

ANSWER KEY (Unofficial)

Accountancy CA – Class 12 – Model Exam – March 2022 – ME 550

SECTION – I ACCOUNTING

1 Score

1. b) Income and Expenditure A/c
2. d) Interest on loan
3. d) All of these
4. b) Gaining ratio
5. a) All partners' capital a/c
6. c) Compulsory dissolution
7. a) Capital receipt
8. d) 12 months
9. c) Change in profit sharing ratio

2 Score

10. Features of Receipts and Payments Account:

1. It is the **summary of cash book**.
2. It shows the **total amounts of all receipts and payments** irrespective of the period to which they pertain.
3. It includes all receipts and payments whether they are of **capital nature or of revenue nature**.
4. The total amount of each receipt and payment is shown in this account whether it is paid in **cash or through bank**.
5. **Non-cash items** such as depreciation outstanding expenses accrued income, etc. are not shown in this account.
6. It begins with **opening balance of cash in hand and cash at bank** (or bank overdraft) and closes with the year-end balance of cash in hand/cash at bank or bank overdraft. (any 2)

11. **Journal entry** to write off the existing value of goodwill in the books of accounts:

Anil's Capital A/c	Dr	6000	
Biju's Capital A/c	Dr	4000	
	To Goodwill A/c		10000

(Existing goodwill written off in their old ratio)

12. **Differences between Revaluation Account and Realization Account.**

	Revaluation Account	Realisation Account
1	Prepared to ascertain the variation in the values of the assets and liabilities of the firm.	Prepared to ascertain the net profit or loss on the sale of assets or discharge of liabilities.
2	It comprises of only those assets and liabilities which are revalued.	All the assets and liabilities.
3	Prepared at the time of reconstitution.	At the time of dissolution.
4	It can be prepared at various events during the life of the firm.	It can be prepared only once, i.e. when the firm is dissolved.
5	Based on the difference in the book value and the revalued amount of assets and liabilities.	Based on the book value of assets and liabilities.

(Any 2 differences)

3 Score**13. Amount of subscription to be credited to income and expenditure account:**

Subscription received 2020 – 21		54000
Add: Subscription outstanding 31-3-21		8000
		62000
Less: Subscription outstanding 1-4-20	6000	
Less: Subscription received in advance 31-3-21	4000	10000
∴ Amount of subscription to be credited to Income and Expenditure A/c		52000

14. Interest on drawings:

- a. Beginning of every month = $3000 \times 12 \times 9\% \times 6.5/12 = 1755$
b. End of every month = $3000 \times 12 \times 9\% \times 5.5/12 = 1485$
c. Middle of every month = $3000 \times 12 \times 9\% \times 6/12 = 1620$

15. New ratio = 5:3:2**16. Realisation A/c**

Particulars	Amount	Particulars	Amount
To Assets	120000		80000
To Bank (Liabilities paid)	78000	By Liabilities	150000
To Bank (Realisation Expense)	1000	By Bank (Assets realized)	
To A's Capital A/c 18600	31000		
To B's Capital A/c 12400	230000		230000

17. Profit & Loss Appropriation A/c

Particulars	Amount	Particulars	Amount
To Divya's Capital A/c	80000	By P& L A/c (Net Profit)	160000
Less: Share of Dificiency	<u>20000</u>		
To Reshma's Capital A/c	40000		
Less: Share of Deficiency	<u>10000</u>		
To Sheeba's Capital A/c	40000		
Add: Deficiency in	<u>30000</u>		
guaranteed profit (20000 + 10000)	160000		160000

4 Score**18. Difference between Fixed Capital and Fluctuating Capital Methods**

FIXED CAPTIAL METHOD	FLUCTUATING CAPITAL METHOD
1. Two accounts are maintained, ie, capital a/c and current a/c	1. Only one account ie, capital a/c is prepared.
2. Usually, the amount of capital remains the same year after year.	2. The amount of capital is fluctuating

3. Adjustments like interest on capital, drawings, interest on drawings, etc. are made in the current a/c	3. Adjustments are made in the capital a/c itself.
4. Both the current a/c and the capital a/c are appeared in the Balance Sheet	4. Only the capital a/c appears in the Balance Sheet.
5. It should be specifically mentioned in the deed.	6. It is not necessary.

(Any 4)

19. Calculation of Goodwill – Super Profit Method:

$$\text{Average Profit} = \frac{40000 + 50000 + 55000 + 70000 + 85000}{5} = \frac{300000}{5} = 60000$$

$$\text{Normal Profit} = 500000 \times 10\% = 50000$$

$$\text{Super Profit} = \text{Average Profit} - \text{Normal Profit} = 60000 - 50000 = 10000$$

$$\text{Goodwill} = \text{Super Profit} \times 3 \text{ years purchase} = 10000 \times 3 = 30000$$

20. Accounting treatment for General Reserve & Accumulated Loss:

a) General Reserve:	General Reserve A/c	Dr	90000	
	To X's Capital A/c			45000
	To Y's Capital A/c			30000
	To Z's Capital A/c			15000

(General reserve distributed among all the partners)

b) Accumulated Loss:	X's Capital A/c	Dr	30000	
	Y's Capital A/c	Dr	20000	
	Z's Capital A/c	Dr	10000	

To Profit & Loss A/c (Accumulated Loss) 60000

(Accumulated loss distributed among all the partners)

21. Accounting Treatment:

- a) **Legacy** – It is the amount received as per the will of a deceased person. It is a capital receipt and shown on the liability side.
- b) **Life membership fee** – It is a lump sum amount received from certain members towards life membership instead of annual subscription. It should be capitalized as it is a capital receipt.
- c) **Sale of newspapers, periodicals etc.** – It should be treated as an income.
- d) **Payment of Honorarium** – It is a remuneration paid to a person, who is not a regular employee of the organization. It is to be shown on the debit side of Income & Expenditure A/c as it is a revenue item.

