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:

–

General Instructions :

A compulsory – *A B*

B –

only one B

journal entry for treatment of Partner’s loan

‘ , ’

How does ‘Nature of business’ affect the value of goodwill of a firm ?

‘ , ’

How is ‘Life membership fee’ treated while preparing the financia



$\frac{1}{5}$

$\frac{1}{5}$

avita's share of profit.

‘ ,

‘ ,

What is meant by ‘Private shares’ ?

What is meant by ‘Reserve Capital’ ?

,



‘ ’

‘ ’

‘ ’

‘ ’

‘ ’

‘ ’

‘ ’

‘ ’





‘ ,

Calculate the amount of subscription that will be debited to the ‘Receipts and Payments Account’ for the year ended 31





— — —
— — —

,

The firm's profits for the last four years were :

— — —
— — —

Sarthak's
Sarthak's Capital Account to be



स क्लब का प्राप्ति एवं

-



-





,			
Mrs. Ashish's Loan			
Kanav's Loan			
Workmen's			

Mrs. Ashish's loan.







‘ ,

-
-
-
-

‘ ,

-
-
-
-



Samyesh's shares were forfeited immediately after the final call. Out of

‘ , ’

-
-
-
-

‘ , ’



$$\frac{1}{2} \quad \frac{1}{3} \quad \frac{1}{6}$$



		π	

$$\frac{1}{5}$$



$$\frac{1}{2} \quad \frac{1}{3} \quad \frac{1}{6}$$

,			

1,80,000 and Mohan's share of the same was credited in his account by debiting Vinay's and 's

Prepare Revaluation Account, Partners' Capital Accounts and the



$\frac{1}{5}$ th

Claim on account of workmen's compensation amounted to

,



‘ _____ ’

er which type of activity will you classify ‘Cash advances and loans made to third party’ while preparing Cash Flow Statement ?

‘ _____ ’

State the primary objective of preparing ‘ _____ ’

‘ _____ ’



Explain briefly any four limitations of 'Analysis of Financial Statements.'



	-	-

	-	-



डी.सी.एक्स.

-				
-				



-	Shareholder's Funds :			





‘ ’

What is meant by ‘Hardware’ ?

General Instructions:-

1. You are aware that evaluation is the most important process in the actual and correct assessment of the candidates. Small mistake in evaluation may lead to serious problems which may affect the future of the candidates, education system and teaching profession. To avoid mistakes, it is requested that before starting evaluation, you must read and understand the spot evaluation guidelines carefully. Evaluation is a 10-12 days mission for all of us. Hence, it is desired from you to give your best in this process.
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. However, while evaluating, answers which are based on latest information or knowledge and innovative may be assessed and marks be awarded to them.
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. Every Examiner should stay full working hours i.e 8 hours every day and evaluate 25 answer books.
13. Avoid the following common types of errors committed by the Examiners in the past-
 - Leaving answer or part thereof unassessed in an answer script
 - Giving more marks for an answer than assigned to it or deviation from the marking scheme.
 - Wrong transference of marks from the inside pages of the answer book to the title page.
 - Wrong question wise totaling on the title page.
 - Wrong totaling of marks of the two columns on the title page
 - Wrong grand total
 - Marks in words and figures not tallying
 - Wrong transference to marks from the answer book to award list
 - Answers marked as correct but marks not awarded.
 - Half or a part of answer marked correct and the rest as wrong but no marks awarded.
14. 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.
15. Any unassessed portion, non-carrying over of marks to the title page or totalling 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.
16. The Examiners should acquaint themselves with the guidelines given in the Guidelines for Spot Evaluation before starting the actual evaluation.
17. Every Examiner shall also ensure that all the answers are evaluated, marks carried over to the title page, correctly totalled and written in figures and words.
18. As per orders of the Hon'ble Supreme Court, the candidates would now be permitted to obtain photocopy of the Answer Book on request on payment of the prescribed fee. All examiners/Head Examiners are once again reminded that they must ensure that evaluation is carried out strictly as per value points for each answer as give in the Marking Scheme.



