

<div>67 /1 /1 67 /1 /2 67 /1 /3</div>			Marking Scheme 2018-19 Accountancy (055) Delhi- 67/1/1 Expected Answers/ Value Points	MARKS						
1	2	5	<p>Q. Atul and Neera are in partnership....Calculate the new profit sharing ratio.</p> <p>Ans. Mitali’s share in profit= 1/10</p> <p>Atul’s new share= 3/5-1/10=5/10 ...1/2 mark</p> <p>Neera’s new share= 2/5</p> <p>Mitali’s share=1/10</p> <p>New ratio= 5:4:1.....1/2 mark</p>	<div>½ + ½ = 1 mark</div>						
2	4	4	<p>Q. What is meant by ‘Issued Capital’?</p> <p>Ans. Issued Capital is that part of the Authorised Capital which is offered to the public for subscription.</p> <p style="text-align: center;">OR</p> <p>Q. What is meant by ‘Employees Stock Option Plan’?</p> <p>Ans. Employees Stock Option Plan means option granted by the company to its employees and directors to subscribe to the shares of the company at a price that is lower than the market price.</p>	<div>1 mark OR 1 mark</div>						
3	-	-	<p>Q. Differentiate between Dissolution of Partnership and Dissolution of a Firm on the basis of ‘Court’s intervention’.</p> <p>Ans.</p> <table><tr><td></td><td>Dissolution of Partnership</td><td>Dissolution of a Firm</td></tr><tr><td>Court’s intervention</td><td>The court does not intervene because partnership is dissolved by mutual agreement</td><td>The firm can be dissolved by court’s order.</td></tr></table>		Dissolution of Partnership	Dissolution of a Firm	Court’s intervention	The court does not intervene because partnership is dissolved by mutual agreement	The firm can be dissolved by court’s order.	<div>1 mark</div>
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4	1	3	<p>Q. What is meant by ‘Gaining Ratio’ on retirement of a partner?</p> <p>Ans. Gaining ratio is the ratio in which the remaining partners acquire the retiring partner’s share.</p> <p style="text-align: center;">OR</p> <p>Q. P, Q and R were partners rate at which interest will be paid to R</p> <p>Ans. 6% p.a.</p>	<div>1 mark OR 1 mark</div>						

5	3	2	<p>Q. Chhavi and Neha are partners in a firm interest on drawings.</p> <p>Ans. Journal</p> <table><tr><td>Date</td><td>Particulars</td><td>Dr. (₹)</td><td>Cr. (₹)</td></tr><tr><td></td><td>Chhavi's Capital/ Current Account Dr.</td><td>900</td><td>-</td></tr><tr><td></td><td>To Interest on drawings A/c (Being Interest on drawings charged)</td><td>-</td><td>900</td></tr></table> <p>.</p>	Date	Particulars	Dr. (₹)	Cr. (₹)		Chhavi's Capital/ Current Account Dr.	900	-		To Interest on drawings A/c (Being Interest on drawings charged)	-	900	1 mark
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6	5	1	<p>Q. How are Specific donations treated while preparing final accounts of a 'Not-For-Profit Organisation'?</p> <p>Ans. Specific donations are taken on the liabilities side of the Balance Sheet of a Not-For-Profit Organisation</p> <p style="text-align: center;">or</p> <p>Specific donations are capitalized while preparing the final accounts of a Not-For-Profit Organisation.</p> <p style="text-align: center;">OR</p> <p>Q. State the basis of accounting of preparing 'Income and Expenditure Account' of a Not-For-Profit Organisations.</p> <p>Ans. Accrual basis.</p>	1 mark 												

