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Senior School Certificate Examination

March -2014-15

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

General Instructions:-

1. The Marking scheme provides general guidelines to reduce subjectivity in the marking. The answers given in the marking scheme are suggested answers. The content is thus indicative. If a student has given any other answer which is different from the one given in the marking scheme but conveys the same meaning, such answers should be given full weightage.

2. 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.

3. 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.

4. 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.

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

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

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

8. 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.

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

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

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

12. In compliance to the judgment of the Hon'ble Supreme Court of India, Board has decided to provide photocopy of the answer book(s) to the candidates who will apply for it along with the requisite fee from 2012 examination. Therefore, it is all the more important that the evaluation is done strictly as per the value points given in the marking scheme so that the Board could be in a position to defend the evaluation at any forum.

13. In the light of the above judgment instructions have been incorporated in the guidelines for Centre Superintendents to ensure that the answer books of all the appeared candidates have been sent to the Board's office and in the Guidelines for spot evaluation for the Examiners that they have to evaluate the answer books strictly in accordance with the value points given in the marking scheme and the correct set of the question paper. The examiner(s) shall also have to certify this.

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

15. In the past it has been observed that the following are the common types of errors committed by the Examiners-.
    - 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.

16. 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.

17. 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.

18. The Examiners should acquaint themselves with the guidelines given in the Guidelines for Spot Evaluation before starting the actual evaluation.
19. Every Examiner shall also ensure that all the answers are evaluated, marks carried over to the title page, correctly totaled and written in figures and words.

Q. Set No.			Marking Scheme 2014-15 Accountancy (055) **Foreign – 67/2/1** Expected Answers / Value points	Distribution of marks
67/ 2/1	67/ 2/2	67/ 2/3		
1	6	6	**Q. In the absence of.................. is charged.** **Ans.** (iv) no interest is charged.	**1 Mark**
2	5	5	**Q. Kamal and Vimal...........................correct treatment.** **Ans.** No, the accountant's didn't give correct treatment. **Reason:** As credit balance in Profit and Loss Account indicates undistributed profits. It should have been credited to Kamal and Vimal's Capital Account. **Alternate Solution:** **Journal** Date | Particulars | LF | Dr (₹) | Cr (₹) Profit & Loss A/c Dr. 10,000 To Kamal's Capital Account 6,000 To Vimal's Capital A/c 4,000 (Being adjustment entry made)	**1 Mark**
3	1	4	**Q. Anurag and Bhawana ....partnership.** **Ans.** Anurag's Sacrifice = 3/10 x ½ = 3/20 Bhawana's Sacrifice = 3/10 x ½ = 3/20 } 1/2 Anurag's old share = 4/10 + 3/20 = 11/20 Bhawana's old share = 3/10 + 3/20 = 9/20 } 1/2 **Anurag and Bhawana's profit sharing ratio = 11:9**	**1 Mark**
4	2	3	**Q. Deepak, Farukh and Lilly.........................of Farukh.** **Ans.** **(b)** Credited to the Capital Accounts of all partners in their profit sharing ratio.	**1 Mark**
5	3	2	**Q. Give the..................................... forfeiture of share.** **Ans.** Forfeiture of shares means cancellation of shares and treating as forfeited the amount actually received. **[or any other suitable meaning]**	**1 Mark**
6	4	1	**Q. 'Samta Limited' invited..........................applications was.** **Ans.** (iv) ₹ 22,875	**1 Mark**
7	-	-	**Q. State any three.......................can be utilized.** **Ans.** The amount received as securities premium can be used other than 'buy back of shares' for the following purposes :	**1 Mark each**

- In writing off the preliminary expenses of the company.
- For writing off the expenses, commission or discount allowed on issue of shares or debentures of the company.
- For providing the premium payable on redemption of redeemable preference shares or debentures of the company.
- For issuing Bonus Shares.

= 3 Marks

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8 | - | -

Q. A and B ....error.
Ans.

Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)
2014 Apr. 1	B's Capital A/c Dr. To A's Capital A/c (Being interest on capital and salary omitted, now adjusted)		5,280	5,280

2

Working Notes:
Calculation of Opening Capital :

	A (₹)	B(₹)
Closing Capitals	60,000	20,000
Less: Profits	(48,000)	(32,000)
Add: Drawings	10,000	20,000
Opening Capitals	22,000	8,000

1

Interest on Capital of A = 22,000 X 12/100 = 2,640
Interest on Capital of B = 8,000 X 12/100 = 960

= 3 marks

Table Showing Adjustment

	A	B	Total
Interest on Capital (Cr.)	2,640	960	3,600
Salary to Partner (Cr.)	12,000		12,000
Profit to be Recovered (Dr.)	9.360	6,240	15,600
Adjustment	5,280 Cr.	5,280 Dr.	

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9 | 10 | 9

Q. 'Telecom Ltd...........................Companies Act, 1956.
Ans.

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

Particulars	Note No.	Amount Current year	Amount Previous year
EQUITY & LIABILITIES **I** Shareholder's funds : a) Share Capital	1	9,96,000	

1

Notes to Accounts :

Particulars			₹
(1) Share Capital			
Authorised Capital :			
80,00,000 equity shares of ₹ 10 each			8,00,00,000
Issued Capital			
1,00,000 equity shares of ₹ 10 each			10,00,000
Subscribed and fully paid			
99,000 equity shares of ₹ 10 each		9,90,000	
Subscribed but not fully paid capital			
1,000 equity shares of ₹ 10 each	10,000		
Less: Calls in arrears	4,000	6,000	9,96,000

1 (Authorised Capital)
½ (Issued Capital)
½ =3 marks

10	9	10	**Q. 'Panipat Blankets Ltd. ....to the society.**	

Ans.

Books of Panipat Blankets Ltd.
Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)	
i.	Machinery A/c Dr.		12,00,000		
	To Vendors A/c			12,00,000	1
	(Being purchase of machinery)				
ii.	Vendors A/c Dr.		12,00,000		
	To Equity Share Capital A/c			10,00,000	
	To 9% Debentures A/c			2,00,000	1
	(Being issue of equity shares and debentures at par)				
	OR				
	Vendors A/c Dr.		10,00,000	½	
	To Equity Share Capital A/c			10,00,000	
	(For issue of equity shares)				
	Vendors A/c Dr.		2,00,000	½	
	To 9% Debentures A/c			2,00,000	
	(For issue debentures at par)				

a) **Values which the company wants to communicate to the society:** ***(Any one)***

- Discharging Social responsibility
- Generation of employment opportunities in rural areas

1

(OR any other suitable value.)

= 3 Marks

11	-	-	**Q. Joshi, Pandey and Agarwal......................... presented to his executors.**	

Ans.

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

Particulars	Amount ₹	Particulars	Amount ₹	
To Balance b/d	½ 39,000	By Joshi's Capital A/c	½ 1,44,000	½
To Agarwal's Executor A/c	½ 4,12,560	By Pandey's Capital A/c	1,44,000	
		By P/L Suspense A/c	72,000	1
		By Agarwal;s Loan A/c	½ 84,000	
		By Interest on Agarwal's Loan A/c	7,560	½
	4,51,560		**4,51,560**	

Working notes:

i. Calculation of Share of Profit :
4,80,000 x 1/5 x 9/12 = ₹ 72,000

ii. Share in Goodwill = 3 x 19,20,000/4 x 1/5 = ₹ 2,88,000

= 4 Marks

12	12	12	**Q. Jain, Gupta and Singh...............................the firm.**	

Ans.

In the books of Jain, Gupta and Singh
Profit & Loss Appropriation A/c
Dr. **For the year ended 31st March 2014** **Cr.**

Particulars	Amount (₹)	Particulars	Amount (₹)
To Interest on Capital: ½		By Profit for the year	1,47,000
Jain's Capital A/c 29,400	½		1
Gupta'sCapitalA/c 44,100			
Singh's Capital A/c 73,500	½ 1,47,000		
	1,47,000		**1,47,000**

			Working notes: Calculation of Interest on Capital: - (₹) ½ a) Interest on Jain's Capital: 40,000 ½ b) Interest on Gupta's Capital: 60,000 c) Interest on Singh's capital: 1,00,000 ½ Total: 2,00,000 The available profit is ₹ 1,47,000 since the profit is less than interest, the available profit will be distributed in the ratio of interest i.e. 2:3:5	= 4 Marks
13	**14**	**15**	**Q. On 1-4-2013, Mohan......................partners.** **Ans.**	

Interest on Capital:

Mohan – 1,00,000 x 6 /100 = ₹ 6,000 — **2**

Sohan – 10,73,000 x 6/100 x 1/ 12 = ₹ 5,365

Date	Amount (₹)	Months	Product
1.4.2013	50,000	1	50,000
1.5.2013	60,000	2	1,20,000
30.6.2013	55,000	3	1,65,000
30.9.2013	1,52,000	4	6,08,000
1.2.2014	65,000	2	1,30,000
	Total:		10,73,000

4

Note: Full credit should be given if the examinee has done the question correctly by any other method.

Alternate solution

Interest on Capital of Sohan = (50,000 x 6/100 x 1/12) + (60,000 x 6/100 x 2/12) + (55,000 x 6/100 x 3/12) + (1,52,000 x 6/100 x 4/12) + (65,000 x 6/100 x 2/12) = ₹ 5,365

= **6 Marks**

14	**15**	**13**	**Q. Chennai Fibers Ltd.................................2013-14.** **Ans.**	

Dr. **Cr.**

9% Debentures A/c

Date	Particulars	LF	Amount (₹)	Date	Particulars	LF	Amount (₹)
2009 Mar 31	To Balance c/d		16,00,000 16,00,000	2008 Apr 1	By Debentures app & all A/c By Discount on issse of debentures A/c	1	14,40,000 1,60,000 16,00,000
2010 Mar 31	To Balance c/d		16,00,000	2009 Apr 1	By Balance b/d	1	16,00,000
2011 Mar 31	To Debenture holders A/c To Balance c/d		2,00,000 14,00,000 16,00,000	2010 Apr 1	By Balance b/d	1	16,00,000 16,00,000
2012 Mar 31	To Debenture Holder A/c To Balance c/d		3,00,000 11,00,000 14,00,000	2011 Apr 1	By Balance b/d	1	14,00,000 14,00,000
2013 Mar 31	To Debenture Holder A/c To Balance c/d		4,00,000 7,00,000 11,00,000	2012 Apr 1	By Balance b/d	1	11,00,000 11,00,000
2014 Mar 31	To Debenture holders A/c		7,00,000 7,00,000	2013 Apr 1	By Balance B/d	1	7,00,000 7,00,000

= **6 Marks**

15	13	14	**Q. Chopra, Shah and Patel..................................amounts.**

Ans.