Q. Set No.			Marking Scheme 2018-19 Accountancy (055) <u>67/2/1</u> Expected Answers / Value points	Distribut ion of marks
67/2/ 1	67/2/ 2	67/ 2/3		
1	-	-	<p>Q. Pass the dissolution of a partnership firm.</p> <p>Ans. Partner's Capital A/c Dr. To Partner's Loan A/c (Being Partner's Loan transferred to Partner's Capital Account)</p>	1
2	5	5	<p>Q. A new partner..... these rights.</p> <p>Ans. Two main rights acquired by a newly admitted partner (any one) :- (i) Right to share the assets of the partnership firm; (ii) Right to share the profits of the partnership firm.</p> <p style="text-align: center;">OR</p> <p>Q. How does.....goodwill of a firm?</p> <p>Effect of Nature of Business on Goodwill :-</p> <p>A firm that produces high value added products or products with stable demand is able to earn more profits therefore, firm's goodwill will be more.</p>	1 1
3	4	1	<p>Q. State the main.....organization.</p> <p>Ans : The main aim of a Not-for –profit organization is to provide service to a specific group or to the public at large.</p> <p style="text-align: center;">OR</p> <p>Q. How is 'Life membership.....Not-for-Profit profit organization?</p> <p>Ans : Life membership fee is capitalized and added to Capital fund i.e. shown on the Liabilities side of Balance Sheet.</p>	1 OR 1
4	2	3	<p>Q. Kiya and leela.....Kiya, Leela and Kiran.</p> <p>Ans : Sacrificing ratio of Kiya and Leela = 3:1 Kiran's Share = $\frac{1}{5}$ Kiya's Sacrifice = $\frac{1}{5} \times \frac{3}{4} = \frac{3}{20}$ Leela's sacrifice = $\frac{1}{5} \times \frac{1}{4} = \frac{1}{20}$</p> <p>New Share = Old share – Sacrifice share</p> <p>Kiya's new share = $\frac{3}{5} - \frac{3}{20} = \frac{9}{20}$ Leela's new share = $\frac{2}{5} - \frac{1}{20} = \frac{7}{20}$ Kiran's Share = $\frac{1}{5} \times \frac{4}{4} = \frac{4}{20}$ New ratio = 9 : 7 : 4</p>	$\frac{1}{2}$ $\frac{1}{2}$ = (1)
5	3	2	<p>Q. Dinkar, Navita..... every year.</p> <p>Ans : Profits of the firm till Navita's death = 10% of 6,00,000 = 60,000 Navita's share = $\frac{2}{6} \times 60,000 = 20,000$</p>	$\frac{1}{2}$ $\frac{1}{2}$ = (1)