			Note: In case, a student has shown Income from Tournament Fund Investments as ₹24,000 instead of ₹18,000 and ₹6,000 separately and added it to the Tournament Fund, full credit should be given.																																																																						
9	7	7	Q. Garvit Ltd. invited applications... Ltd. Ans. Journal of Garvit Ltd. <table><tr><th>Date</th><th>Particulars</th><th>Dr. (₹)</th><th>Cr. (₹)</th></tr><tr><td></td><td>Bank A/c Dr. To Debenture Application and Allotment A/c (Being application money received on 3,600 debentures)</td><td>3,38,400 -</td><td>- 3,38,400</td></tr><tr><td></td><td>Debenture Application and Allotment A/c Dr. Discount/Loss on issue of Debentures A/c Dr. To 11% Debentures To Bank A/c (Being application money adjusted)</td><td>3,38,400 18,000</td><td>- - 3,00,000 56,400</td></tr></table> OR Q. On 1st April 2015, P Ltd. issued Loss on issue of 12% Debentures Account. Ans. Dr. Loss on issue of 12% Debentures Account Cr. <table><tr><th>Date</th><th>Particulars</th><th>Amount (₹)</th><th>Date</th><th>Particulars</th><th>Amount (₹)</th></tr><tr><td>2015 April 1</td><td>To Premium on Redemption of Debentures A/c</td><td>42,000</td><td>2016 Mar 31</td><td>By Statement of P/L</td><td>14,000</td></tr><tr><td></td><td></td><td></td><td>Mar 31</td><td>By Balance c/d</td><td>28,000</td></tr><tr><td></td><td></td><td>42,000</td><td></td><td></td><td>42,000</td></tr><tr><td>2016 April 1</td><td>To balance b/d</td><td>28,000</td><td>2017 Mar 31</td><td>By Statement of P/L</td><td>14,000</td></tr><tr><td></td><td></td><td></td><td>Mar 31</td><td>By Balance c/d</td><td>14,000</td></tr><tr><td></td><td></td><td>28,000</td><td></td><td></td><td>28,000</td></tr><tr><td>2017 April 1</td><td>To balance b/d</td><td>14,000</td><td>2018 Mar 31</td><td>By Statement of P/L</td><td>14,000</td></tr><tr><td></td><td></td><td>14,000</td><td></td><td></td><td>14,000</td></tr></table>				Date	Particulars	Dr. (₹)	Cr. (₹)		Bank A/c Dr. To Debenture Application and Allotment A/c (Being application money received on 3,600 debentures)	3,38,400 -	- 3,38,400		Debenture Application and Allotment A/c Dr. Discount/Loss on issue of Debentures A/c Dr. To 11% Debentures To Bank A/c (Being application money adjusted)	3,38,400 18,000	- - 3,00,000 56,400	Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)	2015 April 1	To Premium on Redemption of Debentures A/c	42,000	2016 Mar 31	By Statement of P/L	14,000				Mar 31	By Balance c/d	28,000			42,000			42,000	2016 April 1	To balance b/d	28,000	2017 Mar 31	By Statement of P/L	14,000				Mar 31	By Balance c/d	14,000			28,000			28,000	2017 April 1	To balance b/d	14,000	2018 Mar 31	By Statement of P/L	14,000			14,000			14,000	1 mark + 2 marks = 3 marks OR 1 x 3 = 3 marks
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10	-	-	Q. Unilink Ltd. had outstanding.... year ended 31st March 2018. Ans. Journal of Unilink Ltd. <table><tr><th>Date</th><th>Particulars</th><th>Dr. (₹)</th><th>Cr. (₹)</th></tr><tr><td>2017* Apr.30</td><td>Debenture Redemption Investments A/c Dr. To Bank A/c (Being Debenture Redemption Investments purchased)</td><td>90,000</td><td>90,000</td></tr></table>				Date	Particulars	Dr. (₹)	Cr. (₹)	2017* Apr.30	Debenture Redemption Investments A/c Dr. To Bank A/c (Being Debenture Redemption Investments purchased)	90,000	90,000	½ mark																																																										
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<p>* Any date from April 1 to April 30 can be given for purchase of Debenture Redemption Investments</p> <p>Note: No marks to be deducted if the student has not transferred Debenture Redemption Reserve to General Reserve</p>																																																											
11	-	-	<p>Q. Ankit, Bobby and Kartik..... is settled at ₹12,500.</p> <p>Ans. Journal</p> <table><tr><th>Date</th><th>Particulars</th><th></th><th>Dr. (₹)</th><th>Cr. (₹)</th></tr><tr><td rowspan="3">(i)</td><td>Ankit's Capital A/c</td><td>Dr.</td><td>32,000</td><td rowspan="3">84,000</td></tr><tr><td>Bank/ Cash A/c</td><td>Dr.</td><td>52,000</td></tr><tr><td>To Realisation A/c (Being stock taken over by Ankit, remaining sold at a profit)</td><td></td><td></td></tr><tr><td colspan="6" style="text-align: center;">or</td></tr><tr><td rowspan="3"></td><td>Ankit's Capital A/c</td><td>Dr.</td><td>32,000</td><td rowspan="3">32,000</td></tr><tr><td>To Realisation A/c</td><td></td><td></td></tr><tr><td>(Being stock taken over by Ankit)</td><td></td><td></td></tr><tr><td rowspan="3"></td><td>Bank/ Cash A/c</td><td>Dr.</td><td>52,000</td><td rowspan="3">52,000</td></tr><tr><td>To Realisation A/c</td><td></td><td></td></tr><tr><td>(Being stock sold at a profit)</td><td></td><td></td></tr><tr><td>(ii)</td><td>Realisation A/c To Bank/ Cash A/c (Being payment made to creditors)</td><td>Dr.</td><td>69,000</td><td>69,000</td></tr><tr><td>(iii)</td><td>Realisation A/c To Bank/ Cash A/c</td><td>Dr.</td><td>22,000</td><td>22,000</td></tr></table>			Date	Particulars		Dr. (₹)	Cr. (₹)	(i)	Ankit's Capital A/c	Dr.	32,000	84,000	Bank/ Cash A/c	Dr.	52,000	To Realisation A/c (Being stock taken over by Ankit, remaining sold at a profit)			or							Ankit's Capital A/c	Dr.	32,000	32,000	To Realisation A/c			(Being stock taken over by Ankit)				Bank/ Cash A/c	Dr.	52,000	52,000	To Realisation A/c			(Being stock sold at a profit)			(ii)	Realisation A/c To Bank/ Cash A/c (Being payment made to creditors)	Dr.	69,000	69,000	(iii)	Realisation A/c To Bank/ Cash A/c	Dr.	22,000	22,000
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			(Being Bobby's sister's loan paid along with interest)																																		
		(iv)	Kartik's loan A/c Realisation A/c To Bank/ Cash A/c (Being Kartik's loan settled) <div>or</div> Kartik's loan A/c To Bank/ Cash A/c (Being Kartik's loan settled) Realisation A/c To Bank / CashA/c (Being Kartik's loan settled at a loss)	Dr. Dr. Dr. Dr.	12,000 500 12,000 500	12,500 12,000 500																															
12	-	-	Q. Radhika, Bani and Chitra ...above changes. Ans. JOURNAL <table><tr><th>Date</th><th>Particulars</th><th>Dr. (₹)</th><th>Cr. (₹)</th><td></td></tr><tr><td></td><td>Radhika's Capital A/c Bani's Capital A/c Chitra's Capital A/c To Profit and Loss A/c (Being undistributed loss transferred to Partners' Capital Accounts)</td><td>Dr. Dr. Dr. 8,000 12,000 4,000</td><td></td><td>24,000</td></tr><tr><td></td><td>General Reserve To Radhika's Capital A/c To Bani's Capital A/c To Chitra's Capital A/c (Being General Reserve distributed to Partners' Capital Accounts)</td><td>Dr. 1,44,000</td><td></td><td>48,000 72,000 24,000</td></tr><tr><td></td><td>Radhika's Capital A/c To Bani's Capital A/c (Being adjustment entry made for goodwill)</td><td>Dr. 30,000</td><td></td><td>30,000</td></tr><tr><td></td><td>Land A/c To Revaluation A/c (Being Land revalued)</td><td>Dr. 1,80,000</td><td></td><td>1,80,000</td></tr><tr><td></td><td>Revaluation A/c To Radhika's Capital A/c To Bani's Capital A/c To Chitra's Capital A/c (Being gain on Revaluation transferred to Partners' Capital Accounts)</td><td>Dr. 1,80,000</td><td></td><td>60,000 90,000 30,000</td></tr></table> <div>= 4 marks</div>					Date	Particulars	Dr. (₹)	Cr. (₹)			Radhika's Capital A/c Bani's Capital A/c Chitra's Capital A/c To Profit and Loss A/c (Being undistributed loss transferred to Partners' Capital Accounts)	Dr. Dr. Dr. 8,000 12,000 4,000		24,000		General Reserve To Radhika's Capital A/c To Bani's Capital A/c To Chitra's Capital A/c (Being General Reserve distributed to Partners' Capital Accounts)	Dr. 1,44,000		48,000 72,000 24,000		Radhika's Capital A/c To Bani's Capital A/c (Being adjustment entry made for goodwill)	Dr. 30,000		30,000		Land A/c To Revaluation A/c (Being Land revalued)	Dr. 1,80,000		1,80,000		Revaluation A/c To Radhika's Capital A/c To Bani's Capital A/c To Chitra's Capital A/c (Being gain on Revaluation transferred to Partners' Capital Accounts)	Dr. 1,80,000		60,000 90,000 30,000
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13	14	15	<p>Q. From the following Receipts and Payments A/c</p> <p>Ans. Dr. Income and Expenditure A/c for the year ended March 31, 2018 Cr.</p> <table> <tr> <th>Particulars</th><th>Amount (₹)</th><th>Particulars</th><th>Amount (₹)</th></tr> <tr> <td>To Stationery consumed</td><td>22,400</td><td>By Subscriptions</td><td>2,00,000</td></tr> <tr> <td>To loss on sale of old furniture</td><td>2,400</td><td>By Interest on investments</td><td>800</td></tr> <tr> <td>To electricity expenses</td><td>10,600</td><td>Add interest accrued</td><td>160</td></tr> <tr> <td>To expenses on lectures</td><td>30,000</td><td>By Government Grant</td><td>17,400</td></tr> <tr> <td>To surplus</td><td>1,52,960</td><td></td><td></td></tr> <tr> <td></td><td>2,18,360</td><td></td><td>2,18,360</td></tr> </table> <p>Balance Sheet of Sears Club as on 31st March 2018</p> <table> <tr> <th>Liabilities</th><th>Amount (₹)</th><th>Assets</th><th>Amount (₹)</th></tr> <tr> <td>Subscriptions received in advance</td><td>7,200</td><td>Outstanding Subscriptions</td><td>1,01,000</td></tr> <tr> <td>Donations for building</td><td>40,000</td><td>Stock of Stationery</td><td>4,000</td></tr> <tr> <td>Capital Fund 62,000</td><td></td><td>Cash</td><td>50,000</td></tr> <tr> <td>Add Surplus 1,52,960</td><td>2,14,960</td><td>Investments</td><td>8,000</td></tr> <tr> <td></td><td></td><td>Interest accrued on investments</td><td>160</td></tr> <tr> <td></td><td></td><td>Sports Equipment</td><td>59,000</td></tr> <tr> <td></td><td></td><td>Books</td><td>40,000</td></tr> <tr> <td></td><td>2,62,160</td><td></td><td>2,62,160</td></tr> </table> <p><u>Interest on 12% Investments</u></p> <p>In case, a candidate has credited Income and Expenditure Account by Rs.800 on account of Interest on 12% Investments, it may be marked correct.</p> <p><u>Working Notes:</u></p> <p>Balance Sheet of Sears Club as on 31st March 2017</p> <table> <tr> <th>Liabilities</th><th>Amount (₹)</th><th>Assets</th><th>Amount (₹)</th></tr> <tr> <td>Subscriptions received in advance</td><td>25,000</td><td>Outstanding Subscriptions</td><td>60,000</td></tr> <tr> <td>Capital Fund</td><td>62,000</td><td>Stock of Stationery</td><td>3,000</td></tr> <tr> <td></td><td></td><td>Cash</td><td>20,000</td></tr> <tr> <td></td><td></td><td>Furniture</td><td>4,000</td></tr> <tr> <td></td><td>87,000</td><td></td><td>87,000</td></tr> </table> <p>Note: In case the candidate has not prepared the Opening Balance Sheet, no marks are to be deducted.</p>	Particulars	Amount (₹)	Particulars	Amount (₹)	To Stationery consumed	22,400	By Subscriptions	2,00,000	To loss on sale of old furniture	2,400	By Interest on investments	800	To electricity expenses	10,600	Add interest accrued	160	To expenses on lectures	30,000	By Government Grant	17,400	To surplus	1,52,960				2,18,360		2,18,360	Liabilities	Amount (₹)	Assets	Amount (₹)	Subscriptions received in advance	7,200	Outstanding Subscriptions	1,01,000	Donations for building	40,000	Stock of Stationery	4,000	Capital Fund 62,000		Cash	50,000	Add Surplus 1,52,960	2,14,960	Investments	8,000			Interest accrued on investments	160			Sports Equipment	59,000			Books	40,000		2,62,160		2,62,160	Liabilities	Amount (₹)	Assets	Amount (₹)	Subscriptions received in advance	25,000	Outstanding Subscriptions	60,000	Capital Fund	62,000	Stock of Stationery	3,000			Cash	20,000			Furniture	4,000		87,000		87,000
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14	15	13	<p>Q. Girija, Yatin and Zubin Zubin's Executors Account till he is finally paid.</p>																																																																																								

