



For  
**MARCH**  
**2019**

# **CBSE**

# **SOLVED PAPER**

# **2018**

## **ACCOUNTANCY**

## **CLASS 12**



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# Latest Syllabus for Academic Year 2018-19

## Accountancy Class-12 (Code No. 055)

One Paper

Theory: 80 Marks  
3 Hours

Units		Periods	Marks
<b>Part A</b>	<b>Accounting for Not-for-Profit Organizations, Partnership Firms and Companies</b>		
	Unit 1. Financial Statements of Not-for-Profit Organizations	25	10
	Unit 2. Accounting for Partnership Firms	90	35
	Unit 3. Accounting for Companies	35	15
		<b>150</b>	<b>60</b>
<b>Part B</b>	<b>Financial Statement Analysis</b>		
	Unit 3. Analysis of Financial Statements	30	12
	Unit 4. Cash Flow Statement	20	8
		<b>50</b>	<b>20</b>
<b>Part C</b>	<b>Project Work</b>	<b>40</b>	<b>20</b>
	Project work will include:		
	Project File	4 Marks	
	Written Test	12 Marks (One Hour)	
	Viva Voce	4 Marks	
	OR		
<b>Part B</b>	<b>Computerized Accounting</b>		
	Unit 3. Computerized Accounting	50	20
<b>Part C</b>	<b>Practical Work</b>	<b>26</b>	<b>20</b>
	Practical work will include:		
	Practical File	4 Marks	
	Practical Examination	12 Marks (One Hour)	
	Viva Voce	4 Marks	

**Part A: Accounting for Not-for-Profit Organizations, Partnership Firms and Companies** 60 Marks 150 Periods  
**Unit 1: Financial Statements of Not-for-Profit Organizations** 25 Periods

Units/Topics	Learning Outcomes
<ul style="list-style-type: none"> <li>Not-for-profit organizations: concept.</li> <li>Receipts and Payments Account: features and preparation.</li> <li>Income and Expenditure Account: features, preparation of income and expenditure account and balance sheet from the given receipts and payments account with additional information.</li> </ul> <p><b>Scope:</b></p> <p>(i) Adjustments in a question should not exceed 3 or 4 in number and restricted to subscriptions, consumption of consumables and sale of assets/ old material.</p> <p>(ii) Entrance/admission fees and general donations are to be treated as revenue receipts.</p> <p>(iii) Trading Account of incidental activities is not to be prepared.</p>	<p><b>After going through this unit, the student will be able to:</b></p> <ul style="list-style-type: none"> <li>state the meaning of a Not-for-profit organisation and its distinction from a profit making entity.</li> <li>state the meaning of receipts and payments account, and understanding its features.</li> <li>develop the understanding and skill of preparing receipts and payments account.</li> <li>state the meaning of income and expenditure account and understand its features.</li> <li>develop the understanding and skill of preparing income and expenditure account and balance sheet of a not-for-profit organisation with the help of given receipts and payments account and additional information.</li> </ul>

**Unit 2: Accounting for Partnership Firms**

**90 Periods**

Units/Topics	Learning Outcomes
<ul style="list-style-type: none"> <li>Partnership: features, Partnership Deed.</li> <li>Provisions of the Indian Partnership Act 1932 in the absence of partnership deed.</li> <li>Fixed v/s fluctuating capital accounts. Preparation of Profit and Loss Appropriation account-division of profit among partners, guarantee of profits.</li> </ul>	<p><b>After going through this unit, the student will be able to:</b></p> <ul style="list-style-type: none"> <li>state the meaning of partnership, partnership firm and partnership deed.</li> <li>describe the characteristic features of partnership and the contents of partnership deed.</li> </ul>

- Past adjustments (relating to interest on capital, interest on drawing, salary and profit sharing ratio).
- Goodwill: nature, factors affecting and methods of valuation - average profit, super profit and capitalization.

*Note : Interest on partner's loan is to be treated as a charge against profits.*

#### **Accounting for Partnership firms - Reconstitution and Dissolution.**

- **Change in the Profit Sharing Ratio** among the existing partners - sacrificing ratio, gaining ratio, accounting for revaluation of assets and reassessment of liabilities and treatment of reserves and accumulated profits. Preparation of revaluation account and balance sheet.
- **Admission of a partner** - effect of admission of a partner on change in the profit sharing ratio, treatment of goodwill (as per AS 26), treatment for revaluation of assets and reassessment of liabilities, treatment of reserves, and accumulated profits, adjustment of capital accounts and preparation of balance sheet.
- **Retirement and death of a partner:** effect of retirement / death of a partner on change in profit sharing ratio, treatment of goodwill (as per AS 26), treatment for revaluation of assets and reassessment of liabilities, adjustment of accumulated profits and reserves, adjustment of capital accounts and preparation of balance sheet. Preparation of loan account of the retiring partner. Calculation of deceased partner's share of profit till the date of death. Preparation of deceased partner's capital account, executor's account.
- **Dissolution of a partnership firm:** meaning of dissolution of partnership and partnership firm, types of dissolution of a firm. Settlement of accounts - preparation of realization account, and other related accounts: capital accounts of partners and cash/bank a/c (excluding piecemeal distribution, sale to a company and insolvency of partner(s)).