6	1	4	<p>Q. What is meant by..... Shares ?</p> <p>Ans : Private placement of shares means issue and allotment of shares to a select group of persons privately.</p> <p style="text-align: center;">OR</p> <p>Q. What is meant by.....'Reserve Capital'</p> <p>Ans : Reserve Capital is a portion of a uncalled capital that is reserved by the company to be called in the event of winding up of the company.</p>	1 OR 1																														
7	--	--	<p>Q. Average profits..... employed by the firm.</p> <p>Ans : Goodwill at 4 years purchase of super profits = ₹1,00,000 Super Profits = ₹ $\frac{1,00,000}{4}$ = ₹ 25,000</p> <p>Average Profits – Normal Profits = Super Profits Normal Profits = Average Profits – Super profits Normal Profits = ₹80,000 – ₹25,000 = ₹ 55,000</p> <p>Capital Employed = $\frac{100}{\text{NRR}} \times \text{Normal Profits}$ ₹55,000 x $\frac{100}{10}$ = ₹ 5,50,000</p>	1 1 1 = (3)																														
8	7	9	<p>Q. 'UZ Ltd. in the books of 'UZ Ltd.'</p> <p>Ans :</p> <p style="text-align: center;">Books of UZ Ltd. Journal</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 45%;">Particulars</th> <th style="width: 5%;">LF</th> <th style="width: 15%;">Dr. Amt (₹)</th> <th style="width: 25%;">Cr. Amt (₹)</th> </tr> </thead> <tbody> <tr> <td></td> <td>(i) Plant & Machinery A/c Dr. To Elk Machine Ltd. (Being Machinery purchased)</td> <td></td> <td style="text-align: right;">6,90,000</td> <td style="text-align: right;">6,90,000</td> </tr> <tr> <td></td> <td>(ii) Elk Machine Ltd. Dr. To Bills Payable A/c (Being bills accepted)</td> <td></td> <td style="text-align: right;">90,000</td> <td style="text-align: right;">90,000</td> </tr> <tr> <td></td> <td>(iii) Elk Machine Ltd. Dr. Discount on debentures A/c Dr. To 6% debentures A/c (Being 6% debentures issued at 20% discount)</td> <td></td> <td style="text-align: right;">6,00,000 1,50,000</td> <td style="text-align: right;">7,50,000</td> </tr> <tr> <td></td> <td style="text-align: center;">OR for (ii) & (iii)</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Elk Machine Ltd. Dr. Discount on debentures A/c Dr. To Bills Payable A/c To 6% debentures A/c (Being bills accepted & 6% debentures issued at 20% discount)</td> <td></td> <td style="text-align: right;">6,90,000 1,50,000</td> <td style="text-align: right;">90,000 7,50,000</td> </tr> </tbody> </table> <p>(No. of debentures issued = 6,00,000/80 = 7500)</p>	Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)		(i) Plant & Machinery A/c Dr. To Elk Machine Ltd. (Being Machinery purchased)		6,90,000	6,90,000		(ii) Elk Machine Ltd. Dr. To Bills Payable A/c (Being bills accepted)		90,000	90,000		(iii) Elk Machine Ltd. Dr. Discount on debentures A/c Dr. To 6% debentures A/c (Being 6% debentures issued at 20% discount)		6,00,000 1,50,000	7,50,000		OR for (ii) & (iii)					Elk Machine Ltd. Dr. Discount on debentures A/c Dr. To Bills Payable A/c To 6% debentures A/c (Being bills accepted & 6% debentures issued at 20% discount)		6,90,000 1,50,000	90,000 7,50,000	1 ½ 1 ½ = (3)
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OR

Q . 'ZK Ltd.' in the books of 'ZK Ltd.'

Ans : **Books of ZK Ltd.**
Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)
	(i) Bank A/c Dr. To Debentures Application & Allotment A/c (Being debentures application money received)		3,80,000	3,80,000
	(ii) Debentures Application & Allotment A/c Dr. Discount on issue of Debentures A/c Dr. Loss on issue of debentures A/c Dr. To 9% Debentures A/c To Premium on redemption of Deb. A/c (Being debenture issued at discount redeemable at premium)		3,80,000 20,000 40,000	4,00,000 40,000
	Alternative for entry (ii) Debentures application & allotment A/c Dr. Loss on issue of debentures A/c Dr. To 9% Debentures A/c To Premium on redemption of Debentures A/c (Being debentures issued at discount redeemable at premium)		3,80,000 60,000	4,00,000 40,000

1
2
=
(3)

9

Q. Willow Ltd..... Companies Act, 2013.

Ans : **Willow Ltd**
Balance Sheet as at 31st March, 2018 (an extract)

Particulars	Note No.	Amount ₹ Current year
EQUITY & LIABILITIES		
1. Shareholders' Funds		
(a) Share Capital	1	7,44,000

1

Notes to Accounts :

