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Senior School Certificate Examination

March -2017-18

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

General Instructions:-

1. Evaluation is to be done as per instructions provided in the Marking Scheme. It should not be done according to one's own interpretation or any other consideration. Marking-Scheme should be strictly adhered to and religiously followed.

2. The Head-Examiner has to go through the first five answer scripts evaluated by each evaluator to ensure that evaluation has been carried out as per the instructions given in the Marking Scheme. The remaining answer scripts meant for evaluation shall be given only after ensuring that there is no significant variation in the marking of individual evaluators.

3. If a question has parts, please award marks on the right hand side for each part. Marks awarded for different parts of the question should then be totalled up and written in the left hand margin and encircled.

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

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

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

7. Deductions up to 25% of the marks must be made if the student has not drawn formats of the Journal and Ledger and has not given the narrations.

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

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

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

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

12. Avoid the following common types of errors committed by the Examiners in the past-.
    - Leaving answer or part thereof unassessed in an answer script
    - Giving more marks for an answer than assigned to it or deviation from the marking scheme.
    - Wrong transference of marks from the inside pages of the answer book to the title page.
    - Wrong question wise totaling on the title page.
    - Wrong totaling of marks of the two columns on the title page
    - Wrong grand total
    - Marks in words and figures not tallying
    - Wrong transference to marks from the answer book to award list
    - Answers marked as correct but marks not awarded.
    - Half or a part of answer marked correct and the rest as wrong but no marks awarded.

13. While evaluating the answer scripts if the answer is found to be totally incorrect, it should be marked as (x) and awarded zero(0) Marks.

14. Any unassessed portion, non-carrying over of marks to the title page or totaling error detected by the candidate shall damage the prestige of all the personnel engaged in the evaluation work as also of the Board. Hence in order to uphold the prestige of all concerned, It is again reiterated that the instructions be followed meticulously and judiciously.

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

16. Every Examiner shall also ensure that all the answers are evaluated, marks carried over to the title page, correctly totaled and written in figures and words.

17. As per orders of the Hon'ble Supreme Court, the candidates would now be permitted to obtain photocopy of the Answer Book on request on payment of the prescribed fee. All examiners/Head Examiners are once again reminded that they must ensure that evaluation is carried out strictly as per value points for each answer as give in the Marking Scheme.

Q. Set No.			Marking Scheme 2017-18 Accountancy (055) Expected Answers / Value points	Distribution of marks
67/1	67/2	67/3		
1	2	4	**Q. Amit and Beena were … acquire from Beena?** **Ans.** Share of profit acquired by Chaman from Aman= 1/6 x 2/5 = 2/30 Therefore, share of profit acquired by Chaman from Beena = 1/6 -2/30 =3/30 = **1/10** **OR** Share of profit acquired by Chaman from Beena= 3/5 x 1/6 = 3/30 = **1/10**	**=1 Mark**
2	1	6	**Q. Neetu, Meetu…Meetu's retirement.** **Ans.** **Books of the firm** **Journal**	**=1 Mark**

Date	Particulars	LF	Dr (₹)	Cr (₹)
2018 Jan.1	Neetu's capital A/c Teetu's Capital A/c To Meetu's Capital A/c (Being Meetu's share of goodwill credited in her capital account by debiting Neetu's and Teetu's capital account in the gaining ratio)		70,000 70,000	 1,40,000

3	5	1	**Q. Distinguish between …liabilities.** **Ans.**	**=1 Mark**

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

4	6	3	**Q. Ritesh and Hitesh… your answer.** **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.	**½ mark for writing 'No' + ½ mark for the**