22. Adjustment of Capital on the basis of new partner's capital:

C's Capital = 40000 which is the $\frac{1}{4}$ th of total capital of the new firm after admission.

$$\therefore \text{Total capital of the new firm} = 40000 \times \frac{4}{1} = 160000$$

$$\text{A's new capital} = 160000 \times \frac{2}{4} = 80000$$

$$\text{B's new capital} = 160000 \times \frac{1}{4} = 40000$$

$$\text{C's capital} = 160000 \times \frac{1}{4} = 40000$$

Adjusted capital of A before the admission of C = 90000

$$\therefore \text{Surplus of A} = 90000 - 80000 = 10000$$

Adjusted capital of B before the admission of C = 30000

$$\therefore \text{Shortage of B} = 40000 - 30000 = 10000$$

Adjustment entry: A's Capital A/c Dr 10000
 To Cash A/c 10000
 (Excess capital withdrawn by A)
 Cash A/c Dr 10000
 To B's Capital A/c 10000
 (Shortage of capital brought in by B)

5 Score

23. **Income & Expenditure A/c for the year ending March 31, 2021**

Expenditure		Amount	Income		Amount
To Salary	18000	15000	By Subscriptions	32000	36000
Less: Prepaid salary	<u>3000</u>		Add: Subscription Outstanding	<u>4000</u>	
To Rent	22000	24000	By Rent of hall		6000
Add: Rent outstanding	<u>2000</u>		By Deficit		3000
To Electricity		4000			
To Stationery		2000			
		<u>45000</u>			<u>45000</u>

24. **Revaluation Account**

Particulars		Amount	Particulars		Amount
To Stock		3000	By Land & Buildings		8000
To Alflash's Capital A/c	5500	11000	By Creditors		1000
To Basith's Capital A/c	<u>5500</u>		By Investment		5000
		<u>14000</u>			<u>14000</u>

SECTION – II COMPUTERISED ACCOUNTING

1 Score

- 25. b) Block Codes
- 26. d) Spreadsheet
- 27. a) TODAY
- 28. c) Profit and Loss A/c
- 29. a) PMT
- 30. c) Z axis

2 Score

- 31. a) **Cell** - The intersection of rows and columns in a spreadsheet is called Cell.
 b) **Range** - Range is a group of selected cells in a spreadsheet.
- 32. a) **Syntax:** =SLN(Cost, Salvage, Life)
 b) **Syntax:** =DB(cost, salvage, life, period, months)
- 33. **Elements of charts and graphs:**
 a) **Plot Area** – It is the area in which the actual data is plotted.
 b) **Legend** – They are the indicators of data items. It is shown in the form of colours or symbols.

34. Four parts (elements) in Table Design Window in LibreOffice Base:

- a) Field Name b) Field Type c) Description d) Field Properties

35. **Security features of CAS:**

- a. **Password Security** - Password is the key to allow the access to the system. Only authorized person, who is supplied with the password, can enter into the system.
- b. **Data Audit** - It enables one to know as to who and what changes have been made in the original data thereby helping and fixing the responsibility of the person who has manipulated the data and ensures data integrity.
- c. **Data Vault** - Vaulting will save data in encrypted form to ensure its security. Encryption scrambles (hide) the information so as to make its interpretation extremely difficult or impossible.

(Any 2)

36. a) To Delete a Ledger Account in GNUKdata:

Master → Edit Account → Select the Ledger → Delete → Yes

b) To View Trial Balance:

Report → Trial Balance

3 Score

37. **Advantages of Computerised Accounting System**

1. Timely generation of reports and information in desired format.
2. Alterations and addition in transactions are easy and gives changed results instantly
3. Ensures effective control over the system
4. Economy in the processing of accounting data
5. Confidentiality of data is maintained.

(any 3)

38. **Three types of Cell References:**

a. Relative Cell Reference - When a formula or function from one cell is copied to another, the references given in the formula or function automatically changes to suit the new location.

b. Absolute Cell Reference - Absolute references do not change when copied to another location.

c. Mixed Cell Reference - If we assign the constant reference either for column or for row, it is called Mixed Reference. E.g. The cell reference \$A1, makes the column A constant, but the row 1 changes according to the new location. In the same way the reference A\$1, makes the row constant, but the column reference relative.

39. **Vouchers in GNUKdata:**

Voucher Type	Purpose (Used To Record)	Short cut Keys
a) Payments	All payment made by cash or cheque	F5
b) Purchase	Cash and credit purchase of goods or raw materials	F7
c) Contra	Deposits or withdrawals of cash from bank or transfer of funds from one bank to another and transfer of cash to petty cash	F8

40. Spreadsheet functions and their uses:

a) **CONCATENATE()** – This function allows to join 2 or more strings together. The item can be a text value, number, or cell reference. **Syntax:** =Concatenate (text1, [text2], ...)

b) **RATE** – This function is used to calculate the rate of return on investment or the rate of interest on a loan taken from a bank. **Syntax:** =Rate(NPer,Pmt,PV,FV,Type)

c) **NPV()** – This function calculates the net present value of an investment by using a discount rate and a series of future payments (negative values) and income (positive values).

Syntax: =NPV(rate,value1,[value2],...)

Prepared by:

<p>Sunithabai C B SKMJ HSS Kalpetta Wayanad Ph: 9447758361</p>

<p>Ajith Kanthi SKMJ HSS Kalpetta Wayanad Ph: 9446162771</p>

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