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

Particulars	Amt (₹)	Particulars	Amt (₹)
To Plant and Machinery	1,60,000	By Sundry Creditors	1,50,000
To Stock	1,50,000	By Mrs. Chopra's Loan	1,30,000
To Sundry Debtors	2,00,000	By Repairs and Renewals reserve	12,000
To Prepaid Insurance	4,000	By Provision for bad debts	10,000
To Investments	30,000	By cash – Assets sold:	
To Chopra's capital A/c --Mrs. Chopra's Loan	1,30,000	Plant 1,00,000	
To Cash- dishonoured bill paid	50,000	Stock 1,20,000	
To Cash- Creditors	1,50,000	Debtors 1,60,000	3,80,000
To Cash- Expenses	8,000	By Chopra's Capital- Investments	20,000
		By Loss Transferred to Partners' Capital A/c:	
		Chopra 90,000	
		Shah 60,000	
		Patel 30,000 (1)	1,80,000
	8,82,000		**8,82,000**

Marks: 1

Partner's Capital A/c

Particulars	Chopra (₹)	Shah (₹)	Patel (₹)	Particulars	Chopra (₹)	Shah (₹)	Patel (₹)
To Realisation (Investments)	20,000			By Balance b/d	1,00,000	1,50,000	20,000
To Realisation A/c (Loss) (1)	**90,000**	**60,000**	**30,000**	By Realisation A/c (Loan)	1,30,000	—	—
To Cash A/c (1)	**1,20,000**	**90,000**	—	**By Cash A/c**	—	—	**10,000** (1)
	2,30,000	**1,50,000**	**30,000**		**2,30,000**	**1,50,000**	**30,000**

Marks: 3

Dr. **Cash A/c** **Cr.**

Particulars	Amount (₹)	Particulars	Amount (₹)
To balance b/d (½)	**28,000**	By Realisation A/c – (Dishonoured bill)	50,000
To Realisation A/c – Sale of Assets (½)	**3,80,000**	By Realisation A/c (Creditors paid)	1,50,000
To Patel's Capital A/c	10,000	**By Realisation A/c (Expenses)** (1)	**8000**
		By Chopra's capital A/c	1,20,000
		By Shah's Capital A/c	90,000
	4,18,000		**4,18,000**

Marks: 2 = 6 Marks

16	-	-	**Q. Nigam Ltd............................. in the books of Nigam Ltd.**

Ans.

Books of Nigam Ltd.

Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)	
i.	Bank A/c Dr. To Equity Share Application A/c (For application money received)		36,000	 36,000	½
ii.	Equity Share Application A/c Dr. To Equity Share Capital A/c To Equity share Allotment A/c (For application money transferred to share capital)		36,000	 30,000 6,000	1
iii.	Equity Share Allotment A/c Dr. Discount on issue of shares A/c Dr. To Equity share Capital A/c (For allotment money due)		45,000 15,000	 60,000	1
iv.	Bank A/c Dr. To Equity share Allotment A/c (For allotment money received) **OR** Bank A/c Dr. Calls in arrears A/c Dr. To Equity Share Allotment A/c (For allotment money received except on 300 shares and the advance adjusted)		38,220 38,220 780	 38,220 39,000	1
v.	Equity Share first & final Call A/c Dr. To Equity share capital A/c (For first and final call due)		60,000	 60,000	½
vi.	Bank A/c Dr. To Equity Share First and final Call A/c (For first and final call received except on 450 shares) OR Bank A/c Dr. Calls in arrears A/c Dr. To Equity Share first and final call A/c (For first and final call money received except on 450 shares)		58,200 58,200 1,800	 58,200 60,000	1
vii.	Equity Share capital A/c Dr. To Discount on issue of shares A/c To Equity share Allotment A/c To Equity share first and final call A/c To Share forfeiture A/c (For 450 shares forfeited) **OR** Equity Share capital A/c Dr. To Discount on issue of shares A/c To Calls in arrears A/c To Share forfeiture A/c (For 450 shares forfeited)		4,500 4,500	 450 780 1,800 1,470 450 2,580 1,470	1

					Marks
viii.	Bank A/c Dr. Discount on issue of shares A/c Dr. To Equity Share Capital A/c (For shares reissued for ₹ 9 per share fully paid up)		1,800 200	 2,000	1
ix.	Share forfeiture A/c Dr. To Capital reserve A/c (For forfeiture balance transferred to capital reserve)		870	 870	1 = **8 Marks**

16 OR - -

Q. Guru Ltd....................................Guru Ltd.

Ans.

Books of Guru Ltd.

Journal

Date	**Particulars**	**L.F.**	**Debit (₹)**	**Credit (₹)**	Marks
(i)	Bank A/c Dr. To Equity Share Application & Allotment A/c (Being application and allotment money received with premium)		10,00,000	 10,00,000	1
(ii)	Equity Share App & Allotment A/c Dr. To Equity Share Capital A/c To Calls in advance A/c To Securities premium/ Securities premium Reserve A/c To Bank A/c (Being application and allotment money transferred to share capital)		10,00,000	 4,00,000 1,00,000 4,00,000 1,00,000	2
(iii)	Equity Share First & final call A/c Dr. To Equity share Capital a/c To securities premium/ Securities premium Reserve A/c (Being first call money due with premium)		8,00,000	 4,00,000 4,00,000	1
(iv)	Bank A/c Dr. Calls in advance A/c Dr. To Equity Share First and final call A/c (Being first call money received) OR Bank A/c Dr. Calls in arrears A/c Dr. Calls in advance A/c Dr. To Equity Share First and final call A/c (Being first call money received)		6,86,000 1,00,000 6,86,000 14,000 1,00,000	 7,86,000 8,00,000	1
(v)	Equity Share capital A/c Dr. Securities premium A/c Dr. To Share forfeiture A/c To Equity share First and final call A/c / Calls in arrear A/c		16,000 8,000	 10,000 14,000	1

				Marks
	(Being 1600 shares forfeited)			
(vi)	Bank A/c Dr. Share forfeited A/c Dr. To Equity share Capital A/c (Being shares reissued)	14,400 1,600	 16,000	1
(vii)	Share forfeited A/c Dr. To Capital reserve A/c (Being balance of share forfeited transferred to capital reserve A/c)	8,400	 8,400	1 = 8 Marks

17 | 17 | 17

Q. A,B and C......................... retirement.

Ans.

Revaluation A/c

Dr **Cr**

Particulars	Amt (₹)	Particulars	Amt (₹)
To machinery A/c	½ 9,600	By Provident fund A/c ½	500
To Patents A/c	2,000	By Investment A/c ½	11,700
To profit transferred to Partner's Capital A/c: A 300 B 200 ½ C 100	600		
	12,200		**12,200**

2 Marks

Partner's Capital A/c

Particulars	A (₹)	B (₹)	C (₹)	Particulars	A (₹)	B (₹)	C (₹)
To C's Capital A/c	540	360		By Balance b/d	80,000	73,000	40,000
				By A's Capital A/c			540
To Investment A/c			31,700	By B's Capital A/c			360
To C's loan A/c			12,800	By General Reserve A/c	10,500	7,000	3,500
To Current A/c		11,800		By revaluation A/c	300	200	100
				By current A/c	11,800		
To Balance c/d	1,02,060	68,040	---				
	1,02,600	**80,200**	**44,500**		**1,02,600**	**80,200**	**44,500**

6 Marks

Working Notes:

A's capital = ₹ 90,260

B's capital = ₹ 79,840

Total capital = ₹ 1,70,100

Capitals of A and B in new ratio =

A = 3/5 x 1,70,100 = 1,02,060

B = 2/5 x 1,70,100 = 68,040

= 8 Marks

17 OR | 17 OR | 17 OR

Q. O, R and S..............................Capital accounts.

Ans.

Revaluation A/c

Dr | | | Cr

Particulars	Amt (₹)	Particulars	Amt (₹)
To liability for bills discounted ½	7,004	By land and building A/c ½	35,000
To Stock A/c ½	27,400	By plant and machinery A/c ½	6,750
To furniture A/c	16,000	By Partner's current A/c (loss):	
To Investments A/c ½	7,300	O 7,977	
		R 5,318 ½	
		S 2,659	15,954
	57,704		**57,704**

3 Marks

Partner's Current A/c

Particulars	O (₹)	R (₹)	S (₹)	Particulars	O (₹)	R (₹)	S (₹)
To balanceb/d		7,000		By Balance b/d	4,000		6,000
To revaluation a/c	7,977	5,318	2,659	By General reserve	7,500	5,000	2,500
Tobalancec/d	97,023	45,015	82,008	By profit and loss a/c	3,500	2,333	1,167
				By premium for goodwill	15,000		
				By capital A/cs	75,000	50,000	75,000
	1,05,000	**57,333**	**84,667**		**1,05,000**	**57,333**	**84,667**

4 Marks

Partners' Capital A/c

Particulars	O (₹)	R (₹)	S (₹)	Particulars	O (₹)	R (₹)	S (₹)
To current A/cs	75,000	50,000	75,000	By Balance b/d	1,75,000	1,50,000	1,25,000
To balance c/d	1,00,000	1,00,000	50,000				
	1,75,000	**1,50,000**	**1,25,000**		**1,75,000**	**1,50,000**	**1,25,000**

H's Capital A/c

Dr | | | Cr

Particulars	Amt (₹)	Particulars	Amt (₹)
To Balance c/d	50,000	By Bank A/c	50,000
	50,000		**50,000**

1

=

8 Marks

PART B
(Financial Statements Analysis)

18	**-**	**-**	**Q. Which...shares.** **Ans.** (iii) Received ₹ 74,000 from debtors.	**1 Mark**
19	**-**	**-**	**Q. The accountant..............................reason.** **Ans.** Yes, he is correct because it is an appropriation of profits.	**1 Mark**
20	**20**	**-**	**Q. Under which................................. investments.** **Ans.**	

S.No.	Items	Headings	Sub headings
1	Bank Overdraft	Current liabilities	Short term borrowings
2	Cash and cash equivalents	Current assets	Cash and cash equivalents
3	Securities premium	Shareholders' funds	Reserves and surplus
4	Negative Balance of statement of Profit and Loss	Shareholders' funds	Reserves and surplus
5	Goodwill	Non current assets	Fixed assets-intangible
6	Trademark	Non current assets	Fixed assets-intangible
7	5 years loan obtained from SBI	Non current liabilities	Long term borrowings
8	Investments	Non current assets	Non current investments

½ x 8 = 4 Marks

21 | - | 21

Q. The current..creditors.
Ans.

	Reason
i) Decrease	Current assets will decrease with no change in current liabilities.
ii) No change	Both current assets and current liabilities are not affected.
iii) No change	Both current assets and current liabilities are not affected.
iv) Increase	Both current assets and current liabilities will decrease with same amount.

= 4 Marks

22 | 22 | 22

Q. The motto....................................... to communicate.
Ans.

a) **Net Profit Ratio**

As on 31-03-2013 = Net Profit after tax / Revenue from operations x 100 1
= 8,00,000 / 40,00,000 x 100 ½
= 20%

As on 31-03-2014 = Net Profit after tax / Revenue from operations x 100
= 16,00,000 / 60,00,000 x 100
= 26.67% ½

1 mark for formula & ½ mark for calculation of net profit ratio of each year. 1+ (½ + ½) = 2

2 Marks

b) **Values:** **(Any two)**

- Promoting healthy living.
- Participation of Employees in excess profits.
- Treating employees a part of the company.
- Ethical practices of company
- Hardwork and honesty of employees.
- Serving the organisation with dignity.