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

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

=
4+2
=
6 marks

Ans. Dr.			Zubin's Executors Account			Cr.	
Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)		
2015 Aug 1 2016 March 31	To Bank A/c	10,300	2015 Aug 1 2016 March 31	By Zubin's Capital A/c	90,300		
	To Balance c/d	83,200		By Interest accrued	3,200		
		93,500			93,500		
2017 Mar 31	To Bank A/c	48,000	2016 Apr 1 2017 Mar 31	By Balance b/d	83,200		
"	To Balance c/d	40,000		By Interest	4,800		
		88,000			88,000		
2018 Mar 31	To Bank A/c	42,400	2017 Apr 1 2018 Mar 31	By Balance b/d	40,000		
				By Interest	2,400		
		42,400			42,400		

2 marks

2 marks

2 marks

=
6 marks

OR

Ans. Dr.			Zubin's Executors Account			Cr.	
Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)		
2015 Aug 1 2016 March 31	To Bank A/c	10,300	2015 Aug 1	By Zubin's Capital A/c	90,300		
"	To Bank A/c	3,200	2016 Mar 31	By Interest	3,200		
	To Balance c/d	80,000					
		93,500			93,500		
2017 Mar 31	To Bank A/c	44,800	2016 Apr 1 2017 Mar 31	By Balance b/d	80,000		
"	To Balance c/d	40,000		By Interest	4,800		
		88,800			88,800		
2018 Mar 31	To Bank A/c	42,400	2017 Apr 1 2018 Mar 31	By Balance b/d	40,000		
				By Interest	2,400		
		42,400			42,400		

2 marks

2 marks

2 marks
=
6 marks

OR

Ans. Dr.			Zubin's Executors Account			Cr.	
Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)		
2015 Aug 1 2016 March 31	To Bank A/c	10,300	2015 Aug 1 2016 Mar 31	By Zubin's Capital A/c	90,300		
	To Balance c/d	83,200		By Interest accrued	3,200		
		93,500			93,500		
2017 Mar 31	To Bank A/c	48,192	2016 Apr 1	By Balance b/d	83,200		