#### **Note :**

- (i) The realized value of each asset must be given at the time of dissolution.
- (ii) In case, the realization expenses are borne by a partner, clear indication should be given regarding the payment thereof.

- discuss the significance of provision of Partnership Act in the absence of partnership deed.
- differentiate between fixed and fluctuating capital, outline the process and develop the understanding and skill of preparation of Profit and Loss Appropriation Account.
- develop the understanding and skill of preparation profit and loss appropriation account involving guarantee of profits.
- develop the understanding and skill of making past adjustments.
- state the meaning, nature and factors affecting goodwill
- develop the understanding and skill of valuation of goodwill using different methods.
- state the meaning of sacrificing ratio, gaining ratio and the change in profit sharing ratio among existing partners.
- develop the understanding of accounting treatment of revaluation assets and reassessment of liabilities and treatment of reserves and accumulated profits by preparing revaluation account and balance sheet.
- explain the effect of change in profit sharing ratio on admission of a new partner.
- develop the understanding and skill of treatment of goodwill as per AS-26, treatment of revaluation of assets and re-assessment of liabilities, treatment of reserves and accumulated profits, adjustment of capital accounts and preparation of balance sheet of the new firm.
- explain the effect of retirement / death of a partner on change in profit sharing ratio.
- develop the understanding of accounting treatment of goodwill, revaluation of assets and re-assessment of liabilities and adjustment of accumulated profits and reserves on retirement / death of a partner and capital adjustment.
- develop the skill of calculation of deceased partner's share till the time of his death and prepare deceased partner's executor's account.
- discuss the preparation of the capital accounts of the remaining partners and the balance sheet of the firm after retirement / death of a partner.
- understand the situations under which a partnership firm can be dissolved.
- develop the understanding of preparation of realisation account and other related accounts.

### **Unit 3: Accounting for Companies**

**60 Periods**

Units/Topics	Learning Outcomes
<b>Accounting for Share Capital</b> <ul style="list-style-type: none"> <li>● Share and share capital: nature and types.</li> <li>● Accounting for share capital: issue and allotment of equity shares, private placement of shares, Employee Stock Option Plan (ESOP). Public subscription of shares - over subscription and under subscription of shares; issue at par and at premium, calls in advance and arrears (excluding interest), issue of shares for consideration other than cash.</li> </ul>	<b>After going through this unit, the students will be able to :</b> <ul style="list-style-type: none"> <li>● state the meaning of share and share capital and differentiate between equity shares and preference shares and different types of share capital.</li> <li>● understand the meaning of private placement of shares and Employee Stock Option Plan.</li> <li>● explain the accounting treatment of share capital transactions regarding issue of shares</li> </ul>

<ul style="list-style-type: none"> <li>● Concept of Private Placement and Employee stock Option Plan (ESOP).</li> <li>● Accounting treatment of forfeiture and re-issue of shares.</li> <li>● Disclosure of share capital in company's Balance Sheet of a company.</li> </ul> <p><b>Accounting for Debentures</b></p> <ul style="list-style-type: none"> <li>● Debentures: Issue of debentures at par, at a premium and at a discount. Issue of debentures for consideration other than cash; Issue of debentures with terms of redemption; debentures as collateral security-concept, interest on debentures. Writing off discount /loss on issue of debentures.</li> <li>● Redemption of debentures Methods: Lump sum, draw of lots. Creation of Debenture Redemption Reserve.</li> </ul> <p><i>Note: Related sections of the Companies Act, 2013 will apply.</i></p>	<ul style="list-style-type: none"> <li>● develop the understanding of accounting treatment of forfeiture and re-issue of forfeited shares.</li> <li>● describe the presentation of share capital in the balance sheet of the company as per schedule III part I of the Companies Act 2013.</li> <li>● explain the accounting treatment of different categories of transactions related to issue of debentures.</li> <li>● develop the understanding and skill of writing of discount /loss on issue of debentures.</li> <li>● understand the concept of collateral security and its presentation in balance sheet.</li> <li>● develop the skill of calculating interest on debentures and its accounting treatment.</li> <li>● state the meaning of redemption of debentures.</li> <li>● develop the understanding of accounting treatment of transactions related to redemption of debentures by lump sum, draw of lots, purchase in open market and conversion method.</li> </ul>
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## Part B : Financial Statement Analysis

