Raj (₹)
To Drawings A/c $\frac{1}{2}$	40,000	60,000	80,000	By Interest on capital A/c	25,000	40,000	20,000
To Interest on Drawings A/c $\frac{1}{2}$	1,800	3,300	2,400	By Salary A/c $\frac{1}{2}$	4,000	-	-
To Balance c/d $\frac{1}{2}$	6,450	25,950	87,600	By Commission A/c $\frac{1}{2}$	-	30,000	-
				By P&L Appropriation A/c-share of profit $\frac{1}{2}$	19,250	19,250	1,50,000
	<u>48,250</u>	<u>89,250</u>	<u>1,70,000</u>		<u>48,250</u>	<u>89,250</u>	<u>1,70,000</u>

3

=

8 Marks

17 16 17 OR

Q. X Ltd. invited applications.....wherever necessary.

Ans.

X Ltd.
Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)
	Bank A/c Dr. To Equity Share Application A/c (Being application money received on 70,000 shares @ ₹2 per share, one applicant paying the full amount on 600 shares)		1,44,800	1,44,800
	Equity Share Application A/c Dr. To Equity Share Capital A/c To Equity Share Allotment A/c To Bank A/c To Calls in advance A/c (Being application money transferred to share capital, share allotment, calls in advance and the balance refunded)		1,44,800	1,00,000 20,800 21,000 3,000
	Equity Share Allotment A/c Dr. To Equity Share Capital A/c (Being share allotment money due on 50,000 share @ ₹2 per share)		1,00,000	1,00,000

1

1

1/2

1

			Bank A/c Calls in Arrears A/c To Equity Share Allotment A/c (Being allotment money received except on 5,000 shares)	Dr. Dr.	71,200 8,000	79,200	1	
			Equity Share Capital A/c To Share Forfeiture A/c To Calls in arrears A/c (Being 5,000 shares forfeited for no payment of allotment money)	Dr.	20,000	12,000 8,000	1	
			Bank A/c To Equity Share Capital A/c (Being 5,000 shares forfeited reissued for 20,000, ₹4 per share paid up)	Dr.	20,000	20,000	½	
			Share Forfeiture A/c To Capital Reserve A/c (Being gain on reissue of forfeited shares transferred to capital reserve)	Dr.	12,000	12,000	½	
			Equity Share First call A/c To Equity Share Capital A/c (Being first call money due on 50,000 shares @ ₹3 per share)	Dr.	1,50,000	1,50,000	½	
			Bank A/c Calls in advance A/c To Equity Share First Call A/c (Being first call money received, advance received earlier adjusted)	Dr. Dr.	1,48,500 1,500	1,50,000	½	
			Equity Share Second & Final call A/c To Equity Share Capital A/c (Being second call due on 50,000 shares @ ₹3 per share)	Dr.	1,50,000	1,50,000	½	
			Bank A/c Calls in advance A/c To Equity share second and final call A/c (Being second and final call received and advance received earlier adjusted)	Dr. Dr.	1,48,500 1,500	1,50,000	= 8 Marks	
17 OR	16 OR	17	Q. A Ltd..... wherever required. Ans.					

**A Ltd.
Journal**

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)
	(i) Bank A/c Dr. To Equity Share Application A/c (Being application money received on 1,60,000 shares @ ₹3 per share)		4,80,000	4,80,000
	(ii) Equity Share Application A/c Dr. To Equity Share Capital A/c To Equity Share Allotment A/c To Calls in Advance A/c (Being application money transferred to share capital, share allotment, calls in advance)		4,80,000	3,00,000 1,50,000 30,000
	(iii) Equity Share Allotment A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being share allotment money due on 1,00,000 shares @ ₹3 per share including premium)		3,00,000	2,00,000 1,00,000
	(iv) Bank A/c Dr. Calls in arrears A/c Dr. To Equity share allotment a/c (Being amount received on allotment except on 1,200 shares)		1,47,300 2,700	1,50,000
	(v) Equity share first call A/c Dr. To Equity share Capital A/c (Being First call money due on 1,00,000 shares ₹3 per share)		3,00,000	3,00,000
	(vi) Bank A/c Dr. Calls in arrears A/c Dr. Calls in advance A/c Dr. To Equity Share first call A/c (Being money received on first call except on 2,000 shares and advance received earlier adjusted)		2,64,600 5,400 30,000	3,00,000
	(vii) Equity Share second and final call A/c Dr. To Equity Share Capital A/c (Being share second and final call money due on 1,00,000 share ₹2 per share)		2,00,000	2,00,000