OR

2 marks

			<table><tr><td>“</td><td>To Balance c/d</td><td>40,000</td><td>2017 Mar 31</td><td>By Interest</td><td>4,992</td></tr><tr><td></td><td></td><td>88,192</td><td></td><td></td><td>88,192</td></tr><tr><td>2018 Mar 31</td><td>To Bank A/c</td><td>42,400</td><td>2017 Apr 1 2018 Mar 31</td><td>By Balance b/d</td><td>40,000</td></tr><tr><td></td><td></td><td></td><td></td><td>By Interest</td><td>2,400</td></tr><tr><td></td><td></td><td>42,400</td><td></td><td></td><td>42,400</td></tr></table>	“	To Balance c/d	40,000	2017 Mar 31	By Interest	4,992			88,192			88,192	2018 Mar 31	To Bank A/c	42,400	2017 Apr 1 2018 Mar 31	By Balance b/d	40,000					By Interest	2,400			42,400			42,400	<table><tr><td>2 marks</td></tr><tr><td>2 marks</td></tr><tr><td>=</td></tr><tr><td>6 marks</td></tr></table>	2 marks	2 marks	=	6 marks
“	To Balance c/d	40,000	2017 Mar 31	By Interest	4,992																																	
		88,192			88,192																																	
2018 Mar 31	To Bank A/c	42,400	2017 Apr 1 2018 Mar 31	By Balance b/d	40,000																																	
				By Interest	2,400																																	
		42,400			42,400																																	
2 marks																																						
2 marks																																						
=																																						
6 marks																																						
15	13	14	Q. Sonu and Rajat started a partnership firm ... books of Sonu and Rajat.			<table><tr><td>½ mark</td></tr><tr><td>½ mark</td></tr><tr><td>½ mark</td></tr><tr><td>½ mark</td></tr><tr><td>½ mark</td></tr><tr><td>½ mark</td></tr><tr><td>½ mark</td></tr><tr><td>1 mark</td></tr></table>	½ mark	½ mark	½ mark	½ mark	½ mark	½ mark	½ mark	1 mark																								
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½ mark																																						
½ mark																																						
1 mark																																						
Ans.			Journal																																			
	Date	Particulars	Dr. (₹)	Cr. (₹)																																		
		Profit and Loss A/c Dr. To Profit and Loss Appropriation A/c (Being profit transferred from Profit and Loss A/c to Profit and Loss Appropriation A/c)	4,89,950	4,89,950																																		
		Partner's Salary A/c Dr. To Sonu's Capital A/c (Being salary credited to Sonu's Capital A/c)	2,40,000	2,40,000																																		
		Profit and Loss Appropriation A/c Dr. To Partner's Salary A/c (Being salary transferred to Profit and Loss Appropriation A/c)	2,40,000	2,40,000																																		
		Partner's Commission A/c Dr. To Rajat's Capital A/c (Being commission credited to Rajat's Capital A/c)	1,00,000	1,00,000																																		
		Profit and Loss Appropriation A/c Dr. To Partner's Commission A/c (Being salary transferred to Profit and Loss Appropriation A/c)	1,00,000	1,00,000																																		
		Interest on Capital A/c Dr. To Sonu's Capital A/c To Rajat's Capital A/c (Being interest on capital credited to Partners' Capital A/c)	1,12,000	64,000 48,000																																		
		Profit and Loss Appropriation A/c Dr. To Interest on Capital A/c (Being Interest on Capital transferred to Profit and Loss Appropriation A/c)	1,12,000	1,12,000																																		
		Sonu's Capital A/c Dr. Rajat's Capital A/c Dr. To Interest on Drawings A/c (Being Interest on drawings charged)	400 1,650	2,050																																		

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

½ mark

1 mark

=
6 marks

Note: If a combined entries has been passed for Partner's commission, Partner's salary, Interest on Capital and Interest on Drawings, no mark is to be deducted.

OR

Q. Jay, Vijay and Karan.... For the year ended 31st March 2018

Ans.

Dr. Profit and Loss Appropriation A/c for the year ended 31st March 2018

Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To salary		By Net Profit	15,00,000
Jay's Capital A/c 1,80,000		By Jay's Capital A/c	
Vijay's Capital A/c 1,80,000	3,60,000	(2,00,000 – 1,75,000)/	
		Deficiency in guaranteed	25,000
		fees	
To Profit transferred to:			
Jay's Capital A/c 4.66,000			
- guarantee to Karan	3,05,800		
(1,60,200)			
Vijay's Capital A/c 4,66,000	3,59,200		
- guarantee to Karan(1,06,800)			
Karan's Capital A/c 2,33,000	5,00,000		
Add guarantee 2,67,000			
	15,25,000		15,25,000

½ mark
for each
correct
item

=
½ x 6
= 3 marks

+

Dr. Partners' Capital Accounts Cr.

Particulars	Jay (₹)	Vijay (₹)	Karan (₹)	Particulars	Jay (₹)	Vijay (₹)	Karan (₹)
To P/L	25,000	-	-	By salary	1,80,000	1,80,000	--
Appr. A/c				By P/L			
To	4,60,800	5,39,200	5,00,000	Appropriation	3,05,800	3,59,200	5,00,000
balance				A/c- Profit			
c/d							
	4,85,800	5,39,200	5,00,000		4,85,800	5,39,200	5,00,000

1 mark for
each
correct
Capital A/c

=
1 x 3
= 3 marks
=

In case, the candidate has prepared the Partners Capital accounts considering the guarantee in any other way and the closing balances in their Capital Accounts are