(Or any other suitable value)

2 Marks = 4 Marks

23	23	23	Q. Following ....statement.

Ans.

Cash flow statement of Solar Power Ltd.

For the year ended 31st March 2014 as per AS-3 (Revised)

Particulars	Details (₹)	Amount (₹)	
Cash Flows from Operating Activities:			
Net Profit before tax & extraordinary items	4,00,000		
Add: Non cash and non-operating charges			
Goodwill written off	3,20,000/2,88,000		
Depreciation on machinery	2,64,000		
Loss on sale of machinery	8,000		
Operating profit before working capital changes	9,92,000/9,60,000		
Less: Increase in Current Assets			
Increase in trade receivables	(1,08,000)		
Increase in inventories	(32,000)		
Less: Decrease in Current Liabilities			
Decrease in trade payables	(1,00,000)		
Decrease in short term provisions	(1,08,000)		
Cash generated from Operating Activities		**6,44,000/ 6,12,000**	2
Cash flows from Investing Activities :			
Purchase of machinery	(11,76,000)		
Sale of machinery	24,000		
Cash used in investing activities		**(11,52,000)**	2
Cash flows from Financing Activities:			
Issue of share capital	4,00,000		
Money raised from long term borrowings	2,80,000		
Cash from financing activities		**6,80,000**	2
Net increase in cash & cash equivalents		**1,72,000/ 1,40,000**	
Add: Opening balance of cash & cash equivalents:			
Current Investments	4,48,000		
Cash & cash equivalents	16,20,000		
Closing Balance of cash & cash equivalents:			
Current Investments	9,60,000		
Cash & cash equivalents	12,80,000		
(No marks for cash & cash equivalents)			

Working Notes:

Machinery A/c.

Particulars	₹	Particulars	₹
To Balance b/d	40,00,000	By Bank a/c	24,000
To Bank A/c (Bal. Figure)	11,76,000	By Accumulated Depreciation	64,000
		By Loss on sale of machinery	8,000
		By Balance c/d	50,80,000
	51,76,000		**51,76,000**

Accumulated Depreciation A/c

Particulars	₹	Particulars	₹
To Machinery A/c	64,000	By Balance b/d	6,00,000
To balance c/d	8,00,000	By Depreciation a/c (Bal fig.)	2,64,000
	8,64,000		8,64,000

Notes:

(I) If short term provision is not treated as current liabilities by an examinee:
Decrease in short term provisions will not be shown.

1. If short term provision is treated as provision for doubtful debts.
- Operating profit before working capital changes will be ₹ 8,84,000 or ₹ 8,52,000.
- There is no change in the cash flow from the three activities and full credit is to be given for this treatment also.

2. If short term provision is treated as provision for tax:
- Net profit before tax and extraordinary items will be ₹ 6,00,000.
- Operating profit before working capital changes will be ₹ 11,92,000 or ₹ 11,60,000.
- Cash generated from operations before tax will be ₹ 9,52,000 or ₹ 9,20,000
- Tax paid off ₹ 3,08,000 will be deducted for calculating cash from operating activities.
- There is no change in the cash flow from the three activities and full credit is to be given for this treatment also.

3. If short term provision is treated as proposed dividend:
- Net profit before tax and extraordinary items will be ₹ 6,00,000.
- Cash from operating activities will be ₹ 9,52,000 or ₹ 9,20,000
- Cash used in investing activity will remain same i.e. ₹ (11,52,000)
- Cash from financing activity will be ₹ 3,72,000

(II) If current investment is treated as current asset by an examinee:
Increase in current investment ₹ 5,12,000 will be deducted from operating profit before working capital changes.

1. If Short term provision is treated as current liability:
- Operating profit before working capital changes will be ₹ 9,92,000 or ₹ 9,60,000.
- Cash from operating activities will be ₹ 1,32,000 or 1,00,000.
- Cash used in investing activity will remain same i.e. ₹ (11,52,000) and cash from financing activity will also remain same i.e. ₹ 6,80,000.

2. When short term provision is treated as proposed dividend:
- Net profit before tax and extraordinary items will be ₹ 6,00,000.
- Operating profit before working capital changes will be ₹ 11,92,000 or ₹ 11,60,000
- Cash from operating activities will be ₹ 4,40,000 or ₹ 4,08,000
- Cash used in investing activity will remain same i.e. ₹ (11,52,000)
- Cash from financing activity will be ₹ 3,72,000

3. When short term provision is treated as provision for tax:
- Net profit before tax and extraordinary items will be ₹ 6,00,000.
- Operating profit before working capital changes will be ₹ 11,92,000 or ₹ 11,60,000
- Cash generated from operations ₹ 9,52,000 or ₹ 9,20,000

			• Tax paid off ₹ 3,08,000 will be deducted for calculating cash from operating activities. • Cash from operating activities will be ₹ 6,46,000 or ₹ 6,14,000 • Cash used in investing activity will remain same i.e. ₹ (11,52,000) • Cash from financing activity will be ₹ 6,80,000 or ₹ 6,48,000 4. If short term provision is treated as provision for doubtful debts: • Net profit before tax and extraordinary items will be ₹ 4,00,000. • Operating profit before working capital changes will be ₹ 8,84,000 or ₹ 8,52,000. • Cash from operating activities will be ₹ 6,44,000 or ₹ 6,12,000 • Cash used in investing activity will remain same i.e. ₹ (11,52,000) • Cash from financing activity will be ₹ 6,80,000 or 6,48,000	
			PART B **(Computerised Accounting)**	
18	**19**	**19**	**Q. The term..................of the table.** **Ans.** (iv) Horizontal row of the table	**1 Mark**
19	**18**	**18**	**Q. 'SQL' stand.....................questions.** **Ans.** (iii) Structured Query Language	**1 Mark**
20	**22**	**21**	**Q. State any two................System.** **Ans.** **Advantages of CAS** Following are the advantages of computerized accounting system (CAS) **(Any Two)** 1. Timely generation of reports and information in desired format. 2. Efficient record keeping. 3. Ensures effective control over the system. 4. Economy in the processing of accounting data. 5. Confidentiality of data is maintained. **Limitations of CAS** Following are the limitation of CAS software: **(Any Two)** 1. Faster obsolescence of technology necessitates investment in shorter period of time. 2. Data may be lost or corrupted due to power interruptions. 3. Data are prone to hacking. 4. Un-programmed and un-specified reports cannot be generated.	**2** **2** **=** **4 marks**
21	**20**	**22**	**Q. State the features................software.** **Ans.** Following are the features of accounting softeware: 1. Do all basic accounting functions, 2. Manage your stores, 3. Do the job costing, 4. Manage payroll, 5. Get many MIS (Management information System) 6. File tax returns 7. Maintain budgets etc 8. Calculate interest pending amounts 9. Manage data over different locations and synchronize it and many more other features	**=** **4 Marks**

22	**21**	**20**	**Q. State the steps..........................using Tally.** **Ans.** The following are the steps to construct BRS in tally: i. Bring up the monthly summary of bank book. ii. Bring your cursor to the first month and press enter. This brings up the vouchers for the month. Since this is a bank account, an additional button F5 : reconcile will be visible on the right Press F5. iii. The display now becomes an Edit screen in Reconciliation mode. The primary components are : A column for the 'Bankers Date'. iv. The 'Reconciliation' at the bottom of the screen. v. Balance as per company's books. vi. Amounts not reflected in banks vii. Balance as per bank.	**=** **4 Marks**
23	**-**	**-**	**Q. Name the table....................five advantages.** **Ans.** **'Pivot table**. Advantages of pivot table are: 1. User friendly. 2. Focus on results. 3. Multiple summerisation of data. 4. Filtering,sorting ,grouping etc. makes it possible to focus on information. 5. Presenting concise,attsctive and annotated online or printed reports. Analysis of related tables is facilitated. (with suitable explanation).	**=** **6 Marks**

<table>
<tr><th colspan="3">Q. Set No.</th><th rowspan="2">Marking Scheme 2014-15
Accountancy (055)
<u>Foreign – 67/2/2</u>
Expected Answers / Value points</th><th rowspan="2">Distribution of marks</th></tr>
<tr><th>67 /2 /1</th><th>67 /2 /2</th><th>67 /2 /3</th></tr>
<tr><td>3</td><td>1</td><td>4</td><td>Q. Anurag and Bhawana ....partnership.

Ans.
Anurag's Sacrifice = 3/10 * ½ = 3/20
Bhawana's Sacrifice = 3/10 * ½ = 3/20 } 1/2

Anurag's old share = 4/10 + 3/20 = 11/20
Bhawana's old share = 3/10 + 3/20 = 9/20 } 1/2

Anurag and Bhawana's profit sharing ratio = 11:9</td><td>1 Mark</td></tr>
<tr><td>4</td><td>2</td><td>3</td><td>Q. Deepak, Farukh and Lilly........................of Farukh.

Ans.
(b) Credited to the Capital Accounts of all partners in their profit sharing ratio.</td><td>1 Mark</td></tr>
<tr><td>5</td><td>3</td><td>2</td><td>Q. Give the.................................... forfeiture of share.

Ans.
Forfeiture of shares means cancellation of shares and treating as forfeited the amount actually received.
[or any other suitable meaning]</td><td>1 Mark</td></tr>
<tr><td>6</td><td>4</td><td>1</td><td>Q. 'Samta Limited' invited..........................applications was.

Ans. (iv) ₹ 22,875</td><td>1 Mark</td></tr>
<tr><td>2</td><td>5</td><td>5</td><td>Q. Kamal and Vimal..........................correct treatment.

Ans. No, the accountant's didn't give correct treatment.
<u>Reason:</u> As credit balance in Profit and Loss Account indicates undistributed profits. It should have been credited to Kamal and Vimal's Capital Account.

Alternate Solution:
Journal
<table><tr><th>Date</th><th>Particulars</th><th>LF</th><th>Dr (₹)</th><th>Cr (₹)</th></tr><tr><td></td><td>Profit & Loss A/c Dr.
To Kamal's Capital Account
To Vimal's Capital A/c
(Being adjustment entry made)</td><td></td><td>10,000</td><td>
6,000
4,000</td></tr></table></td><td>1 Mark</td></tr>
<tr><td>1</td><td>6</td><td>6</td><td>Q. In the absence of.................. is charged.