20 Marks

### Unit 4 : Analysis of Financial Statements

30 Periods

<ul style="list-style-type: none"> <li>● <b>Financial statements of a company</b> : Statement of Profit and Loss and Balance Sheet in the prescribed form with major headings and sub headings (as per Schedule III to the Companies Act, 2013).</li> </ul> <p><b>Note</b> : Exceptional items, extraordinary items and profit (loss) from discontinued operations are excluded.</p> <ul style="list-style-type: none"> <li>● <b>Financial Statement Analysis</b> : Objectives, importance and limitations.</li> <li>● <b>Tools for Financial Statement Analysis</b> : Comparative statements, common size statements, cash flow analysis, ratio analysis.</li> <li>● <b>Accounting Ratios</b> : Objectives, classification and computation.</li> </ul> <p><b>Liquidity Ratios</b> : Current ratio and Quick ratio.  <b>Solvency Ratios</b> : Debt to Equity Ratio, Total Asset to Debt Ratio, Proprietary Ratio and Interest Coverage Ratio.  <b>Activity Ratios</b> : Inventory Turnover Ratio, Trade Receivables Turnover Ratio, Trade Payables Turnover Ratio and Working Capital Turnover Ratio.  <b>Profitability Ratios</b> : Gross Profit Ratio, Operating Ratio, Operating Profit Ratio, Net Profit Ratio and Return on Investment.</p>	<p><b>After going through this unit, the students will be able to:</b></p> <ul style="list-style-type: none"> <li>● develop the understanding of major headings and sub-headings (as per Schedule III to the Companies Act, 2013) of balance sheet as per the prescribed norms / formats.</li> <li>● state the meaning, objectives and limitations of financial statement analysis.</li> <li>● discuss the meaning of different tools of 'financial statements analysis'.</li> <li>● develop the understanding and skill of preparation of comparative and common size financial statements.</li> <li>● state the meaning, objectives and significance of different types of ratios.</li> <li>● develop the understanding of computation of current ratio and quick ratio.</li> <li>● develop the skill of computation of debt equity ratio, total asset to debt ratio, proprietary ratio and interest coverage ratio.</li> <li>● develop the skill of computation of inventory turnover ratio, trade receivables and trade payables ratio and working capital turnover ratio.</li> <li>● develop the skill of computation of gross profit ratio, operating ratio, operating profit ratio, net profit ratio and return on investment.</li> </ul>
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**Note** : Net Profit Ratio is to be calculated on the basis profit before and after tax.

### Unit 5 : Cash Flow Statements

20 Periods

<ul style="list-style-type: none"> <li>● Meaning, objectives and preparation (as per AS 3 (Revised) (Indirect Method only)</li> </ul> <p><b>Note</b> :</p> <p>(i) adjustments relating to depreciation and amortization, profit or loss on sale of assets including investments, dividend (both final and interim) and tax.</p>	<p><b>After going through this unit, the students will be able to:</b></p> <ul style="list-style-type: none"> <li>● state the meaning and objectives of cash flow statement.</li> <li>● develop the understanding of preparation of Cash Flow Statement using indirect method as per AS 3 with given adjustments.</li> </ul>
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(ii) Bank overdraft and cash credit to be treated as short term borrowings.	
(iii) Current Investments to be taken as Marketable securities unless otherwise specified.	

**Part A : Project Work**

**20 Marks 40 Periods**

**Note :** Kindly refer to the Guidelines published by the CBSE.

**OR**

**Part B : Computerised Accounting**

**20 Marks 50 Periods**

**Unit 3 : Computerised Accounting**

**Suggested Question Paper Design (2018-19)**

**Accountancy (Code No. 055)**

**Class XII**

**One Paper**

**Theory : 80 Marks**

**Duration : 3**

S. No.	Typology of Questions	Very Short Answer 1 Mark	Short Answer I 3 Marks	Short Answer II 4 Marks	Long Answer I 6 Marks	Long Answer II 8 Marks	Marks	%
1.	<b>Remembering</b> - (Knowledge based Simple recall questions, to know specific facts, terms, concepts, principles, or theories; Identify, define, or recite, information)	3	1	1	1	-	16	20%
2.	<b>Understanding</b> - (Comprehension –to be familiar with meaning and to understand conceptually, interpret, compare, contrast, explain, paraphrase, or interpret information)	2	-	2	1	1	24	30%
3.	<b>Application</b> (Use abstract information in concrete situation, to apply knowledge to new situations; Use given content to interpret a situation, provide an example, or solve a problem)	-	2	2	1	-	20	25%
4.	<b>High Order Thinking Skills-</b> (Analysis & Synthesis - Classify, compare, contrast, or differentiate between different pieces of information; Organize and/or integrate unique pieces of information)	2	-	-	1	1	16	20%
5.	<b>Evaluation-</b> (Appraise, judge, and/or justify the value or worth of a decision or outcome, or to predict outcomes based on values)	1	1	-	-	-	04	05%
	<b>TOTAL</b>	8x1=8	4x3=12	5x4=20	4x6=24	2x8=16	80(23) +20 Projects	100%

Scheme of options: All questions carrying 8 marks will have an internal choice.

**Note :** The Board has introduced Learning Outcomes in the syllabus to motivate students to constantly explore all levels of learning. However these are only indicative. These do not in any way restrict the scope of questions asked in the examinations. The examination questions will be strictly based on the prescribed question paper design and syllabus.