				reason =1 Mark
5	3	2	**Q. Is Reserve Capital a part of 'Unsubscribed Capital' or 'Uncalled Capital'?** **Ans.** Reserve Capital is a part of Uncalled Capital.	=1 Mark
6	4	5	**Q. Give the meaning of 'Debentures issued as Collateral security'.** **Ans.** When the company issues debentures to the lenders as an additonal/ secondary security, in addition to other assets already pledged/ some primary security. Such issue of debentures is called debentures issued as a collateral security.	=1 Mark
7	8	9	**Q. Jayant, Kartik and Leena…..New profit sharing ratio of Jayant and Leena.** **Ans.** Jayant's gain= 2/5 x 2/10 = 4/50 $\boxed{½}$ Leena's gain = 3/5 x 2/10 =6/50 $\boxed{½}$ Jayant's new share= 5/10 + 4/50=29/50 $\boxed{½}$ Leena's new share = 3/10 + 6/50 = 21/50 $\boxed{½}$ New profit sharing ratio of Jayant and Leena = **29:21 or 29/50:21/50** $\boxed{1}$	**½ + ½ + 1 +1 =3 Marks**
8	7	8	**Q. What is meant by a 'Share'? Give any two differences between 'Preference Shares' and 'Equity Shares'.** **Ans.** A share refers to the unit into which the total share capital of the company is divided. OR A share means a share in the share capital of the company and includes stock. **Differences between 'Preference Shares' and 'Equity Shares':** **(**i) Preference Shares are shares which carry a prefrential right at the time of payment of dividend and at the time of repayment of capital. (ii) Equity shares are shares which do not carry a prefrential right at the time of payment of dividend and at the time of repayment of capital. **OR**	**1** **2**

			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.

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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	70,00,000	½

Notes to Accounts :

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

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
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3 Marks

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11 | 12 | 11

Q. Banwari, Girdhari…loan account till it is finally paid showing the working notes clearly.

Ans.

Dr. Girdhari's Loan Account Cr.

Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)
2015 Mar.31	To Bank A/c ½	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 ½	15,000
		1,65,000			1,65,000
2016 Mar.31	To Bank A/c ½	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 ½	9,000
		99,000			99,000
2017 Mar.31	To Bank A/c ½	26,400	2016 Apr.1	By balance b/d	24,000
			2017 Mar.31	By Interest A/c ½	2,400
		26,400			26,400

1

1

1

Working Notes:

Calculation of amount payable to Girdhari:	₹
Girdhari's Capital	1,00,000
Share of goodwill	38,000
Share of Revaluation profit	2,000
Share of General reserve	10,000
	1,50,000

1
=
4 marks

(WORKING NOTES MAY BE SHOWN IN ANY FORM)

12 | 11 | 12

Q. Asha and Aditi are partners……working notes clearly.
Ans.

Journal

Date	Particulars	LF	Dr. Amount (₹)	Cr. Amount (₹)
	Bank A/c Dr. To Raghav's Capital A/c To Premium for goodwill A/c (Being capital and premium brought in by Raghav)		8,50,000	 6,00,000 2,50,000
	Premium for goodwill A/c Dr. To Asha's Capital A/c To Aditi's Capital A/c (Being premium for goodwill credited to the capital acounts of Asha and Aditi in the sacrificing ratio)		2,50,000	 1,50,000 1,00,000

1

1

			Working Notes: <u>Calculation of goodwill:</u> 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 Goodwill of the firm = $\frac{₹2,93,750 + ₹4,18,750 + ₹6,13,750 + ₹6,73,750}{4}$ x 2 = ₹10,00,000 Raghav's share of goodwill = ¼ x ₹10,00,000 = ₹2,50,000 **OR** <u>Calculation of goodwill:</u> Total Profits of four years = ₹3,50,000 + ₹4,75,000 + ₹6,70,000 + ₹7,30,000 = ₹22,25,000 Average Profits = ₹ 5,56,250 – ₹ 56,250 = ₹ 5,00,000 Goodwill of the firm = ₹ 5,00,000 x 2 = ₹10,00,000 Raghav's share of goodwill = ¼ x ₹10,00,000 = ₹2,50,000	**2** = **1+1+2** = **4 Marks**
13	**14**	**15**	**Q.Pranav, Karan and Rahim….his representatives.** **Ans.**	**1+1+1+** **1+1+1** = **6 Marks**

Dr. **Karan's Capital A/c** **Cr.**

Particulars	**Amt (₹)**	**Particulars**	**Amt (₹)**
To Karan's Executors' A/c 1 (Balancing figure)	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
	3,28,800		3,28,800

Working Notes:

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

Share of Profits = 2/5 x 5,00,000 x 73/365 = ₹40,000

Share of goodwill = 2/5 X ₹60,000 = ₹24,000

Share of General Reserve = 2/5 x ₹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 ½	11,000	By Debtors A/c ½	5,000
To Provision for doubtful debts on debtors A/c ½	4,000	By Land and building A/c ½	62,000
To provision for doubtful debts on B/R A/c ½	2,250		
To Claim for damages A/c ½	8,000		
To profit transferred to Partners' Capital A/cs Chander 20,875 Damini 20,875	41,750		
	67,000		**67,000**