½

1

1/2

1

1/2

1

			(viii) Bank A/c Dr. 1,96,000 Calls in arrears A/c Dr. 4,000 To Equity Share second and final call A/c (Being share second and final call money received except on 2,000 shares)			2,00,000	1/2	
			(ix) Equity Share capital A/c Dr. 12,000 Securities Premium Reserve A/c Dr. 1,200 To Share Forfeiture A/c 4,500 To Calls in arrears A/c 8,700 (Being 1,200 shares forfeited for non payment of allotment and call money)				1/2	
			(x) Equity Share capital A/c Dr. 8,000 To Share Forfeiture A/c 4,600 To Calls in arrears A/c 3,400 (Being 800 shares forfeited for non payment of call money)					
			OR				1 ½	
			Combined forfeiture entry (for ix) and (x) Equity Share capital A/c Dr. 20,000 Securities Premium Reserve A/c Dr. 1,200 To Share Forfeiture A/c 9,100 To Calls in arrears A/c 12,100 (Being 2,000 shares forfeited for non payment of allotment and call money)					
			(xi) Bank A/c Dr. 14,000 Share Forfeiture A/c 6,000 To Equity Share capital A/c (Being 2,000 forfeited shares reissued @ ₹ 7 per share)			20,000	1/2	
			(xii) Shares Forfeiture A/c Dr. 3,100 To Capital Reserve A/c (Being gain on reissue of forfeited shares transferred to capital reserve account)			3,100	1/2	
							= 8 Marks	
			PART B (Financial Statements Analysis)					
18	19	18	Q. State the primary....Statement.					
			Ans. The primary objective of Cash Flow Statement is to provide useful information about cash flows (inflows and outflows) of an enterprise during a particular period under operating, investing and financing activities.					1 Mark

19	18	19	<p>Q. 'Interest received and paid....Cash Flow Statement'?</p> <p>Ans. Interest received - Operating activity. Interest paid - Operating activity.</p> <p style="text-align: center;">OR</p> <p>Interest received and paid – Operating activity.</p>	<p>½</p> <p>½</p> <p style="text-align: center;">OR</p> <p>1 Mark</p>																																																																						
20	21	22	<p>Q. Prepare a Common Size....information:</p> <p>Ans. COMMON SIZE BALANCE SHEET AS AT 31st March 2017</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Particulars</th> <th rowspan="2">Note No.</th> <th colspan="2">Absolute Amounts</th> <th colspan="2">Percentage of Total</th> </tr> <tr> <th>(i)</th> <th>(ii)</th> <th>(iii)</th> <th>(iv)</th> </tr> <tr> <td></td> <td></td> <th>31.3.16(₹)</th> <th>31.3.17(₹)</th> <th>31.3.16(₹)</th> <th>31.3.17(₹)</th> </tr> </thead> <tbody> <tr> <td colspan="6">EQUITY AND LIABILITIES</td> </tr> <tr> <td>(1) Shareholders Funds</td> <td></td> <td>4,00,000</td> <td>8,00,000</td> <td>50</td> <td>50.00</td> </tr> <tr> <td>(2) Non Current Liabilities</td> <td></td> <td>2,00,000</td> <td>5,00,000</td> <td>25</td> <td>31.25</td> </tr> <tr> <td>(3) Current Liabilities</td> <td></td> <td>2,00,000</td> <td>3,00,000</td> <td>25</td> <td>18.75</td> </tr> <tr> <td>Total</td> <td></td> <td>8,00,000</td> <td>16,00,000</td> <td>100</td> <td>100</td> </tr> <tr> <td colspan="6">ASSETS</td> </tr> <tr> <td>(1) Non Current Assets</td> <td></td> <td>5,00,000</td> <td>10,00,000</td> <td>62.5</td> <td>62.5</td> </tr> <tr> <td>(2) Current Assets</td> <td></td> <td>3,00,000</td> <td>6,00,000</td> <td>37.5</td> <td>37.5</td> </tr> <tr> <td>Total</td> <td></td> <td>8,00,000</td> <td>16,00,000</td> <td>100</td> <td>100</td> </tr> </tbody> </table> <p>In case the examinee has prepared only columns (i) and (ii) in the correct order, one mark may be awarded.</p>	Particulars	Note No.	Absolute Amounts		Percentage of Total		(i)	(ii)	(iii)	(iv)			31.3.16(₹)	31.3.17(₹)	31.3.16(₹)	31.3.17(₹)	EQUITY AND LIABILITIES						(1) Shareholders Funds		4,00,000	8,00,000	50	50.00	(2) Non Current Liabilities		2,00,000	5,00,000	25	31.25	(3) Current Liabilities		2,00,000	3,00,000	25	18.75	Total		8,00,000	16,00,000	100	100	ASSETS						(1) Non Current Assets		5,00,000	10,00,000	62.5	62.5	(2) Current Assets		3,00,000	6,00,000	37.5	37.5	Total		8,00,000	16,00,000	100	100	<p>1</p> <p>1</p> <p>1</p> <p>½</p> <p>½</p> <p>=</p> <p>4 Marks</p>
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21	22	20	<p>Q. From the following...inventory increased by ₹2,00,000.</p> <p>Ans. Inventory turnover ratio = $\frac{\text{Cost of Revenue from operations}}{\text{Average inventory}}$</p> <p>2015-16</p> <p>Cost of Revenue from operations= ₹50,00,000 - ₹10,00,000 = ₹40,00,000</p> <p>Average inventory = $\frac{\text{Opening inventory} + \text{Closing inventory}}{2}$</p> <p style="text-align: center;">= ₹5,00,000 + ₹7,00,000</p>	<p>1</p> <p>1/2</p> <p>+</p> <p>1/2</p>																																																																						