			same as indicated above, full credit be given.	3+3 = 6 marks																												
16	17	16	<p>Q. DF Ltd. was registered ... the necessary Journal entries in the books of DF Ltd.</p> <p>Ans. Journal of DF Ltd.</p> <table><tr><th>Date</th><th>Particulars</th><th>Dr. (₹)</th><th>Cr. (₹)</th></tr><tr><td></td><td>Bank A/c Dr. To Equity Share Application A/c (Being application money received on 70,000 shares)</td><td>2,10,000</td><td>2,10,000</td></tr><tr><td></td><td>Equity Share Application A/c Dr. To Equity Share Capital A/c To Securities premium reserve A/c To Equity Share Allotment A/c To Bank A/c (Being application money transferred to share capital, securities premium reserve, share allotment and the balance refunded)</td><td>2,10,000</td><td>1,00,000 50,000 15,000 45,000</td></tr><tr><td></td><td>Equity Share Allotment A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being Allotment money due on 50,000 shares)</td><td>1,50,000</td><td>1,00,000 50,000</td></tr><tr><td></td><td>Bank A/c Dr. To Equity Share Allotment A/c (Being allotment money received) OR Bank A/c Dr. Calls in arrears A/c Dr. To Equity Share Allotment A/c (Being allotment money received)</td><td></td><td></td></tr><tr><td></td><td>Equity Share First call A/c Dr. To Equity Share Capital A/c (Being First call money due on 50,000 shares)</td><td>1,50,000</td><td>1,50,000</td></tr><tr><td></td><td>Bank A/c Dr. To Equity Share First call A/c (Being first call money received) OR Bank A/c Dr. Calls in arrears A/c Dr. To Equity Share First call A/c (Being first call money received</td><td>1,20,000 1,20,000 30,000</td><td>1,20,000 1,50,000</td></tr></table> <p style="text-align: center;">OR</p>	Date	Particulars	Dr. (₹)	Cr. (₹)		Bank A/c Dr. To Equity Share Application A/c (Being application money received on 70,000 shares)	2,10,000	2,10,000		Equity Share Application A/c Dr. To Equity Share Capital A/c To Securities premium reserve A/c To Equity Share Allotment A/c To Bank A/c (Being application money transferred to share capital, securities premium reserve, share allotment and the balance refunded)	2,10,000	1,00,000 50,000 15,000 45,000		Equity Share Allotment A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being Allotment money due on 50,000 shares)	1,50,000	1,00,000 50,000		Bank A/c Dr. To Equity Share Allotment A/c (Being allotment money received) OR Bank A/c Dr. Calls in arrears A/c Dr. To Equity Share Allotment A/c (Being allotment money received)				Equity Share First call A/c Dr. To Equity Share Capital A/c (Being First call money due on 50,000 shares)	1,50,000	1,50,000		Bank A/c Dr. To Equity Share First call A/c (Being first call money received) OR Bank A/c Dr. Calls in arrears A/c Dr. To Equity Share First call A/c (Being first call money received	1,20,000 1,20,000 30,000	1,20,000 1,50,000	<p>3marks</p> <p>2 marks</p> <p>3 marks</p> <p>-</p> <p>-</p> <p>-</p> <p>=</p> <p>8 marks</p> <p>OR</p>
Date	Particulars	Dr. (₹)	Cr. (₹)																													
	Bank A/c Dr. To Equity Share Application A/c (Being application money received on 70,000 shares)	2,10,000	2,10,000																													
	Equity Share Application A/c Dr. To Equity Share Capital A/c To Securities premium reserve A/c To Equity Share Allotment A/c To Bank A/c (Being application money transferred to share capital, securities premium reserve, share allotment and the balance refunded)	2,10,000	1,00,000 50,000 15,000 45,000																													
	Equity Share Allotment A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being Allotment money due on 50,000 shares)	1,50,000	1,00,000 50,000																													
	Bank A/c Dr. To Equity Share Allotment A/c (Being allotment money received) OR Bank A/c Dr. Calls in arrears A/c Dr. To Equity Share Allotment A/c (Being allotment money received)																															
	Equity Share First call A/c Dr. To Equity Share Capital A/c (Being First call money due on 50,000 shares)	1,50,000	1,50,000																													
	Bank A/c Dr. To Equity Share First call A/c (Being first call money received) OR Bank A/c Dr. Calls in arrears A/c Dr. To Equity Share First call A/c (Being first call money received	1,20,000 1,20,000 30,000	1,20,000 1,50,000																													

Q. EF Ltd. calls in arrears account wherever required.				
Ans. Journal of EF Ltd.				
Date	Particulars	Dr. (₹)	Cr. (₹)	
	Bank A/c Dr. To Equity Share Application A/c (Being application money received on 1,20,000 shares)	24,00,000	24,00,000	½ mark
	Equity Share Application A/c Dr. To Equity Share Capital A/c To Securities premium reserve A/c To Equity Share Allotment A/c To Bank A/c (Being application money transferred to share capital, securities premium reserve, share allotment and the balance refunded)	24,00,000	12,00,000 4,00,000 4,00,000 4,00,000	1 mark
	Equity Share Allotment A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being Allotment money due on 80,000 shares)	12,00,000	8,00,000 4,00,000	½ mark
	Bank A/c Dr. Calls in arrears A/c Dr. To Equity Share Allotment A/c (Being allotment money received)	7,60,000 40,000	8,00,000	1 mark
	Equity Share First call A/c Dr. To Equity Share Capital A/c (Being First call money due on 80,000 shares)	12,00,000	12,00,000	½ mark
	Bank A/c Dr. Calls in arrears A/c (First call) Dr. To Equity Share First call A/c To Calls in Arrears A/c (Allotment) (Being first call money received)	12,10,000 30,000	12,00,000 40,000	1 ½ marks
	Equity Share Capital A/c Dr. To Share Forfeiture A/c To Calls in Arrears A/c (Being Sahaj's shares forfeited for non payment of first call)	80,000	50,000 30,000	1 mark
	Bank A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being Sahaj's shares reissued for ₹60 per share)	1,20,000	1,00,000 20,000	1 mark
	Share Forfeiture A/c Dr. To Capital Reserve A/c (Being balance in Share forfeiture account transferred to capital reserve)	50,000	50,000	1 mark
Note: In case a candidate has attempted one or both the alternatives and struck off one or both of them, both the answers may be evaluated and the answer in which the candidate has secured more marks may be retained.				= 8 marks