Note No.	Particulars	Amount (₹)
1	Share Capital	
	(i) Authorised Capital 1,00,000 Equity Shares of Rs 10 each	10,00,000
	(ii) Issued Capital 80,000 Equity Shares of Rs 10 each	8,00,000
	(iii) Subscribed Capital	
	a. Subscribed and Fully paid 72,000 equity shares of ₹ 10 each	7,20,000
	b. Subscribed but not fully paid 3000 Equity shares of 10 each 30,000 Less : Calls in arrears (6000)	24,000
		7,44,000

½
½
½
½
=
(3)

10	---	---	<p>Q. Janta Kalayan..... ended 31st March, 2018. Ans .</p> <p style="text-align: center;">Statement showing subscription to be debited to Receipt & Payment A/c For the year ending 31/03/2018</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;">Particulars</th> <th style="width: 30%;">Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>Subscriptions for 2017-18</td> <td style="text-align: right;">1,87,500</td> </tr> <tr> <td>Add : Subscriptions Outstanding on 31/03/2017</td> <td style="text-align: right;">15,000</td> </tr> <tr> <td style="padding-left: 20px;">Subscriptions Received In advance for 2018-19</td> <td style="text-align: right;">6,900</td> </tr> <tr> <td>Less : Subscriptions outstanding for 2017-18</td> <td style="text-align: right;">(6750)</td> </tr> <tr> <td style="padding-left: 20px;">Received in advance on 31/03/2017</td> <td style="text-align: right;">(3000)</td> </tr> <tr> <td>Subscription received during 2017-18</td> <td style="text-align: right;">1,99,650</td> </tr> </tbody> </table> <p>Alternatively, students may show the solution in the form of subscription A/c.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left;">Dr.</th> <th colspan="2" style="text-align: center;">Subscription Account</th> <th colspan="2" style="text-align: right;">Cr.</th> </tr> <tr> <th style="width: 10%;">Date</th> <th style="width: 35%;">Particulars</th> <th style="width: 15%;">Amount (₹)</th> <th style="width: 10%;">Date</th> <th style="width: 20%;">Particulars</th> <th style="width: 10%;">Amount (₹)</th> </tr> </thead> <tbody> <tr> <td></td> <td>Balance b/d(outstanding)</td> <td style="text-align: right;">15,000</td> <td></td> <td>Balance b/d (advance)</td> <td style="text-align: right;">3,000</td> </tr> <tr> <td></td> <td>Income & Expenditure A/c</td> <td style="text-align: right;">1,87,500</td> <td></td> <td>Bank A/c (Bal. figure)</td> <td style="text-align: right;">1,99,650</td> </tr> <tr> <td></td> <td>Balance c/d (Advance)</td> <td style="text-align: right;">6,900</td> <td></td> <td>Balance c/d (outstanding)</td> <td style="text-align: right;">6,750</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">2,09,400</td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">2,09,400</td> </tr> </tbody> </table>				Particulars	Amount (₹)	Subscriptions for 2017-18	1,87,500	Add : Subscriptions Outstanding on 31/03/2017	15,000	Subscriptions Received In advance for 2018-19	6,900	Less : Subscriptions outstanding for 2017-18	(6750)	Received in advance on 31/03/2017	(3000)	Subscription received during 2017-18	1,99,650	Dr.		Subscription Account		Cr.		Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)		Balance b/d(outstanding)	15,000		Balance b/d (advance)	3,000		Income & Expenditure A/c	1,87,500		Bank A/c (Bal. figure)	1,99,650		Balance c/d (Advance)	6,900		Balance c/d (outstanding)	6,750			2,09,400			2,09,400	<p>½ x 6 = (3)</p> <p>OR</p> <p>½ x 6 = (3)</p>
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11	---	---	<p>Q. Hari, Kunal and Uma..... books of the firm. Ans.</p> <p style="text-align: center;">Books of Hari, Kunal and Uma Journal</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 50%;">Particulars</th> <th style="width: 15%;">Dr. Amt. (₹)</th> <th style="width: 25%;">Cr. Amt. (₹)</th> </tr> </thead> <tbody> <tr> <td>2018 April 1</td> <td>Profit and Loss A/c Dr. To Hari's Capital A/C To Kunal's Capital A/c To Uma's Capital A/c (Being balance in profit & loss a/c distributed)</td> <td style="text-align: right; vertical-align: top;">75,000</td> <td style="text-align: right; vertical-align: top;">37,500 22,500 15,000</td> </tr> <tr> <td>April 1</td> <td>Investment Fluctuation Fund A/c Dr. To Investment A/c (Being value of investments decreased)</td> <td style="text-align: right; vertical-align: top;">15,000</td> <td style="text-align: right; vertical-align: top;">15000</td> </tr> <tr> <td>April 1</td> <td>Revaluation A/c Dr. To Stock A/c (Being stock depreciated)</td> <td style="text-align: right; vertical-align: top;">5,000</td> <td style="text-align: right; vertical-align: top;">5,000</td> </tr> </tbody> </table>				Date	Particulars	Dr. Amt. (₹)	Cr. Amt. (₹)	2018 April 1	Profit and Loss A/c Dr. To Hari's Capital A/C To Kunal's Capital A/c To Uma's Capital A/c (Being balance in profit & loss a/c distributed)	75,000	37,500 22,500 15,000	April 1	Investment Fluctuation Fund A/c Dr. To Investment A/c (Being value of investments decreased)	15,000	15000	April 1	Revaluation A/c Dr. To Stock A/c (Being stock depreciated)	5,000	5,000	<p>1</p> <p>½</p> <p>½</p>																																		
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			April 1 Hari's Capital A/c Dr. 2500 Kunal's Capital A/c Dr. 1500 Uma's Capital A/c Dr. 1000 To Revaluation A/c (Being loss on revaluation transferred)	5,000	1
			April 1 Kunal's Capital A/c Dr. 60,000 Uma's Capital A/c Dr. 30,000 To Hari's Capital A/c (Being treatment of goodwill on change in profit sharing ratio)	90,000	