			<p style="text-align: center;">2</p> <p style="text-align: center;">= ₹6,00,000</p> <p>Inventory turnover ratio = ₹40,00,000/₹6,00,000 = 6.67 times</p> <p>2016-17</p> <p>Cost of Revenue from operations= ₹75,00,000 - ₹15,00,000 = ₹60,00,000</p> <p>Average inventory = $\frac{\text{Opening inventory} + \text{Closing inventory}}{2}$</p> <p style="text-align: center;">= $\frac{₹7,00,000 + ₹17,00,000}{2}$</p> <p style="text-align: center;">= ₹12,00,000</p> <p>Inventory turnover ratio = ₹60,00,000/₹12,00,000 = 5 times</p>	<p style="text-align: right;">+</p> <p style="text-align: right;">1/2</p> <p style="text-align: right;">+</p> <p style="text-align: right;">1/2</p> <p style="text-align: right;">+</p> <p style="text-align: right;">1/2</p> <p style="text-align: right;">=4 Marks</p>															
22	20	21	<p>Q. JW Ltd. was a company....Companies Act 2013.</p> <p>Ans. Values (Any two):</p> <p>(i) Development of rural areas.</p> <p>(ii) Sensitivity towards the environment.</p> <p>(iii) Generation of employment.</p> <p style="text-align: center;">(Or any other suitable value)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">Item</th> <th style="width: 33%;">Heads</th> <th style="width: 33%;">Sub-heads</th> </tr> </thead> <tbody> <tr> <td>Loose Tools</td> <td>Current assets</td> <td>Inventories</td> </tr> <tr> <td>Cheques in hand</td> <td>Current assets</td> <td>Cash and Cash Equivalents</td> </tr> <tr> <td>Term loan from Bank</td> <td>Non Current Liabilities</td> <td>Long Term Borrowings</td> </tr> <tr> <td>Computer Software</td> <td>Non Current Assets</td> <td>Fixed Assets- Intangible Assets</td> </tr> </tbody> </table>	Item	Heads	Sub-heads	Loose Tools	Current assets	Inventories	Cheques in hand	Current assets	Cash and Cash Equivalents	Term loan from Bank	Non Current Liabilities	Long Term Borrowings	Computer Software	Non Current Assets	Fixed Assets- Intangible Assets	<p style="text-align: right;">1 x 2=2</p> <p style="text-align: right;">½ x 4=2 = 4 Marks</p>
Item	Heads	Sub-heads																	
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Computer Software	Non Current Assets	Fixed Assets- Intangible Assets																	
23	23	23	<p>Q. Following is the..... Cash Flow Statement.</p>																

Ans.

JY Ltd.
Cash flow statement
For the year ended 31st March 2017

Particulars	Details (₹)	Amount (₹)
A. Cash Flows from Operating Activities:		
Net Profit before tax & extraordinary items (WN)	3,25,000	
Add: Non cash and non-operating charges		
Depreciation on machinery	62,500	
Interest on debentures	<u>15,000</u>	
<i>Operating profit before working capital changes</i>	4,02,500	
Less: Increase in Current Assets		
Increase in Trade Receivables	<u>(50,000)</u>	
<i>Cash Flows from Operations</i>	3,52,500	
Less Tax paid	<u>(75,000)</u>	
<i>Net Cash generated from Operating Activities</i>		2,77,500
B. Cash flows from Investing Activities :		
Purchase of machinery	(2,12,500)	
Loans and advances given	<u>(1,00,000)</u>	
<i>Net Cash used in investing activities</i>		(3,12,500)
C. Cash flows from Financing Activities:		
Issue of Debentures		
Interest paid on debentures	1,00,000	
Dividend paid	(15,000)	
Bank overdraft raised	(50,000)	
<i>Net Cash flows from financing activities</i>	<u>50,000</u>	
Net increase in cash & cash equivalents (A+B+C)		85,000
Add: Opening balance of cash & cash equivalents		50,000
Closing Balance of cash & cash equivalents		<u>75,000</u>
		<u>1,25,000</u>