17	16	17	<p>Q. Akul, Bakul and Chandan of the reconstituted firm.</p> <p>Ans.</p> <p>Dr.</p> <table><tr><th colspan="4">Revaluation A/c</th><th colspan="2">Cr.</th></tr><tr><th>Particulars</th><th>Amount (₹)</th><th>Particulars</th><th>Amount (₹)</th><th></th><th></th></tr><tr><td>To Provision for doubtful debts</td><td>7,000</td><td>By Plant and Machinery</td><td>20,000</td><td></td><td></td></tr><tr><td>To Furniture</td><td>3,000</td><td></td><td></td><td></td><td></td></tr><tr><td>To Profit transferred to:</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Akul's Capital A/c</td><td>4,000</td><td></td><td></td><td></td><td></td></tr><tr><td>Bakul's Capital A/c</td><td>4,000</td><td></td><td></td><td></td><td></td></tr><tr><td>Chandan's Capital A/c</td><td>2,000</td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>10,000</td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>20,000</td><td></td><td></td><td></td><td>20,000</td></tr></table> <p>In case, the student has calculated 'Provision for doubtful debts' correctly, full credit is to be given.</p> <p>Dr.</p> <table><tr><th colspan="8">Partners Capital Accounts</th><th colspan="3">Cr.</th></tr><tr><th>Particulars</th><th>Akul (₹)</th><th>Bakul (₹)</th><th>Chandan (₹)</th><th>Particulars</th><th>Akul (₹)</th><th>Bakul (₹)</th><th>Chandan (₹)</th><th></th><th></th><th></th></tr><tr><td>To Bakul Capital A/c</td><td>80,000</td><td>-</td><td>40,000</td><td>By balance b/d</td><td>1,60,000</td><td>1,20,000</td><td>92,000</td><td></td><td></td><td></td></tr><tr><td>To Bakul loan A/c</td><td>-</td><td>2,52,000</td><td>-</td><td>By General Reserve</td><td>8,000</td><td>8,000</td><td>4,000</td><td></td><td></td><td></td></tr><tr><td>To balance c/d</td><td>92,000</td><td></td><td>58,000</td><td>By Revaluation A/c</td><td>4,000</td><td>4,000</td><td>2,000</td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td>By Akul Capital A/c</td><td>-</td><td>80,000</td><td>-</td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td>By Chandan Capital A/c</td><td>-</td><td>40,000</td><td>-</td><td></td><td></td><td></td></tr><tr><td></td><td>1,72,000</td><td>2,52,000</td><td>98,000</td><td></td><td>1,72,000</td><td>2,52,000</td><td>98,000</td><td></td><td></td><td></td></tr><tr><td>To Bank A/c</td><td>-</td><td>-</td><td>8,000</td><td>By balance b/d</td><td>92,000</td><td>-</td><td>58,000</td><td></td><td></td><td></td></tr><tr><td>To balance c/d</td><td>1,00,000</td><td>-</td><td>50,000</td><td>By Bank A/c</td><td>8,000</td><td>-</td><td>-</td><td></td><td></td><td></td></tr><tr><td></td><td>1,00,000</td><td>-</td><td>58,000</td><td></td><td>1,00,000</td><td>-</td><td>58,000</td><td></td><td></td><td></td></tr></table> <p>Note: If the candidate has not extended the Capital Accounts but done the Capital Adjustment correctly, full credit be given.</p> <p>Balance Sheet of the reconstituted firm as on 31st March 2018</p> <table><tr><th>Liabilities</th><th>Amount (₹)</th><th>Assets</th><th>Amount (₹)</th></tr><tr><td>Sundry Creditors</td><td>45,000</td><td>Cash at bank</td><td>42,000</td></tr><tr><td>Employees Provident Fund</td><td>13,000</td><td>Debtors</td><td>60,000</td></tr><tr><td>Bakul's Loan</td><td>2,52,000</td><td>Less Provision for doubtful debts</td><td>9,000</td></tr><tr><td>Capitals</td><td></td><td>Stock</td><td>51,000</td></tr><tr><td>Akul</td><td>1,00,000</td><td>Furniture</td><td>80,000</td></tr><tr><td>Chandan</td><td>50,000</td><td>Plant and Machinery</td><td>87,000</td></tr><tr><td></td><td>1,50,000</td><td></td><td>2,00,000</td></tr><tr><td></td><td>4,60,000</td><td></td><td>4,60,000</td></tr></table> <p>OR</p> <p>Q. Sanjana and Alok are partners Nidhi's admission.</p> <p>Ans.</p> <p>Dr.</p> <table><tr><th colspan="2">Revaluation A/c</th><th colspan="2">Cr.</th></tr><tr><th>Particulars</th><th>Amount (₹)</th><th>Particulars</th><th>Amount (₹)</th></tr></table>	Revaluation A/c				Cr.		Particulars	Amount (₹)	Particulars	Amount (₹)			To Provision for doubtful debts	7,000	By Plant and Machinery	20,000			To Furniture	3,000					To Profit transferred to:						Akul's Capital A/c	4,000					Bakul's Capital A/c	4,000					Chandan's Capital A/c	2,000						10,000						20,000				20,000	Partners Capital Accounts								Cr.			Particulars	Akul (₹)	Bakul (₹)	Chandan (₹)	Particulars	Akul (₹)	Bakul (₹)	Chandan (₹)				To Bakul Capital A/c	80,000	-	40,000	By balance b/d	1,60,000	1,20,000	92,000				To Bakul loan A/c	-	2,52,000	-	By General Reserve	8,000	8,000	4,000				To balance c/d	92,000		58,000	By Revaluation A/c	4,000	4,000	2,000								By Akul Capital A/c	-	80,000	-								By Chandan Capital A/c	-	40,000	-					1,72,000	2,52,000	98,000		1,72,000	2,52,000	98,000				To Bank A/c	-	-	8,000	By balance b/d	92,000	-	58,000				To balance c/d	1,00,000	-	50,000	By Bank A/c	8,000	-	-					1,00,000	-	58,000		1,00,000	-	58,000				Liabilities	Amount (₹)	Assets	Amount (₹)	Sundry Creditors	45,000	Cash at bank	42,000	Employees Provident Fund	13,000	Debtors	60,000	Bakul's Loan	2,52,000	Less Provision for doubtful debts	9,000	Capitals		Stock	51,000	Akul	1,00,000	Furniture	80,000	Chandan	50,000	Plant and Machinery	87,000		1,50,000		2,00,000		4,60,000		4,60,000	Revaluation A/c		Cr.		Particulars	Amount (₹)	Particulars	Amount (₹)	<p>$\frac{1}{2}$ mark for each amount = $\frac{1}{2} \times 4$ = 2 marks</p> <p>1 mark for each capital A/c + 1 mark for capital adjustment = 3+1 = 4 marks</p> <p>1 mark for correct assets side + 1 mark for correct liability side = 2 marks = 2+4+2 = 8 marks</p> <p>OR</p>
Revaluation A/c				Cr.																																																																																																																																																																																																																																	
Particulars	Amount (₹)	Particulars	Amount (₹)																																																																																																																																																																																																																																		
To Provision for doubtful debts	7,000	By Plant and Machinery	20,000																																																																																																																																																																																																																																		
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Bakul's Capital A/c	4,000																																																																																																																																																																																																																																				
Chandan's Capital A/c	2,000																																																																																																																																																																																																																																				
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Particulars	Akul (₹)	Bakul (₹)	Chandan (₹)	Particulars	Akul (₹)	Bakul (₹)	Chandan (₹)																																																																																																																																																																																																																														
To Bakul Capital A/c	80,000	-	40,000	By balance b/d	1,60,000	1,20,000	92,000																																																																																																																																																																																																																														
To Bakul loan A/c	-	2,52,000	-	By General Reserve	8,000	8,000	4,000																																																																																																																																																																																																																														
To balance c/d	92,000		58,000	By Revaluation A/c	4,000	4,000	2,000																																																																																																																																																																																																																														
				By Akul Capital A/c	-	80,000	-																																																																																																																																																																																																																														
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	1,72,000	2,52,000	98,000		1,72,000	2,52,000	98,000																																																																																																																																																																																																																														
To Bank A/c	-	-	8,000	By balance b/d	92,000	-	58,000																																																																																																																																																																																																																														
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Dr. Partners Capital Accounts				Cr.																																																																								
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			<table><tr><td colspan="4">Balance Sheet of the reconstituted firm as on 31st March 2018</td></tr><tr><td>Liabilities</td><td>Amount (₹)</td><td>Assets</td><td>Amount (₹)</td></tr><tr><td>Creditors</td><td>60,000</td><td>Cash at bank</td><td>6,66,000</td></tr><tr><td>Capitals:</td><td></td><td>Debtors</td><td>1,46,000</td></tr><tr><td>Sanjana</td><td>5,40,000</td><td>Less Provision for doubtful debts</td><td><u>2,000</u></td></tr><tr><td>Alok</td><td>3,60,000</td><td></td><td>1,44,000</td></tr><tr><td>Nidhi</td><td><u>3,00,000</u></td><td>Stock</td><td>1,80,000</td></tr><tr><td></td><td>12,00,000</td><td>Furniture</td><td>2,70,000</td></tr><tr><td></td><td>12,60,000</td><td></td><td>12,60,000</td></tr></table>	Balance Sheet of the reconstituted firm as on 31st March 2018				Liabilities	Amount (₹)	Assets	Amount (₹)	Creditors	60,000	Cash at bank	6,66,000	Capitals:		Debtors	1,46,000	Sanjana	5,40,000	Less Provision for doubtful debts	<u>2,000</u>	Alok	3,60,000		1,44,000	Nidhi	<u>3,00,000</u>	Stock	1,80,000		12,00,000	Furniture	2,70,000		12,60,000		12,60,000	$\frac{1}{2} \times 6$ = 3 marks = 2+3+3 = 8 marks																																				
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18	-	-	<table><tr><td colspan="3">Q. Mevo Finance LtdInvesting Activities.</td></tr><tr><td colspan="3">Ans. Cash Flows from Investing activities</td></tr><tr><td>Particulars</td><td>Amount (₹)</td><td>Amount (₹)</td></tr><tr><td>Sale of Machinery</td><td>69,000</td><td></td></tr><tr><td>Purchase of machinery</td><td><u>(9,00,000)</u></td><td></td></tr><tr><td>Net Cash used in Investing Activities</td><td></td><td>(8,31,000)</td></tr></table>	Q. Mevo Finance LtdInvesting Activities.			Ans. Cash Flows from Investing activities			Particulars	Amount (₹)	Amount (₹)	Sale of Machinery	69,000		Purchase of machinery	<u>(9,00,000)</u>		Net Cash used in Investing Activities		(8,31,000)	1 mark																																																						
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19	-	-	<table><tr><td colspan="2">Q. State the meaning of 'Cash Equivalents'.</td></tr><tr><td colspan="2">Ans. Cash Equivalents mean short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.</td></tr></table>	Q. State the meaning of 'Cash Equivalents'.		Ans. Cash Equivalents mean short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.		1 mark																																																																				
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20	21	22	<p>Q. Explain briefly any four objectives of ‘Analysis of Financial Statements’.</p> <p>Ans. Objectives of ‘Financial Statements Analysis’: (Any four)</p> <p>(i) Assessing the earning capacity or profitability (ii) Assessing the managerial efficiency (iii) Assessing the short term and the long-term solvency of the enterprise (iv) Inter- firm comparison. (v) Forecasting and preparing budgets. (vi) Ascertaining the relative importance of different components of the financial position of the firm.</p> <p>(If the candidate has not given the headings but has given the correct explanation, full credit may be given)</p> <p style="text-align: center;">OR</p> <p>Q. State under which major headings and sub-headingsdeveloped by the company.</p> <p>Ans.</p> <table><tr><td></td><td>Item</td><td>Head</td><td>Sub-Head</td></tr><tr><td>(i)</td><td>Prepaid Insurance</td><td>Current Assets</td><td>Other Current Assets</td></tr><tr><td>(ii)</td><td>Investment in Debentures</td><td>Non Current Assets</td><td>Non Current Investments</td></tr><tr><td>(iii)</td><td>Calls-in-arrears</td><td>Shareholders’ Funds</td><td>Share Capital/ Subscribed Capital</td></tr><tr><td>(iv)</td><td>Unpaid dividend</td><td>Current Liabilities</td><td>Other Current Liabilities</td></tr><tr><td>(v)</td><td>Capital Reserve</td><td>Shareholders’ Funds</td><td>Reserves and Surplus</td></tr><tr><td>(vi)</td><td>Loose Tools</td><td>Current Assets</td><td>Inventories</td></tr><tr><td>(vii)</td><td>Capital work-in-progress</td><td>Non Current Assets</td><td>Fixed Assets</td></tr><tr><td>(viii)</td><td>Patents being developed by the company</td><td>Non Current Assets</td><td>Fixed Assets- Intangible Assets under development</td></tr></table>		Item	Head	Sub-Head	(i)	Prepaid Insurance	Current Assets	Other Current Assets	(ii)	Investment in Debentures	Non Current Assets	Non Current Investments	(iii)	Calls-in-arrears	Shareholders’ Funds	Share Capital/ Subscribed Capital	(iv)	Unpaid dividend	Current Liabilities	Other Current Liabilities	(v)	Capital Reserve	Shareholders’ Funds	Reserves and Surplus	(vi)	Loose Tools	Current Assets	Inventories	(vii)	Capital work-in-progress	Non Current Assets	Fixed Assets	(viii)	Patents being developed by the company	Non Current Assets	Fixed Assets- Intangible Assets under development	<p>½ mark for heading + ½ mark for its explanation = 1 x 4 = 4 marks</p> <p style="text-align: center;">OR</p> <p>½ x 8 = 4 marks</p>
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21	22	21	<p>(a) Calculate Revenue from operations 25% on cost.</p> <p>Ans. Current ratio =2:1 and Current assets = ₹8,00,000 Current ratio = Current Assets/ Current Liabilities=2:1 Therefore, Current Liabilities =₹4,00,000</p> <p>Quick ratio = Quick Assets/ Current Liabilities=1.5:1 Therefore, Quick Assets =₹6,00,000</p>																																					