Ans. (iv) no interest is charged.</td><td>1 Mark</td></tr>
<tr><td>-</td><td>7</td><td>-</td><td>Q. State any three purposes..........................can be utilised.
Ans
The amount received as securities premium can be used other than 'issue of bonus shares' for the following purposes : . (Any three)
In writing off the preliminary expenses of the company.
For writing off the expenses, commission or discount allowed on issue of shares or debentures of the company.
For providing the premium payable on redemption of redeemable preference shares or debentures of the company.
For buy back of its own shares.</td><td>1 Mark each

=
3 Marks</td></tr>
</table>

-	8	-	**Q. X and Y ....error.** **Ans.**	

Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)
2014 April 1	y's Capital A/c Dr. To x's Capital A/c (Being interest on capital and salary omitted, now adjusted)		2,856	2,856

1

Working Notes:

Calculation of Opening Capital :

	X (₹)	Y(₹)
Closing Capitals	1,30,000	1,00,000
Less: Profits	(51,000)	(34,000)
Add: Drawings	18,000	9,000
Opening Capitals	97,000	75,000
Interest on Capital @ 12% p.a.	11,640	9,000

1

	X	Y	Total
Omission of Interest on Capital (Cr.)	11,640	9,000	20,640
Salary to X (Cr.)	9,000		9,000
Net loss to firm (Dr.)	17,784	11,856	29,640
Net Effect	**2,856(Cr.)**	**2,856(Dr.)**	---

2
=
4 Marks

10	9	10	**Q. 'Panipat Blankets Ltd. ....to the society.** **Ans.**	

Books of Panipat Blankets Ltd.
Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)
i.	Machinery A/c Dr. To Vendors A/c (Being purchase of machinery)		12,00,000	12,00,000
ii.	Vendors A/c Dr. To Equity Share Capital A/c To 9% Debentures A/c (Being issue of equity shares and debentures at par)		12,00,000	10,00,000 2,00,000
	OR			
	Vendors A/c Dr. To Equity Share Capital A/c (For issue of equity shares)		10,00,000	10,00,000
	Vendors A/c Dr. To 9% Debentures A/c (For issue debentures at par)		2,00,000	2,00,000

1

1

b) **Values which the company wants to communicate to the society:** ***(Any one)***

- Discharging Social responsibility
- Generation of employment opportunities in rural areas

(OR any other suitable value.)

1
=
3 Marks

9	10	9	**Q. 'Telecom Ltd...........................Companies Act, 1956.** **Ans.**	

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

Particulars	Note No.	Amount Current year	Amount Previous year
EQUITY & LIABILITIES			
I Shareholder's funds :			
a) Share Capital	1	9,96,000	

1

Notes to Accounts :

Particulars			₹
(1) **Share Capital**			
Authorised Capital :			
80,00,000 equity shares of ₹ 10 each			8,00,00,000
Issued Capital			
1,00,000 equity shares of ₹ 10 each			10,00,000
Subscribed and fully paid			
99,000 equity shares of ₹ 10 each		9,90,000	
Subscribed but not fully paid capital			
1,000 equity shares of ₹ 10 each	10,000		9,96,000
Less: Calls in arrears	4,000	6,000	

1, ½, ½ = 3 Marks

-	11	-	**Som, Sudha and Surbhi...........executors.**

Ans.

Dr. Surbhi's Capital A/c Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To Balance b/d ½	24,000	By Som's Capital A/c	½ 76,875
To Surbhi's Executor A/c	1 1,84,538	By Sudha's Capital A/c	76,875 ½
		By P/L Suspense A/c	1 38,438
		By Surbhi's Loan A/c	16,350 ½
	2,08,538		**2,08,538**

Working notes:

i. Calculation of Share of Profit :
2,56,250 x 1/5 x 9/12 = ₹ 38,437.50 or ₹ 38,438

ii. Share in Goodwill = 3 x 10,25,000/4 x 1/5 = ₹ 1,53,750
Som's Share = ₹ 76,875
Sudha's share = ₹ 76,875

= 4 Marks

12	12	12	**Q. Jain, Gupta and Singh...............................the firm.**

Ans.

In the books of Jain, Gupta and Singh
Profit & Loss Appropriation A/c
Dr. For the year ended 31st March 2014 Cr.

Particulars		Amount (₹)	Particulars	Amount (₹)
To Interest on Capital:		½	By Profit for the year	1,47,000
Jain's Capital A/c	29,400	½		1
Gupta'sCapitalA/c	44,100			
Singh's Capital A/c	73,500	1,47,000 ½		
		1,47,000		**1,47,000**

Working notes:

= 4 Marks

			Calculation of Interest on Capital: - (₹) ½ a) Interest on Jain's Capital: 40,000 ½ b) Interest on Gupta's Capital: 60,000 c) Interest on Singh's capital: 1,00,000 ½ Total: 2,00,000 The available profit is ₹ 1,47,000 since the profit is less than interest, the available profit will be distributed in the ratio of interest i.e. 2:3:5	
15	**13**	**14**	**Q. Chopra, Shah and Patel..................................amounts.** **Ans.**	

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

Particulars	Amt (₹)	Particulars	Amt (₹)
To Plant and Machinery	1,60,000	By Sundry Creditors	1,50,000
To Stock	1,50,000	By Mrs. Chopra's Loan	1,30,000
To Sundry Debtors	2,00,000	By Repairs and Renewals reserve	12,000
To Prepaid Insurance	4,000		
To Investments	30,000	By Provision for bad debts	10,000
To Chopra's capital A/c --Mrs. Chopra's Loan	1,30,000	By cash – Assets sold: Plant 1,00,000	
To Cash- dishonoured bill paid	50,000	Stock 1,20,000	
To Cash- Creditors	1,50,000	Debtors 1,60,000	3,80,000
To Cash- Expenses	8,000	By Chopra's Capital- Investments	20,000
		By Loss Transferred to Partners' Capital A/c:	
		Chopra 90,000	
		Shah 60,000	
		Patel 30,000	1,80,000
	8,82,000		**8,82,000**

1

1

Partner's Capital A/c

Particulars	Chopra (₹)	Shah (₹)	Patel (₹)	Particulars	Chopra (₹)	Shah (₹)	Patel (₹)
To Realisation (Investments)	20,000			By Balance b/d	1,00,000	1,50,000	20,000
To Realisation A/c (Loss) 1	**90,000**	**60,000**	**30,000**	By Realisation A/c (Loan)	1,30,000	—	—
To Cash A/c 1	**1,20,000**	**90,000**	—	**By Cash A/c**	—	—	**10,000** 1
	2,30,000	**1,50,000**	**30,000**		**2,30,000**	**1,50,000**	**30,000**

3

Dr. **Cash A/c** Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To balance b/d ½	**28,000**	By Realisation A/c – (Dishonoured bill)	50,000
To Realisation A/c – Sale of Assets ½	**3,80,000**	By Realisation A/c (Creditors paid)	1,50,000
To Patel's Capital A/c	10,000		
		By Realisation A/c (Expenses)	**8000** 1
		By Chopra's capital A/c	1,20,000
		By Shah's Capital A/c	90,000
	4,18,000		**4,18,000**

2

=

6 Marks

13	**14**	**15**	**Q. On 1-4-2013, Mohan......................partners.**	

Ans. <u>Interest on Capital:</u>

Mohan – 1,00,000 x 6 /100 = ₹ 6,000

Sohan – 10,73,000 x 6/100 x 1/ 12 = ₹ 5,365 **2**

Date	Amount (₹)	Months	Product
1.4.2013	50,000	1	50,000
1.5.2013	60,000	2	1,20,000
30.6.2013	55,000	3	1,65,000
30.9.2013	1,52,000	4	6,08,000
1.2.2014	65,000	2	1,30,000
	Total:		10,73,000

4

Note: Full credit should be given if the examinee has done the question correctly by any other method.

Alternate *solution*

Interest on Capital of Sohan = (50,000 x 6/100 x 1/12) + (60,000 x 6/100 x 2/12) + (55,000 x 6/100 x 3/12) + (1,52,000 x 6/100 x 4/12) + (65,000 x 6/100 x 2/12) = ₹ 5,365

= 6 Marks

14 | 15 | 13

Q. Chennai Fibers Ltd..................................2013-14.

Ans.

Dr. **Cr.**

9% Debentures A/c

Date	Particulars	LF	Amount (₹)	Date	Particulars	LF	Amount (₹)
2009 Mar 31	To Balance c/d		16,00,000 16,00,000	2008 Apr 1	By Debentures app & all A/c By Discount on isss e of debentures A/c	1	14,40,000 1,60,000 16,00,000
2010 Mar 31	To Balance c/d		16,00,000	2009 Apr 1	By Balance b/d	1	16,00,000
2011 Mar 31	To Debenture holders A/c To Balance c/d		2,00,000 14,00,000 16,00,000	2010 Apr 1	By Balance b/d	1	16,00,000 16,00,000
2012 Mar 31	To Debenture Holder A/c To Balance c/d		3,00,000 11,00,000 14,00,000	2011 Apr 1	By Balance b/d	1	14,00,000 14,00,000
2013 Mar 31	To Debenture Holder A/c To Balance c/d		4,00,000 7,00,000 11,00,000	2012 Apr 1	By Balance b/d	1	11,00,000 11,00,000
2014 Mar 31	To Debenture holders A/c		7,00,000 7,00,000	2013 Apr 1	By Balance B/d	1	7,00,000 7,00,000

= 6 Marks

- | 16 | -

Q. Vibhu Ltd....................... Vibhu Ltd.

Ans.

Books of Vibhu Ltd.

Journal

Date	Particulars	L.F.	Debit (₹)	Credit (₹)
(i)	Bank A/c Dr. To Equity Share Application & Allotment A/c (Being application and allotment money received with premium)		50,00,000	50,00,000

1

	Particulars	L.F.	Debit (₹)	Credit (₹)	Marks
(ii)	Equity Share App & Allotment A/c Dr. To Equity Share Capital A/c To Calls in advance A/c To Securities premium/ Securities premium Reserve A/c (Being application and allotment money transferred to share capital)		50,00,000	 20,00,000 10,00,000 20,00,000	1 ½
(iii)	Equity Share First & final call A/c Dr. To Equity share Capital a/c To securities premium/ Securities premium Reserve A/c (Being first call money due with premium)		40,00,000	 20,00,000 20,00,000	1
(iv)	Bank A/c Dr. Calls in advance A/c Dr. To Equity Share First and final call A/c (Being first call money received) OR Bank A/c Dr. Calls in arrears A/c Dr. Calls in advance A/c Dr. To Equity Share First and final call A/c (Being first call money received)		29,55,000 10,00,000 29,55,000 45,000 10,00,000	 39,55,000 40,00,000	1
(v)	Equity Share capital A/c Dr. Securities premium A/c Dr. To Share forfeiture A/c To Equity share First and final call A/c / Calls in arrear A/c (Being 600 shares forfeited)		60,000 30,000	 45,000 45,000	1 ½
(vi)	Bank A/c Dr. Share forfeited A/c Dr. To Equity share Capital A/c (Being shares reissued)		32,000 8,000	 40,000	1
(vii)	Share forfeited A/c Dr. To Capital reserve A/c (Being balance of share forfeited transferred to capital reserve A/c)		22,000	 22,000	1 = 8 Marks

-	**16 OR**	-	**Q. Shakti Ltd................................Shakti Ltd.** **Ans.**	

Books of Vibhu Ltd.