Working Notes:

Calculation of Net profit before tax:

	₹
Net Profit for the year	1,25,000
Add Proposed dividend	75,000
Add Provision for tax	<u>1,25,000</u>
	<u>3,25,000</u>

FULL CREDIT IS TO BE GIVEN IF AN EXAMINEE HAS TAKEN 'SHORT TERM LOANS AND ADVANCES' AS INCREASE IN CURRENT ASSETS UNDER OPERATING ACTIVITIES.

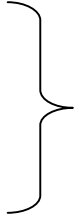
In that case,

CASH FROM OPERATIONS = ₹2,52,000

CASH GENERATED FROM OPERATING ACTIVITIES = ₹1,77,500

CASH USED IN INVESTING ACTIVITIES = ₹2,12,500

} 2
} 1
} 1
} 1
} 1
} 1
= 6 Marks

PART B (Computerized Accounting)			
18		<p>Q. How does the usage.....profitability of a business?</p> <p>Ans. The quick, accurate and timely access to the information, helps decision making fast and correct, hence it helps the business to earn better.</p>	=1 Mark
19		<p>Q. Give an example.....and 'derived' attribute.</p> <p>Ans. The information which is stored e.g. date of birth of a person is an example of stored attribute where as when his/her age is calculated automatically is derived attribute.</p>	=1 Mark
20		<p>Q. Name the value.....use of these values.</p> <p>Ans. The value is called "Null value" The three situations in which these can be used are</p> <ol style="list-style-type: none"> 1. When a particular attribute does not apply to an entry. 2. Value of an attribute is unknown. 3. Unknown because it does not exist. 	= 4 Marks
21		<p>Q. Differentiate betweenserver database.</p> <p>Ans. (Any four)</p> <ol style="list-style-type: none"> 1. <u>Application</u> : Desktop database can be used by a single user server data base can be used by many users at the same time. 2. <u>Additional provision for reliability</u> : Desktop database Doesn't present this but these provisions are available in server based database. 3. <u>Cost</u> : Desktop database tend to cost less than the server database. 4. <u>Flexibility regarding the performance in front end applications</u> : It is not present in desktop database but server database provide this flexibility. 5. <u>Suitability</u> : Desktop database are suitable for small/home offices and server database are more suitable for large business organisations. 	=4 Marks
22		<p>Q. Give four limitations..... accounting system.</p> <p>Ans. Following are the limitations of computerised accounting softwares :</p> <ol style="list-style-type: none"> 1. Faster obsolescence of technology necessitates investment in shorter period of time. 2. Data may be lost or corrupted due to power interruptions. 3. Data are prone to hacking. 4. Un-programmed and un-specified reports cannot be granted . 	=4 Marks
23		<p>Q. ABC Ltd. operates.....calculate the amount using Excel:</p> <p>Ans. Gross salary of Mr. Mahesh and Ranjan</p> <p>Basic pay of Mahesh Column A1 = 25000 Basic pay of Ranjan column A2 = 14000 Basic pay earned for Mahesh column B1 = $A1 * 27/30 = 22500$ Basic pay earned for Ranjan column B2 = $A2 = 14000$ HRA for Mahesh Column C1 = 5000 HRA for Ranjan Column C2 = 4000</p> 	3

		<p>DA for Mahesh Column D1 = IF (A1>15000, 10/100*B1, 15/100*B1) DA for Ranjan Column D2 = IF (A2 > 15000, 10/100*B2, 5/100*B2)</p> <p>D1 = 2250 D2 = 2100</p> <p>Gross salary for Mahesh = Column E1 = SUM (B1,C1,D1) Gross salary for Ranjan = Column E2 = SUM (B2,C2,D2) Mr. Mahesh's Salary E1 = 22500 + 5000 + 2250 = ₹29750 Mr. Ranjan's Salary E2 = 14000 + 4000 + 2100 = ₹20100</p>	<p>3</p> <p>3 + 3 = 6 Marks</p>
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