3

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 ½	12,500	12,500	-	By Balance b/d ½	2,50,000	2,16,000	-
To Balance c/d ½	2,83,375	2,49,375	3,00,000	By Bank A/c ½	-	-	3,00,000
				By premium for goodwill A/c ½	25,000	25,000	-
				By Revaluation A/c ½	20,875	20,875	-
	2,95,875	**2,61,875**	**3,00,000**		**2,95,875**	**2,61,875**	**3,00,000**

3

				Marks
				= 6 Marks
15	13	14	**Q. On 1st April 2014, KK Ltd. invited applications…interest paid on debentures.**	

Ans.

KK Ltd.
Journal

Date	Particulars	LF	Dr. (₹)	Cr. (₹)	Marks
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	1
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	1
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	1/2
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	1/2
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	1

				(Being interest received on Debenture Redemption Investments and tax deducted at source @ 10%)				
			,,	Bank A/c Dr. To Debenture Redemption Investments A/c (Being Debenture Redemption Investments sold)		7,50,000	7,50,000	1/2
			,,	10% Debentures A/c Dr. Premium on Redemption of Debentures A/c Dr. To Debenture holders A/c (Being Debentures due for redemption at a premium of 10%)		50,00,000 5,00,000	55,00,000	1/2
			,,	Debenture holders A/c Dr. To Bank A/c (Being Debenture holders paid)		55,00,000	55,00,000	1/2
			,,	Debenture Redemption Reserve A/c Dr. To General Reserve A/c (Being Debenture Redemption Reserve transferred to general reserve)		12,50,000	12,50,000	1/2
			.					= 6 Marks

16	**17**	**16** **OR**	**Q. Srijan, Raman and Manan….and Bank Account.**	3

Ans.

Dr. **Realisation A/c** **Cr.**

Particulars	Amount (₹)	Particulars	Amount (₹)
To sundry assets: ½ Plant 2,20,000 Investments 70,000 Stock 50,000 Debtors 60,000	4,00,000	**By sundry liabilities:** ½ Creditors 75,000 Bills Payable 40,000 Outstanding salary 35,000	1,50,000
To Bank A/c: ½ Creditors 75,000 Bills Payable 40,000 Outsanding expenses 7,500 Contingent liability 15,000 Outstanding salary 35,000	1,72,500	**By Bank A/c:** ½ Plant 85,000 Stock 33,000 Debtors 47,000 Investments 66,500	2,31,500
To Srijan's Capital A/c ½ -commission	11,575	**By Loss transferred to Partners' Capital A/c:** ½ Srijan 81,030 Raman 81,030 Manan 40,515	2,02,575
	5,84,075		**5,84,075**

Dr. **Partners' Capital A/c** Cr.

Particulars	Srijan (₹)	Raman (₹)	Manan (₹)	Particulars	Srijan (₹)	Raman (₹)	Manan (₹)
To Balance b/d ½	---	---	10,000	By Balance b/d ½	2,00,000	1,50,000	---
To Profit and Loss A/c ½	32,000	32,000	16,000	By Realisation A/c	11,575	---	--
To Realisation A/c	81,030	81,030	40,515				
To Bank A/c ½	98,545	36,970	---	By Bank A/c ½	--	--	66,515
	2,11,575	1,50,000	66,515		2,11,575	1,50,000	66,515

2 ½

Dr. **Bank A/c** Cr.