Journal

Date	**Particulars**	**L.F.**	**Debit (₹)**	**Credit (₹)**	Marks
(i)	Bank A/c Dr. To Equity Share Application & Allotment A/c (Being application and allotment money received)		1,44,000	 1,44,000	½

(ii)	Equity Share App & Allotment A/c Dr. Discount on issue of shares A/c Dr. To Equity Share Capital A/c (Being application and allotment money transferred to share capital)		1,44,000 43,200	 1,87,200	**1**
(iii)	Equity Share First call A/c Dr. To Equity share Capital a/c (Being first call money due)		2,16,000	 2,16,000	**½**
(iv)	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)		2,14,200 2,14,200 1,800	 2,14,200 2,16,000	**½**
(v)	Equity Share capital A/c Dr. To Share forfeiture A/c To Equity share First call A/c / Calls in arrear A/c To Discount on issue of shares A/c (Being 600 shares forfeited)		3,360	 1,200 1,800 360	**1**
(vi)	Equity Share Second and final call A/c Dr. To Equity share Capital a/c (Being final call money due)		3,14,160	 3,14,160	**½**
(vii)	Bank A/c Dr. To Equity Share Second & final call A/c (Being final call money received) OR Bank A/c Dr. Calls in arrears A/c Dr. To Equity Share Second & final call A/c (Being final call money received)		3,11,960 3,11,960 2,200	 3,11,960 3,14,160	**1**
(viiii)	Equity Share capital A/c Dr. To Share forfeiture A/c To Equity share second & final call A/c / Calls in arrear A/c To Discount on issue of shares A/c (Being 500 shares forfeited)		5,000	 2,500 2,200 300	**1**
(ix)	Bank A/c Dr. Discount on issue of shares A/c Dr. Share forfeited A/c Dr. To Equity share Capital A/c (Being shares reissued)		8,000 600 1,400	 10,000	**1**
(x)	Share forfeited A/c Dr. To Capital reserve A/c (Being balance of share forfeited transferred to capital reserve A/c)		1,800	 1,800	**1** **=** **8 Marks**

17	17	17	**Q. A,B and C......................... retirement.** **Ans.**	

Revaluation A/c

Dr **Cr**

Particulars	Amt (₹)	Particulars	Amt (₹)
To machinery A/c ½	9,600	By Provident fund A/c ½	500
To Patents A/c	2,000	By Investment A/c ½	11,700
To profit transferred to Partner's Capital A/c:			
A 300			
B 200 ½			
C 100	600		
	12,200		**12,200**

2 Marks

Partner's Capital A/c

Particulars	A (₹)	B (₹)	C (₹)	Particulars	A (₹)	B (₹)	C (₹)
To C's Capital A/c	540	360		By Balance b/d	80,000	73,000	40,000
				By A's Capital A/c			540
To Investment A/c			31,700	By B's Capital A/c			360
				By General Reserve A/c	10,500	7,000	3,500
To C's loan A/c			12,800				
To Current A/c		11,800		By revaluation A/c	300	200	100
				By current A/c	11,800		
To Balance c/d	1,02,060	68,040	---				
	1,02,600	**80,200**	**44,500**		**1,02,600**	**80,200**	**44,500**

6 Marks

2 marks for Capital A/c of each partner.

Working Notes:

A's capital = ₹ 90,260

B's capital = ₹ 79,840

Total capital = ₹ 1,70,100

Capitals of A and B in new ratio =

A = 3/5 x 1,70,100 = 1,02,060

B = 2/5 x 1,70,100 = 68,040

= 8 Marks

17 OR	17 OR	17 OR	**Q. O, R and S..............................Capital accounts.** **Ans.**	

Revaluation A/c

Dr **Cr**

Particulars	Amt (₹)	Particulars	Amt (₹)
To liability for bills discounted ½	7,004	By land and building A/c ½	35,000
To Stock A/c ½	27,400	By plant and machinery A/c ½	6,750
To furniture A/c	16,000	By Partner's current A/c (loss):	
To Investments A/c ½	7,300	O 7,977	
		R 5,318 ½	
		S 2,659	15,954
	57,704		**57,704**

3 Marks

Partner's Current A/c

Particulars	O (₹)	R (₹)	S (₹)	Particulars	O (₹)	R (₹)	S (₹)
To balanceb/d To revaluation a/c Tobalancec/d	 7,977 97,023	7,000 5,318 45,015	 2,659 82,008	By Balance b/d By General reserve By profit and loss a/c By premium for goodwill By capital A/cs	4,000 7,500 3,500 15,000 75,000	 5,000 2,333 50,000	6,000 2,500 1,167 75,000
	1,05,000	**57,333**	**84,667**		**1,05,000**	**57,333**	**84,667**

4 Marks

Partners' Capital A/c

Particulars	O (₹)	R (₹)	S (₹)	Particulars	O (₹)	R (₹)	S (₹)
To current A/cs To balance c/d	75,000 1,00,000	50,000 1,00,000	75,000 50,000	By Balance b/d	1,75,000	1,50,000	1,25,000
	1,75,000	**1,50,000**	**1,25,000**		**1,75,000**	**1,50,000**	**1,25,000**

H's Capital A/c

Dr **Cr**

Particulars	Amt (₹)	Particulars	Amt (₹)
To Balance c/d	50,000	By Bank A/c	50,000
	50,000		**50,000**

1 = 8 Marks

PART B
(Financial Statements Analysis)

-	18	-	**Q. While.................................activity.** **Ans.** (ii) Financing Activity.	**1 Mark**
-	19	-	**Q. While....................................reason.** **Ans.** He was correct because depreciation charged on machinery is a non cash item.	**1 Mark**
20	20	-	**Q. Under which................................ investments.** **Ans.**	

S.No.	Items	Headings	Sub headings
1	Bank Overdraft	Current liabilities	Short term borrowings
2	Cash and cash equivalents	Current assets	Cash and cash equivalents
3	Securities premium	Shareholders' funds	Reserves and surplus
4	Negative Balance of statement of Profit and Loss	Shareholders' funds	Reserves and surplus
5	Goodwill	Non current assets	Fixed assets-intangible
6	Trademark	Non current assets	Fixed assets-intangible

½ x 8 = 4 Marks

7	5 years loan obtained from SBI	Non current liabilities	Long term borrowings
8	Investments	Non current assets	Non current investments

- | 21 | -

Q. The debt..............................months.
Ans.

	Reason
i) Decrease	Debt will decrease with no change in equity.
ii) Decrease	Equity will increase with no change in debt.
iii) Decrease	Equity will increase with no change in debt.
iv) No Change	Neither equity nor debt will be affected.

= 4 Marks

22 | 22 | 22

Q. The motto....................................... to communicate.
Ans.

a) **Net Profit Ratio**

As on 31-03-2013 = Net Profit after tax / Revenue from operations x 100 **1**
= 8,00,000 / 40,00,000 x 100 **½**
= 20%

As on 31-03-2014 = Net Profit after tax / Revenue from operations x 100
= 16,00,000 / 60,00,000 x 100 **½**
= 26.67%

2 Marks

1 mark for formula & ½ mark for calculation of net profit ratio of each year. 1+ (½ + ½) = 2

b) **Values:** **(Any two)**

- Promoting healthy living.
- Participation of Employees in excess profits.
- Treating employees a part of the company.
- Ethical practices of company
- Hardwork and honesty of employees.
- Serving the organisation with dignity.

(Or any other suitable value)

2 Marks

= 4 Marks

23 | 23 | 23

Q. Following ....statement.
Ans.

Cash flow statement of Solar Power Ltd.
For the year ended 31st March 2014 as per AS-3 (Revised)

Particulars	Details (₹)	Amount (₹)	
Cash Flows from Operating Activities:			
Net Profit before tax & extraordinary items	4,00,000		
Add: Non cash and non-operating charges			
Goodwill written off	3,20,000/2,88,000		
Depreciation on machinery	2,64,000		
Loss on sale of machinery	8,000		
Operating profit before working capital changes	9,92,000/9,60,000		
Less: Increase in Current Assets			
Increase in trade receivables	(1,08,000)		
Increase in inventories	(32,000)		
Less: Decrease in Current Liabilities			
Decrease in trade payables	(1,00,000)		
Decrease in short term provisions	(1,08,000)		
Cash generated from Operating Activities		**6,44,000/ 6,12,000**	**2**
Cash flows from Investing Activities :			
Purchase of machinery	(11,76,000)		
Sale of machinery	24,000		
Cash used in investing activities		**(11,52,000)**	**2**
Cash flows from Financing Activities:			
Issue of share capital	4,00,000		
Money raised from long term borrowings	2,80,000		
Cash from financing activities		**6,80,000**	**2**
Net increase in cash & cash equivalents		**1,72,000/ 1,40,000**	
Add: Opening balance of cash & cash equivalents:			
Current Investments	4,48,000		
Cash & cash equivalents	16,20,000		
Closing Balance of cash & cash equivalents:			
Current Investments	9,60,000		
Cash & cash equivalents	12,80,000		=
(No marks for cash & cash equivalents)			**6 Marks**

Working Notes:

Machinery A/c.

Particulars	₹	Particulars	₹
To Balance b/d	40,00,000	By Bank a/c	24,000
To Bank A/c (Bal. Figure)	11,76,000	By Accumulated Depreciation	64,000
		By Loss on sale of machinery	8,000
		By Balance c/d	50,80,000
	51,76,000		**51,76,000**

Accumulated Depreciation A/c

Particulars	₹	Particulars	₹
To Machinery A/c	64,000	By Balance b/d	6,00,000
To balance c/d	8,00,000	By Depreciation a/c (Bal fig.)	2,64,000
	8,64,000		**8,64,000**

Notes:

(I) If short term provision is not treated as current liabilities by an examinee:
Decrease in short term provisions will not be shown.

1. If short term provision is treated as provision for doubtful debts.
- Operating profit before working capital changes will be ₹ 8,84,000 or ₹ 8,52,000.
- There is no change in the cash flow from the three activities and full credit is to be given for this treatment also.

2. If short term provision is treated as provision for tax:
- Net profit before tax and extraordinary items will be ₹ 6,00,000.
- Operating profit before working capital changes will be ₹ 11,92,000 or ₹ 11,60,000.
- Cash generated from operations before tax will be ₹ 9,52,000 or ₹ 9,20,000
- Tax paid off ₹ 3,08,000 will be deducted for calculating cash from operating activities.
- There is no change in the cash flow from the three activities and full credit is to be given for this treatment also.

3. If short term provision is treated as proposed dividend:
- Net profit before tax and extraordinary items will be ₹ 6,00,000.
- Cash from operating activities will be ₹ 9,52,000 or ₹ 9,20,000
- Cash used in investing activity will remain same i.e. ₹ (11,52,000)
- Cash from financing activity will be ₹ 3,72,000

(II) If current investment is treated as current asset by an examinee:
Increase in current investment ₹ 5,12,000 will be deducted from operating profit before working capital changes.

1. If Short term provision is treated as current liability:
- Operating profit before working capital changes will be ₹ 9,92,000 or ₹ 9,60,000.
- Cash from operating activities will be ₹ 1,32,000 or 1,00,000.
- Cash used in investing activity will remain same i.e. ₹ (11,52,000) and cash from financing activity will also remain same i.e. ₹ 6,80,000.