		<p>Inventory= Current Assets - Quick Assets =₹8,00,000 - ₹6,00,000 =₹2,00,000</p> <p>Inventory Turnover Ratio=6 times Cost of Revenue from operations/ Average Inventory = 6 times Cost of Revenue from operations/ ₹2,00,000 = 6 Cost of Revenue from operations =₹12,00,000 Gross Profit is 25% on cost =25% of ₹12,00,000 =₹3,00,000 So, Revenue from operations = ₹12,00,000 +₹3,00,000 = ₹15,00,000</p> <p>(b) The Operating ratio of a company is 60%. State whether ‘Purchase of goods costing ₹20,000’ will increase, decrease or not change the operating ratio.</p> <p>Ans. ‘Purchase of goods costing ₹20,000’ will not change the operating ratio.</p> <p style="text-align: center;">OR</p> <p>Q. Calculate ‘Total Assets to Debt.....</p> <p>Ans. Total Assets= Total Liabilities= Equity Share Capital + Long Term borrowings + Surplus +General reserve + Current Liabilities + Long term Provisions =₹4,00,000 + ₹1,80,000 + ₹1,00,000 + ₹70,000 + ₹30,000 + ₹1,20,000 =₹9,00,000</p> <p>Debt= Long Term borrowings+ Long term Provisions = ₹1,80,000 + ₹1,20,000 = ₹3,00,000</p> <p>Total assets to debt Ratio= Total assets/ debt =₹9,00,000/₹3,00,000 =3:1</p> <p>(b) The Debt Equity ratio..... Debt Equity Ratio.</p> <p>Ans. Issue of bonus Shares will not change the ratio.</p>	<p>3 marks</p> <p>+</p> <p>1 mark =</p> <p>4 marks</p> <p>OR</p> <p>3 marks</p> <p>+</p> <p>1 mark =</p> <p>4 marks</p>	
22	-	-	<p>Q. From the following information extracted from the Statement of Profit and Loss for....</p>	