Liabilities	Amt (₹)	Assets	Amt (₹)
To Balance b/d	10,000	By Realisation A/c ½	1,72,500
To Realisation A/c ½	2,31,500	By Srijan's capital A/c ½	98,545
To Manan's capital A/c ½	66,515	By Raman's capital A/c ½	36,970
	3,08,015		3,08,015

2 ½ = 8 marks

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16 OR | 17 OR | 16

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

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

Particulars	Amount (₹)	Particulars	Amount (₹)
To Interest on Capital: 1 Moli's Current A/c 25,000 Bhola's Current A/c40,000 Raj's Current A/c 20,000	85,000	By Profit and Loss A/c 1 (3,06,000 – 6,000)	3,00,000
To Salary: ½ Moli's Current A/c	4,000	By Interest on Drawings: 1 Moli's Current A/c 1,800 Bhola's Current A/c 3,300 Raj's Current A/c 2,400	7,500
To Commisssion: Bhola's Current A/c ½	30,000		
To profits transferred to: 1 Moli's Current A/c 56,550 Less guarantee (37,300)	19,250		
Bhola's Current A/c 56,550 Less guarantee (37,300)	19,250		
Raj's Current A/c 75,400 Add: from Moli 37,300 Add: from Bhola 37,300	1,50,000		
	3,07,500		3,07,500

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Dr. **Partner's Current Accounts** **Cr.**

Particulars	Moli (₹)	Bhola (₹)	Raj (₹)	Particulars	Moli (₹)	Bhola (₹)	Raj (₹)
To Drawings A/c ½	40,000	60,000	80,000	By Interest on capital A/c	25,000	40,000	20,000
				By Salary A/c ½	4,000	-	-
To Interest on Drawings A/c ½	1,800	3,300	2,400	By Commission A/c ½	-	30,000	-
To Balance c/d ½	6,450	25,950	87,600	By P&L Appropriation A/c-share of profit ½	19,250	19,250	1,50,000
	48,250	**89,250**	**1,70,000**		**48,250**	**89,250**	**1,70,000**

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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

				Particulars		L.F.	Dr. (₹)	Cr. (₹)	Marks
				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**

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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	½
	(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	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 on 1,00,000 shares @ ₹3 per share including premium)		3,00,000	 2,00,000 1,00,000	1/2
	(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	1
	(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	1/2
	(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	1
	(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	

				(viii) Bank A/c Dr. Calls in arrears A/c Dr. To Equity Share second and final call A/c (Being share second and final call money received except on 2,000 shares)		1,96,000 4,000	 2,00,000	**1/2**
				(ix) Equity Share capital A/c Dr. Securities Premium Reserve A/c Dr. To Share Forfeiture A/c To Calls in arrears A/c (Being 1,200 shares forfeited for non payment of allotment and call money) (x) Equity Share capital A/c Dr. To Share Forfeiture A/c To Calls in arrears A/c (Being 800 shares forfeited for non payment of call money) **OR** **<u>Combined forfeiture entry (for ix) and (x)</u>** Equity Share capital A/c Dr. Securities Premium Reserve A/c Dr. To Share Forfeiture A/c To Calls in arrears A/c (Being 2,000 shares forfeited for non payment of allotment and call money)		12,000 1,200 8,000 20,000 1,200	 4,500 8,700 4,600 3,400 9,100 12,100	**1/2** **1 ½**
				(xi) Bank A/c Dr. Share Forfeiture A/c To Equity Share capital A/c (Being 2,000 forfeited shares reissued @ ₹ 7 per share		14,000 6,000	 20,000	**1/2**
				(xii) Shares Forfeiture A/c Dr. To Capital Reserve A/c (Being gain on reissue of forfeited shares transferred to capital reserve account)		3,100	 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**

<table>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>19</td><td>18</td><td>19</td><td>Q. ‘Interest received and paid….Cash Flow Statement’?

Ans. Interest received - Operating activity.
Interest paid - Operating activity.

OR

Interest received and paid – Operating activity.</td><td>½
½

OR

1 Mark</td></tr>
<tr><td>20</td><td>21</td><td>22</td><td>Q. Prepare a Common Size….information:

Ans. COMMON SIZE BALANCE SHEET AS AT 31st March 2017

<table>
<tr><td>Particulars</td><td>Note No.</td><td colspan="2">Absolute Amounts
(i) (ii)</td><td colspan="2">Percentage of Total
(iii) (iv)</td></tr>
<tr><td></td><td></td><td>31.3.16(₹)</td><td>31.3.17(₹)</td><td>31.3.16(₹)</td><td>31.3.17(₹)</td></tr>
<tr><td>EQUITY AND LIABILITIES
(1) Shareholders Funds
(2) Non Current Liabilities
(3) Current Liabilities</td><td></td><td>
4,00,000
2,00,000
2,00,000</td><td>
8,00,000
5,00,000
3,00,000</td><td>
50
25
25</td><td>
50.00
31.25
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>ASSETS
(1) Non Current Assets
(2) Current Assets</td><td></td><td>
5,00,000
3,00,000</td><td>
10,00,000
6,00,000</td><td>
62.5
37.5</td><td>
62.5
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>
</table>

In case the examinee has prepared only columns (i) and (ii) in the correct order, one mark may be awarded.</td><td>1
1
1

½
½

=
4 Marks</td></tr>
<tr><td>21</td><td>22</td><td>20</td><td>Q. From the following…inventory increased by ₹2,00,000.