2. When short term provision is treated as proposed dividend:
- Net profit before tax and extraordinary items will be ₹ 6,00,000.
- Operating profit before working capital changes will be ₹ 11,92,000 or ₹ 11,60,000
- Cash from operating activities will be ₹ 4,40,000 or ₹ 4,08,000
- Cash used in investing activity will remain same i.e. ₹ (11,52,000)
- Cash from financing activity will be ₹ 3,72,000

3. When short term provision is treated as provision for tax:
- Net profit before tax and extraordinary items will be ₹ 6,00,000.
- Operating profit before working capital changes will be ₹ 11,92,000 or ₹ 11,60,000
- Cash generated from operations ₹ 9,52,000 or ₹ 9,20,000
- Tax paid off ₹ 3,08,000 will be deducted for calculating cash from operating activities.
- Cash from operating activities will be ₹ 6,46,000 or ₹ 6,14,000
- Cash used in investing activity will remain same i.e. ₹ (11,52,000)
- Cash from financing activity will be ₹ 6,80,000 or ₹ 6,48,000

4. If short term provision is treated as provision for doubtful debts:

			• Net profit before tax and extraordinary items will be ₹ 4,00,000. • Operating profit before working capital changes will be ₹ 8,84,000 or ₹ 8,52,000. • Cash from operating activities will be ₹ 6,44,000 or ₹ 6,12,000 • Cash used in investing activity will remain same i.e. ₹ (11,52,000) • Cash from financing activity will be ₹ 6,80,000 or 6,48,000	
			PART B **(Computerised Accounting)**	
19	18	18	**Q. ‘SQL’ stand......................questions.** **Ans.** (iii) Structured Query Language	**1 Mark**
18	19	19	**Q. The term..................of the table.** **Ans.** (iv) Horizontal row of the table	**1 Mark**
21	20	22	**Q. State the features................software.** **Ans.** Following are the features of accounting softeware: 1. Do all basic accounting functions, 2. Manage your stores, 3. Do the job costing, 4. Manage payroll, 5. Get many MIS (Management information System) 6. File tax returns 7. Maintain budgets etc 8. Calculate interest pending amounts 9. Manage data over different locations and synchronize it and many more other features	**=** **4 Marks**
22	21	20	**Q. State the steps..........................using Tally.** **Ans.** The following are the steps to construct BRS in tally: i. Bring up the monthly summary of bank book. ii. Bring your cursor to the first month and press enter. This brings up the vouchers for the month. Since this is a bank account, an additional button F5 : reconcile will be visible on the right Press F5. iii. The display now becomes an Edit screen in Reconciliation mode. The primary components are : A column for the ‘Bankers Date’. iv. The ‘Reconciliation’ at the bottom of the screen. v. Balance as per company’s books. vi. Amounts not reflected in banks vii. Balance as per bank.	**=** **4 Marks**
20	22	21	**Q. State any two................System.** **Ans.** **Advantages of CAS** Following are the advantages of computerized accounting system (CAS) **(Any Two)** 1. Timely generation of reports and information in desired format. 2. Efficient record keeping.	**2**

			3. Ensures effective control over the system. 4. Economy in the processing of accounting data. 5. Confidentiality of data is maintained. **Limitations of CAS** Following are the limitation of CAS software: **(Any Two)** 1. Faster obsolescence of technology necessitates investment in shorter period of time. 2. Data may be lost or corrupted due to power interruptions. 3. Data are prone to hacking. **4.** Un-programmed and un-specified reports cannot be generated.	**2** **=** **4 marks**
23	**-**	**-**	**Q. What is.........................benifits.** **Ans.** A format change, such as background cell shading or font color that is applied to a cell when a specified condition for the data in the cell is true. **Conditional formatting** is often applied to worksheets to find: • Data that is above or below a certain value. • Duplicate data values. • Cells containing specific text. • Data that is above or below average. • Data that falls in the top ten or bottom ten values. Benefits of using conditional formatting: • Helps in answering questions which are important for taking decisions. • Guides with help of using visuals. Helps in understanding distribution and variation of critical data.	**=** **6 Marks**

<table>
<tr><td colspan="3">Q. Set No.</td><td rowspan="2">Marking Scheme 2014-15
Accountancy (055)
<u>Foreign – 67/2/3</u>
Expected Answers / Value points</td><td rowspan="2">Distribution of marks</td></tr>
<tr><td>67/2/1</td><td>67/2/2</td><td>67/2/3</td></tr>
<tr><td>6</td><td>4</td><td>1</td><td>Q. ‘Samta Limited’ invited..........................applications was.

Ans. (iv) ₹ 22,875</td><td>1 Mark</td></tr>
<tr><td>5</td><td>3</td><td>2</td><td>Q. Give the...................................... forfeiture of share.

Ans.
Forfeiture of shares means cancellation of shares and treating as forfeited the amount actually received.
[or any other suitable meaning]</td><td>1 Mark</td></tr>
<tr><td>4</td><td>2</td><td>3</td><td>Q. Deepak, Farukh and Lilly.........................of Farukh.

Ans.
(b) Credited to the Capital Accounts of all partners in their profit sharing ratio.</td><td>1 Mark</td></tr>
<tr><td>3</td><td>1</td><td>4</td><td>Q. Anurag and Bhawana ....partnership.

Ans.
Anurag’s Sacrifice = 3/10 * ½ = 3/20
Bhawana’s Sacrifice = 3/10 * ½ = 3/20 } 1/2

Anurag’s old share = 4/10 + 3/20 = 11/20
Bhawana’s old share = 3/10 + 3/20 = 9/20 } 1/2

Anurag and Bhawana’s profit sharing ratio = 11:9</td><td>1 Mark</td></tr>
<tr><td>2</td><td>5</td><td>5</td><td>Q. Kamal and Vimal...........................correct treatment.

Ans. No, the accountant’s didn’t give correct treatment.
<u>Reason:</u> As credit balance in Profit and Loss Account indicates undistributed profits. It should have been credited to Kamal and Vimal’s Capital Account.

Alternate Solution:
Journal
<table>
<tr><th>Date</th><th>Particulars</th><th>LF</th><th>Dr (₹)</th><th>Cr (₹)</th></tr>
<tr><td></td><td>Profit & Loss A/c Dr.
To Kamal’s Capital Account
To Vimal’s Capital A/c
(Being adjustment entry made)</td><td></td><td>10,000</td><td>
6,000
4,000</td></tr>
</table></td><td>1 Mark</td></tr>
<tr><td>1</td><td>6</td><td>6</td><td>Q. In the absence of................... is charged.
Ans. (iv) no interest is charged.</td><td>1 Mark</td></tr>
<tr><td>-</td><td>-</td><td>7</td><td>Q . State any..................discount.
Ans. (Any three)
Shares can be issued at discount subject to the following conditions:
(a) The shares must belong to a class already issued.
(b) The issue must be authorised by a resolution passed by the company in general meeting and sanctioned by the central government</td><td>1 Mark each</td></tr>
</table>

			(c) The resolution specifies the maximum rate of discount at which shares are to be issued. (d) One year must have passed since the date at which the company was entitled to commence business. (e) The issue of such shares must take place within two months of the date on which the issue was sanctioned by the central government or within such extended time as the central government may allow.	= **3 Marks**
-	-	8	**Q. K and L..........................error.** **Ans.**	

Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)
2014 April 1	L's Capital A/c Dr. To K's Capital A/c (Being interest on capital and salary omitted, now adjusted)		4,228	4,228

1

Working Notes:

Calculation of Opening Capital :

	K (₹)	L (₹)
Closing Capitals	80,000	1,00,000
Less: Profits	(54,000)	(36,000)
Add: Drawings	20,000	27,000
Opening Capitals	46,000	91,000
Interest on Capital @ 6% p.a.	2,760	5,460

1

	K	L	Total
Omission of Interest on Capital (Cr.)	2,760	5,460	8,220
Salary to K (Cr.)	16,000		16,000
Net loss to firm (Dr.)	14,532	9,688	24,220
Net Effect	**4,228(Cr.)**	**4,228(Dr.)**	---

1 = **3 Marks**

9	10	9	**Q. 'Telecom Ltd...........................Companies Act, 1956.** **Ans.**	

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

Particulars	Note No.	Amount Current year	Amount Previous year
EQUITY & LIABILITIES I Shareholder's funds : a) Share Capital	1	9,96,000	

1

Notes to Accounts :

Particulars			₹	Marks
(1) **Share Capital**				
Authorised Capital :				
80,00,000 equity shares of ₹ 10 each			8,00,00,000	1
Issued Capital				
1,00,000 equity shares of ₹ 10 each			10,00,000	½
Subscribed and fully paid				
99,000 equity shares of ₹ 10 each		9,90,000		
Subscribed but not fully paid capital				
1,000 equity shares of ₹ 10 each	10,000			½
Less: Calls in arrears	4,000	6,000	9,96,000	=3marks

10	9	10	**Q. 'Panipat Blankets Ltd. ....to the society.**	

Ans. a)

Books of Panipat Blankets Ltd.
Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)
i.	Machinery A/c Dr.		12,00,000	
	To Vendors A/c			12,00,000
	(Being purchase of machinery)			
ii.	Vendors A/c Dr.		12,00,000	
	To Equity Share Capital A/c			10,00,000
	To 9% Debentures A/c			2,00,000
	(Being issue of equity shares and debentures at par)			
	OR			
	Vendors A/c Dr.		10,00,000	
	To Equity Share Capital A/c			10,00,000
	(For issue of equity shares)			
	Vendors A/c Dr.		2,00,000	
	To 9% Debentures A/c			2,00,000
	(For issue debentures at par)			

1

1

1

=
3 Marks

b) **Values which the company wants to communicate to the society:** ***(Any one)***

- Discharging Social responsibility
- Generation of employment opportunities in rural areas

(OR any other suitable value.)

- - **11** **Q. Kavita, Ravita and Sunita...........executors.**

Ans.

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

Particulars	Amount (₹)	Particulars	Amount (₹)
To Sunita's Executor A/c	---------	By Balance b/d	------
		By Kavita's Capital A/c	2,05,000 1
		By Ravita's Capital A/c	1 1,02,500
		By Profit & Loss Suspense A/c	51,250 2
	------------		---------

Working notes:

i. Calculation of Share of Profit :
2,56,250 x 2/5 x 1/2 = ₹ 51,250

ii. Share in Goodwill = 2,56,250 x 3 x 2/5= ₹ 3,07,500
Kavita's Share = ₹ 2,05,000
Ravita's share = ₹ 1,02,500

=
4 Marks

12 **12** **12** **Q. Jain, Gupta and Singh...............................the firm.**

Ans.

In the books of Jain, Gupta and Singh
Profit & Loss Appropriation A/c
Dr. For the year ended 31st March 2014 Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To Interest on Capital: Jain's Capital A/c 29,400 Gupta'sCapitalA/c 44,100 Singh's Capital A/c 73,500	½ ½ 1,47,000 ½	By Profit for the year	1,47,000 1
	1,47,000		1,47,000

= 4 Marks

Working notes:
Calculation of Interest on Capital:

-

		(₹)
a)	Interest on Jain's Capital:	40,000 ½
b)	Interest on Gupta's Capital:	60,000 ½
c)	Interest on Singh's capital:	1,00,000 ½
	Total:	2,00,000

The available profit is ₹ 1,47,000 since the profit is less than interest, the available profit will be distributed in the ratio of interest i.e. 2:3:5

14 15 13 Q. Chennai Fibers Ltd.................................2013-14.
Ans.
Dr. Cr.