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

			<p>with adulterations, if any, the software displays all entries along with the name of the auditor user and date and time of alteration.</p> <p>(iii) <u>Data vault</u>:</p> <p>Software provides additional security for the imputed data and this feature is referred as data vault. Data vault ensures that original information is presented and is not tempered. Data vault password cannot be broken. Some software uses data encryption method. 4 marks</p>	<p>=</p> <p>4 marks</p>
21	22	21	<p>Q. Explain “Null Values and Complex attributes”.</p> <p>Ans. Null Values: Absence of data item is represented by a special value called Null Value. There are three situations which may require the use of null value.</p> <ul style="list-style-type: none"> - When a particular attribute does not apply to an entity. - Value of an attribute is unknown, although it exist; - Unknown because it does not exist. <p>Complex Attributes: The composite and multi value attributes may be nested (or grouped) to constitute complex ones. The parenthesis [] are used for showing grouping of components of composite attributes. The braces { } are used for showing the multi value attributes.</p> <p style="text-align: center;">OR</p> <p>Q. Explain closing entries and adjusting entries.</p> <p>Ans. Closing entry: The closing entries for completing the profit and loss account are:</p> <p>(i) Debit profit and loss account. Credit the various expenses account appearing in the Trail Balance.</p> <p>(a) Debit account showing incomes or gains Credit the profit and loss account.</p> <p>This will close the profit and loss account. <u>Entries required to make the trading account and profit and loss account are known as closing entries because their effect is to close the books of account for the year concerned.</u></p> <p>Adjusting Entry: The Adjusting entry is recorded to relate the figures to the trading period. Suppose, premises have been sublet on March 31, and three months’ rent, has been received in advance amounting to Rs. 9000. While preparing accounts up to 31st March, one should take into account only one month’s rent for preparing the profit and loss account (accounting period concept); the rest two month’s rent, already received is for the next year and will be credited to profit and loss account next year. The adjusting entry will be:</p> <p style="text-align: center;">Rent Account Dr To Advance Rent Account</p> <p>Rent Received in advance Account is a ‘Liability’ and is shown in the balance sheet.</p>	<p>2 marks</p> <p>+</p> <p>2 marks</p> <p>=</p> <p>4 marks</p> <p>OR</p> <p>2 marks</p> <p>+</p> <p>2 marks</p> <p>=</p> <p>4 marks</p>

22	21	22	<p>Q. Explain ‘Transparency control’ and ‘Scalability’ as....</p> <p>Ans. <u>Transparency and control</u> CAS provides sufficient time to plan, increases data accessibility and enhances user satisfaction. With computerised accounting, the organisation will have greater transparency for day to day business operations and access to the vital information.</p> <p>Scalability CAS enables in changing the volume of data processing in tune with the change in the size of the business. The software can be used for any size the business and type of the organisation.</p> <p style="text-align: center;">OR</p> <p>Q. Explain ‘Payroll Accounting Subsystem’ and ‘ Costing Subsystem’.</p> <p>Ans. <u>Payroll Accounting Sub-system</u> It deals with payment of wages and salary to employees. A typical was report details information about basic pay, dearness. Allowance, and other allowances and deductions from salary and wages on account of provident fund, taxes, loans, advances and other charges. The system generates reports about wage bill, overtime payment and payment on account of leave encashment, etc.</p> <p><u>Costing Sub-system</u> It deals with the ascertainment of cost of goods produced. It has linkages with other accounting Sub-systems for obtaining the necessary information about cost of material, labour, and other expenses. This system generates information about changes in the cost that takes place during the period under review.</p>	<p>2 marks</p> <p style="text-align: center;">+</p> <p>2 marks</p> <p style="text-align: center;">=</p> <p>4 marks</p> <p style="text-align: center;">OR</p> <p>2 marks</p> <p style="text-align: center;">+</p> <p>2 marks</p> <p style="text-align: center;">=</p> <p>4 marks</p>
23	23	23	<p>Q. Name and explain the function which returns the future value of an investment which has constant payment and interest.</p> <p>Ans. PMT The PMT function calculates the periodic payment for an annuity assuming equal payments and a constant rate of interest. The syntax of PMT function is as follows: =PMT (rate, nper, pv, [fv], [type]) where Rate is the interest rate per period, Nper is the number of periods, Pv is the present value or the amount the future payments are worth presently, future value or cash balance that after the last payment is made (a future value of zero when we omit this optional argument) Type is the value 0 for payments made at the end of the period or the value 1 for payments made at the beginning of the period. The PMT function is often used to calculate the payment for mortgage loans that have a fixed rate of interest.</p>	<p>6 marks</p>