Ans. Inventory turnover ratio = $\frac{\text{Cost of Revenue from operations}}{\text{Average inventory}}$

<u>2015-16</u>

Cost of Revenue from operations= ₹50,00,000 -₹10,00,000 = ₹40,00,000

Average inventory = $\frac{\text{Opening inventory + Closing inventory}}{2}$

= <u>₹5,00,000 + ₹7,00,000</u></td><td>1

1/2

+

1/2</td></tr>
</table>

2 +

= ₹6,00,000

Inventory turnover ratio = ₹40,00,000/₹6,00,000 = 6.67 times **1/2**

+

<u>2016-17</u>

Cost of Revenue from operations= ₹75,00,000 - ₹15,00,000 = ₹60,00,000 **1/2**

Average inventory = <u>Opening inventory + Closing inventory</u> **+**
2

1/2

= ₹<u>7,00,000 + ₹17,00,000</u>
2 **+**

= ₹12,00,000 **1/2**

Inventory turnover ratio = ₹60,00,000/₹12,00,000 = 5 times **=4 Marks**

22	**20**	**21**	**Q. JW Ltd. was a company….Companies Act 2013.**	

Ans. <u>Values (Any two):</u>

(i) Development of rural areas. **1 x 2=2**

(ii) Sensitivity towards the environment.

(iii) Generation of employment.

(Or any other suitable value)

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

½ x 4=2 = 4 Marks

.

23	**23**	**23**	**Q. Following is the...................... Cash Flow Statement.**	

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	15,000		2
Operating profit before working capital changes	4,02,500		
Less: Increase in Current Assets			
Increase in Trade Receivables	(50,000)		
Cash Flows from Operations	3,52,500		
Less Tax paid	(75,000)		
Net Cash generated from Operating Activities		**2,77,500**	
B. Cash flows from Investing Activities :			
Purchase of machinery	(2,12,500)		1
Loans and advances given	(1,00,000)		
Net Cash used in investing activities		**(3,12,500)**	
C. Cash flows from Financing Activities:			
Issue of Debentures			
Interest paid on debentures	1,00,000		1
Dividend paid	(15,000)		
Bank overdraft raised	(50,000)		
Net Cash flows from financing activities	50,000		
Net increase in cash & cash equivalents (A+B+C)		**85,000**	
Add: Opening balance of cash & cash equivalents		**50,000**	1
Closing Balance of cash & cash equivalents		**75,000**	
		1,25,000	

Working Notes:
Calculation of Net profit before tax:

	₹	
Net Profit for the year	1,25,000	1
Add Proposed dividend	75,000	=
Add Provision for tax	1,25,000	**6 Marks**
	3,25,000	

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**

			PART B **(Computerized Accounting)**	
18			**Q. How does the usage....................profitability of a business?** **Ans.** The quick, accurate and timely access to the information, helps decision making fast and correct, hence it helps the business to earn better.	**=1 Mark**
19			**Q. Give an example..................................and 'derived' attribute.** **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**.	**=1 Mark**
20			**Q. Name the value...................................use of these values.** **Ans.** The value is called "Null value" The three situations in which these can be used are 1. When a particular attribute does not apply to an entry. 2. Value of an attribute is unknown. **3.** Unknown because it does not exit.	**=** **4 Marks**
21			**Q. Differentiate between ....server database.** **Ans. (Any four)** 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			**Q. Give four limitations................................ accounting system.** **Ans.** Following are the limitations of computerised accounting softwares : **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			**Q. ABC Ltd. operates........................calculate the amount using Excel:** Ans. Gross salary of Mr. Mahesh and Ranjan 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	**3**

			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) D1 = 2250 D2 = 2100 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	**3** **3 + 3 = 6 Marks**