9% Debentures A/c

Date	Particulars	LF	Amount (₹)	Date	Particulars	LF	Amount (₹)
2009 Mar 31	To Balance c/d		16,00,000 16,00,000	2008 Apr 1	By Debentures app & all A/c By Discount on issse of debentures A/c	1	14,40,000 1,60,000 16,00,000
2010 Mar 31	To Balance c/d		16,00,000	2009 Apr 1	By Balance b/d	1	16,00,000
2011 Mar 31	To Debenture holders A/c To Balance c/d		2,00,000 14,00,000 16,00,000	2010 Apr 1	By Balance b/d	1	16,00,000 16,00,000
2012 Mar 31	To Debenture Holder A/c To Balance c/d		3,00,000 11,00,000 14,00,000	2011 Apr 1	By Balance b/d	1	14,00,000 14,00,000
2013 Mar 31	To Debenture Holder A/c To Balance c/d		4,00,000 7,00,000 11,00,000	2012 Apr 1	By Balance b/d	1	11,00,000 11,00,000
2014 Mar 31	To Debenture holders A/c		7,00,000 7,00,000	2013 Apr 1	By Balance B/d	1	7,00,000 7,00,000

= 6 Marks

15 13 14 Q. Chopra, Shah and Patel..................................amounts.
Ans.

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

Particulars	Amt (₹)	Particulars	Amt (₹)
To Plant and Machinery	1,60,000	By Sundry Creditors	1,50,000
To Stock	1,50,000	By Mrs. Chopra's Loan	1,30,000
To Sundry Debtors	2,00,000	By Repairs and Renewals reserve	12,000
To Prepaid Insurance	4,000		
To Investments	30,000	By Provision for bad debts	10,000
To Chopra's capital A/c --Mrs. Chopra's Loan	1,30,000	By cash – Assets sold: Plant 1,00,000; Stock 1,20,000; Debtors 1,60,000	3,80,000
To Cash- dishonoured bill paid	50,000		
To Cash- Creditors	1,50,000		
To Cash- Expenses	8,000	By Chopra's Capital- Investments	20,000
		By Loss Transferred to Partners' Capital A/c: Chopra 90,000; Shah 60,000; Patel 30,000 1	1,80,000
	8,82,000		**8,82,000**

1

Partner's Capital A/c

Particulars	Chopra (₹)	Shah (₹)	Patel (₹)	Particulars	Chopra (₹)	Shah (₹)	Patel (₹)
To Realisation (Investments)	20,000			By Balance b/d	1,00,000	1,50,000	20,000
To Realisation A/c (Loss) 1	**90,000**	**60,000**	**30,000**	By Realisation A/c (Loan)	1,30,000	—	—
To Cash A/c 1	**1,20,000**	**90,000**	—	**By Cash A/c**	—	—	**10,000** 1
	2,30,000	**1,50,000**	**30,000**		**2,30,000**	**1,50,000**	**30,000**

3

Dr. **Cash A/c** Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To balance b/d ½	**28,000**	By Realisation A/c – (Dishonoured bill)	50,000
To Realisation A/c – Sale of Assets ½	**3,80,000**	By Realisation A/c (Creditors paid)	1,50,000
To Patel's Capital A/c	10,000	**By Realisation A/c (Expenses)**	**8000** 1
		By Chopra's capital A/c	1,20,000
		By Shah's Capital A/c	90,000
	4,18,000		**4,18,000**

2 = 6 Marks

13 14 15 Q. On 1-4-2013, Mohan......................partners.

Ans.

Interest on Capital:

Mohan – 1,00,000 x 6 /100 = **₹** 6,000 — 2

Sohan – 10,73,000 x 6/100 x 1/ 12 = **₹** 5,365

Date	Amount (₹)	Months	Product
1.4.2013	50,000	1	50,000
1.5.2013	60,000	2	1,20,000
30.6.2013	55,000	3	1,65,000
30.9.2013	1,52,000	4	6,08,000
1.2.2014	65,000	2	1,30,000
	Total:		10,73,000

4

			Note: Full credit should be given if the examinee has done the question correctly by any other method. ***Alternate solution*** Interest on Capital of Sohan = (50,000 x 6/100 x 1/12) + (60,000 x 6/100 x 2/12) + (55,000 x 6/100 x 3/12) + (1,52,000 x 6/100 x 4/12) + (65,000 x 6/100 x 2/12) = ₹ 5,365	= **6 Marks**
-	-	**16**	**Q. Ratan Ltd...................... Ratan Ltd.** **Ans.**	

Books of Vibhu Ltd.

Journal

Date	Particulars	L.F.	Debit (₹)	Credit (₹)	Marks
(i)	Bank A/c Dr. To Equity Share Application & Allotment A/c (Being application and allotment money received with premium)		15,22,500	 15,22,500	**1 ½**
(ii)	Equity Share App & Allotment A/c Dr. To Equity Share Capital A/c To Calls in advance A/c To Securities premium/ Sec. premium Reserve A/c To Bank A/c (Being application and allotment money transferred to share capital)		15,22,500	 6,00,000 3,12,000 6,00,000 10,500	**1 ½**
(iii)	Equity Share First & final call A/c Dr. To Equity share Capital a/c To securities premium/ Securities premium Reserve A/c (Being first and final call money due with premium)		9,00,000	 6,00,000 3,00,000	**1**
(iv)	Bank A/c Dr. Calls in advance A/c Dr. To Equity Share First and final call A/c (Being first and final call money received) OR Bank A/c Dr. Calls in arrears A/c Dr. Calls in advance A/c Dr. To Equity Share First and final call A/c (Being call and final call money received)		5,64,000 3,12,000 5,64,000 3,12,000 24,000	 8,76,000 9,00,000	**1**
(v)	Equity Share capital A/c Dr. Securities premium A/c Dr. To Share forfeiture A/c To Equity share First and final call A/c / Calls in arrear A/c (Being 480 shares forfeited)		48,000 12,000	 36,000 24,000	**1**
(vi)	Bank A/c Dr. Share forfeited A/c Dr. To Equity share Capital A/c (Being shares reissued)		27,000 3,000	 30,000	**1**

(vii)	Share forfeited A/c Dr. To Capital reserve A/c (Being balance of share forfeited transferred to capital reserve A/c)		19,500	19,500

1 = 8 Marks

- - 16 OR

Q. Kalyan Ltd................................Kalyan Ltd.

Ans.

Books of Kalyan Ltd.

Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)	
i.	Bank A/c Dr. To Equity Share Application A/c (For application money received on 87,000 shares)		1,74,000	1,74,000	½
ii.	Equity Share Application A/c Dr. To Equity Share Capital A/c (For equity share allotment made)		1,74,000	1,74,000	½
iii.	Equity Share allotment A/c Dr. Discount on issue of shares A/c Dr. To Equity Share Capital A/c (For allotment money due)		2,61,000 69,600	3,30,600	½
iv.	Bank A/c Dr. To Equity share allotment a/c (For allotment money received except on 1,600 shares) **OR** Bank A/c Dr. Calls in arrears A/c Dr. To Equity Share Allotment A/c (For allotment money received except on 1,600 shares and the advance adjusted)		2,56,200 2,56,200 4,800	2,56,200 2,61,000	½
v.	Equity Share Capital A/c Dr. To Share forfeiture A/c To Discount on issue of shares A/c To Share allotment A/c / Calls in arrears A/c (For 1,600 share were forfeited for non payment of allotment money)		9,280	3,200 1,280 4,800	1
vi.	Equity Share first and final call A/c Dr. To Equity Share Capital A/c (For first and final call money due on 85,400 shares)		3,58,680	3,58,680	1
vii.	Bank A/c Dr. To Equity share first and final call a/c (For first and final call money received except on 1,500 shares) **OR** Bank A/c Dr.		3,52,380 3,52,380	3,52,380	1

				Calls in arrears A/c Dr. To Equity share first and final call A/c (For first and final call money received except on 1,500 shares)		6,300	3,58,680	
			viii.	Equity Share Capital A/c Dr. To Equity Share Forfeiture A/c To Discount on issue of shares A/c To Equity Share first and final call/ Calls in arrears A/c (For 1500 shares forfeited)		15,000	7,500 1,200 6,300	1
			ix.	Bank A/c Dr. Discount on issue of shares A/c Dr. Equity Share forfeiture A/c Dr. To Equity Share Capital A/c (For shares reissued 2000 shares for ₹9 per share fully paid up)		18,000 1,600 400	20,000	1
			x.	Share forfeiture A/c Dr. To capital reserve A/c (Being forfeiture balance transferred to capital reserve)		8,100	8,100	1 = **8 Marks**

17	**17**	**17**	**Q. A,B and C......................... retirement.** **Ans.**	

Revaluation A/c

Dr **Cr**

Particulars	**Amt (₹)**	**Particulars**	**Amt (₹)**
To machinery A/c	9,600	By Provident fund A/c ½	500
To Patents A/c ½	2,000	By Investment A/c ½	11,700
To profit transferred to Partner's Capital A/c: A 300 B 200 C 100 ½	600		
	12,200		**12,200**

2 Marks

Partner's Capital A/c

Particulars	**A (₹)**	**B (₹)**	**C (₹)**	**Particulars**	**A (₹)**	**B (₹)**	**C (₹)**
To C's Capital A/c	540	360		By Balance b/d	80,000	73,000	40,000
To Investment A/c			31,700	By A's Capital A/c			540
To C's loan A/c			12,800	By B's Capital A/c			360
To Current A/c		11,800		By General Reserve A/c	10,500	7,000	3,500
To Balance c/d	1,02,060	68,040	---	By revaluation A/c	300	200	100
				By current A/c	11,800		
	1,02,600	**80,200**	**44,500**		**1,02,600**	**80,200**	**44,500**

6 Marks

Working Notes:

A's capital = ₹ 90,260

B's capital = ₹ 79,840

Total capital = ₹ 1,70,100

Capitals of A and B in new ratio =

A = 3/5 x 1,70,100 = 1,02,060

B = 2/5 x 1,70,100 = 68,040

= 8 Marks

---

17 OR | 17 OR | 17 OR

Q. O, R and S..............................Capital accounts.

Ans.

Revaluation A/c

Dr **Cr**

Particulars	Amt (₹)	Particulars	Amt (₹)
To liability for bills discounted ½	7,004	By land and building A/c ½	35,000
To Stock A/c ½	27,400	By plant and machinery A/c ½	6,750
To furniture A/c	16,000	By Partner's current A/c (loss):	
To Investments A/c ½	7,300	O 7,977	
		R 5,318 ½	
		S 2,659	15,954
	57,704		**57,704**

3 Marks

Partner's Current A/c

Particulars	O (₹)	R (₹)	S (₹)	Particulars	O (₹)	R (₹)	S (₹)
To balanceb/d		7,000		By Balance b/d	4,000		6,000
To revaluation a/c	7,977	5,318	2,659	By General reserve	7,500	5,000	2,500
Tobalancec/d	97,023	45,015	82,008	By profit and loss a/c	3,500	2,333	1,167
				By premium for goodwill	15,000		
				By capital A/cs	75,000	50,000	75,000
	1,05,000	**57,333**	**84,667**		**1,05,000**	**57,333**	**84,667**

4 Marks

Partners' Capital A/c

Particulars	O (₹)	R (₹)	S (₹)	Particulars	O (₹)	R (₹)	S (₹)
To current A/cs	75,000	50,000	75,000	By Balance b/d	1,75,000	1,50,000	1,25,000
To balance c/d	1,00,000	1,00,000	50,000				
	1,75,000	**1,50,000**	**1,25,000**		**1,75,000**	**1,50,000**	**1,25,000**

H's Capital A/c

Dr **Cr**

Particulars	Amt (₹)	Particulars	Amt (₹)
To Balance c/d	50,000	By Bank A/c	50,000
	50,000		**50,000**

1 = 8 Marks

PART B

(Financial Statements Analysis)

- | - | 18

Q. Which of the...........................equity shares.

Ans.

(iii) Sale of machinery of the book value of ₹ 38,000 at a loss of ₹ 3,000

1 Mark

-	-	19	**Q. While....................................reason.** **Ans.** No, the accountant is not correct as it is finance company and dividend received is an operating activity.	**1 Mark**
-	-	20	**Q. Under which................................. three years.** **Ans.**	½ ½ ½ ½ ½ ½ ½ ½ = **4 Marks**

S.No.	Items	Headings	Sub headings
1	Loans provided re-payable on demand	Current liabilities	Short term borrowings
2	Goodwill	Non current assets	Fixed assets-intangible
3	Copyright	Non current assets	Fixed assets-intangible
4	General Reserve	Shareholders' funds	Reserves and surplus
5	Cheques	Current assets	Cash and cash equivalents
6	Loose Tools	Current assets	Inventories
7	Stock of finished goods	Current assets	Inventories
8	9% debentures re-payable after three years	Non current liabilities	Long term borrowings

21	-	21	**Q. The current...creditors.** **Ans.**	**1x4 = 4 Marks**

	Reason
i) Decrease	Current assets will decrease with no change in current liabilities.
ii) No change	Both current assets and current liabilities are not affected.
iii) No change	Both current assets and current liabilities are not affected.
iv) Increase	Both current assets and current liabilities will decrease with same amount.

22	22	22	**Q. The motto....................................... to communicate.** **Ans.**	**2 Marks**

a) <u>Net Profit Ratio</u>

As on 31-03-2013 = Net Profit after tax / Revenue from operations x 100 1
= 8,00,000 / 40,00,000 x 100 ½
= 20%

As on 31-03-2014 = Net Profit after tax / Revenue from operations x 100
= 16,00,000 / 60,00,000 x 100
= 26.67% ½

1 mark for formula & ½ mark for calculation of net profit ratio of each year. 1+ (½ + ½) = 2

			b) **Values:** **(Any two)** • Promoting healthy living. • Participation of Employees in excess profits. • Treating employees a part of the company. • Ethical practices of company • Hardwork and honesty of employees. • Serving the organisation with dignity. **(Or any other suitable value)**	**2 Marks** **=** **4 Marks**
23	**23**	**23**	**Q. Following ....statement.** **Ans.**	

Cash flow statement of Solar Power Ltd.
For the year ended 31st March 2014 as per AS-3 (Revised)

Particulars	Details (₹)	Amount (₹)	Marks
Cash Flows from Operating Activities:			
Net Profit before tax & extraordinary items	4,00,000		
Add: Non cash and non-operating charges			
Goodwill written off	3,20,000/2,88,000		
Depreciation on machinery	2,64,000		
Loss on sale of machinery	8,000		
Operating profit before working capital changes	9,92,000/9,60,000		
Less: Increase in Current Assets			
Increase in trade receivables	(1,08,000)		
Increase in inventories	(32,000)		
Less: Decrease in Current Liabilities			
Decrease in trade payables	(1,00,000)		
Decrease in short term provisions	(1,08,000)		
Cash generated from Operating Activities		**6,44,000/ 6,12,000**	2
Cash flows from Investing Activities :			
Purchase of machinery	(11,76,000)		
Sale of machinery	24,000		2
Cash used in investing activities		**(11,52,000)**	
Cash flows from Financing Activities:			
Issue of share capital	4,00,000		
Money raised from long term borrowings	2,80,000		
Cash from financing activities		**6,80,000**	2
Net increase in cash & cash equivalents		**1,72,000/ 1,40,000**	
Add: Opening balance of cash & cash equivalents:			
Current Investments	4,48,000		
Cash & cash equivalents	16,20,000		
Closing Balance of cash & cash equivalents:			
Current Investments	9,60,000		
Cash & cash equivalents	12,80,000		
(No marks for cash & cash equivalents)			

Working Notes:

Machinery A/c.

Particulars	₹	Particulars	₹
To Balance b/d To Bank A/c (Bal. Figure)	40,00,000 11,76,000	By Bank a/c By Accumulated Depreciation By Loss on sale of machinery By Balance c/d	24,000 64,000 8,000 50,80,000
	51,76,000		**51,76,000**

Accumulated Depreciation A/c

Particulars	₹	Particulars	₹
To Machinery A/c To balance c/d	64,000 8,00,000	By Balance b/d By Depreciation a/c (Bal fig.)	6,00,000 2,64,000
	8,64,000		**8,64,000**

Notes:

(I) If short term provision is not treated as current liabilities by an examinee:
Decrease in short term provisions will not be shown.

1. If short term provision is treated as provision for doubtful debts.

- Operating profit before working capital changes will be ₹ 8,84,000 or ₹ 8,52,000.
- There is no change in the cash flow from the three activities and full credit is to be given for this treatment also.

2. If short term provision is treated as provision for tax:

- Net profit before tax and extraordinary items will be ₹ 6,00,000.
- Operating profit before working capital changes will be ₹ 11,92,000 or ₹ 11,60,000.
- Cash generated from operations before tax will be ₹ 9,52,000 or ₹ 9,20,000
- Tax paid off ₹ 3,08,000 will be deducted for calculating cash from operating activities.
- There is no change in the cash flow from the three activities and full credit is to be given for this treatment also.

3. If short term provision is treated as proposed dividend:

- Net profit before tax and extraordinary items will be ₹ 6,00,000.
- Cash from operating activities will be ₹ 9,52,000 or ₹ 9,20,000
- Cash used in investing activity will remain same i.e. ₹ (11,52,000)
- Cash from financing activity will be ₹ 3,72,000

(II) If current investment is treated as current asset by an examinee:
Increase in current investment ₹ 5,12,000 will be deducted from operating profit before working capital changes.

1. If Short term provision is treated as current liability:

- Operating profit before working capital changes will be ₹ 9,92,000 or ₹ 9,60,000.
- Cash from operating activities will be ₹ 1,32,000 or 1,00,000.
- Cash used in investing activity will remain same i.e. ₹ (11,52,000) and cash from financing activity will also remain same i.e. ₹ 6,80,000.

2. When short term provision is treated as proposed dividend:

- Net profit before tax and extraordinary items will be ₹ 6,00,000.
- Operating profit before working capital changes will be ₹ 11,92,000 or ₹

			11,60,000 • Cash from operating activities will be ₹ 4,40,000 or ₹ 4,08,000 • Cash used in investing activity will remain same i.e. ₹ (11,52,000) • Cash from financing activity will be ₹ 3,72,000 3. When short term provision is treated as provision for tax: • Net profit before tax and extraordinary items will be ₹ 6,00,000. • Operating profit before working capital changes will be ₹ 11,92,000 or ₹ 11,60,000 • Cash generated from operations ₹ 9,52,000 or ₹ 9,20,000 • Tax paid off ₹ 3,08,000 will be deducted for calculating cash from operating activities. • Cash from operating activities will be ₹ 6,46,000 or ₹ 6,14,000 • Cash used in investing activity will remain same i.e. ₹ (11,52,000) • Cash from financing activity will be ₹ 6,80,000 or ₹ 6,48,000 4. If short term provision is treated as provision for doubtful debts: • Net profit before tax and extraordinary items will be ₹ 4,00,000. • Operating profit before working capital changes will be ₹ 8,84,000 or ₹ 8,52,000. • Cash from operating activities will be ₹ 6,44,000 or ₹ 6,12,000 • Cash used in investing activity will remain same i.e. ₹ (11,52,000) • Cash from financing activity will be ₹ 6,80,000 or 6,48,000	
			PART B **(Computerised Accounting)**	
19	**18**	**18**	**Q. 'SQL' stand......................questions.** **Ans.** (iii) Structured Query Language	**1 Mark**
18	**19**	**19**	**Q. The term..................of the table.** **Ans.** (iv) Horizontal row of the table	**1 Mark**
22	**21**	**20**	**Q. State the steps..........................using Tally.** **Ans.** The following are the steps to construct BRS in tally: i. Bring up the monthly summary of bank book. ii. Bring your cursor to the first month and press enter. This brings up the vouchers for the month. Since this is a bank account, an additional button F5 : reconcile will be visible on the right Press F5. iii. The display now becomes an Edit screen in Reconciliation mode. The primary components are : A column for the 'Bankers Date'. iv. The 'Reconciliation' at the bottom of the screen. v. Balance as per company's books. vi. Amounts not reflected in banks vii. Balance as per bank.	**=** **4 Marks**
20	**22**	**21**	**Q. State any two................System.** **Ans.** **Advantages of CAS** Following are the advantages of computerized accounting system (CAS) **(Any Two)** 1. Timely generation of reports and information in desired format. 2. Efficient record keeping.	**2**

			3. Ensures effective control over the system. 4. Economy in the processing of accounting data. 5. Confidentiality of data is maintained. **Limitations of CAS** Following are the limitation of CAS software: **(Any Two)** 1. Faster obsolescence of technology necessitates investment in shorter period of time. 2. Data may be lost or corrupted due to power interruptions. 3. Data are prone to hacking. 4. Un-programmed and un-specified reports cannot be generated.	**2** **=** **4 marks**
21	**20**	**22**	**Q. State the features.................software.** **Ans.** Following are the features of accounting softeware: 1. Do all basic accounting functions, 2. Manage your stores, 3. Do the job costing, 4. Manage payroll, 5. Get many MIS (Management information System) 6. File tax returns 7. Maintain budgets etc 8. Calculate interest pending amounts 9. Manage data over different locations and synchronize it and many more other features	**=** **4 Marks**
23	**-**	**-**	**Q. Name and explain.........................periodic interest.** **Ans.** The name of financial Functions is **<u>ACCRINT.</u>** This function returns the accrued interest for a security that pays periodic interes. The syntax of this is as follows: ACCRINT (issue, first_interest, settlement, rate, par, frequency, basis, calc_method) Dates should be entered by using the DATE function or as results of other formulas or functions. Issue is the security's issue date. First_interest is the security's first interest date.	