12	---	---	<p>Q. Meera, Sarthak presented to his executors.</p> <p>Ans.</p> <p style="text-align: center;">Sarthak's Capital Account</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left;">Dr.</th> <th colspan="2" style="text-align: right;">Cr.</th> </tr> <tr> <th style="width: 30%;">Particulars</th> <th style="width: 15%;">Amount (₹)</th> <th style="width: 30%;">Particulars</th> <th style="width: 15%;">Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>Sarthak's Executors A/c (Bal. figure) (1/2 mark)</td> <td style="text-align: right;">6,58,750</td> <td>Balance b/d</td> <td style="text-align: right;">3,50,000</td> </tr> <tr> <td></td> <td></td> <td>Meera's Capital A/c</td> <td style="text-align: right;">1,60,000</td> </tr> <tr> <td></td> <td></td> <td>Rohit's Capital A/c</td> <td style="text-align: right;">80,000</td> </tr> <tr> <td></td> <td></td> <td>P & L Suspense A/c</td> <td style="text-align: right;">20,000</td> </tr> <tr> <td></td> <td></td> <td>Interest on Capital A/c</td> <td style="text-align: right;">8,750</td> </tr> <tr> <td></td> <td></td> <td>Contingency Reserve A/c</td> <td style="text-align: right;">40,000</td> </tr> <tr> <td></td> <td style="text-align: right;">6,58,750</td> <td></td> <td style="text-align: right;">6,58,750</td> </tr> </tbody> </table> <p>Working :,</p> <p>(i) Goodwill Average profit for 4 years</p> $\frac{1,20,000 + 2,00,000 + 2,60,000 + 2,20,000}{4} = \frac{8,00,000}{4} = 2,00,000$ <p>Goodwill = 2,00,000 x 3 = 6,00,000 Sarthak's Share of Goodwill = 6,00,000 x 2/5 = 2,40,000</p> <p>(ii) Sarthak's Share of Profit</p> $\frac{4,80,000}{2} = 2,40,000 \times \frac{2.5}{12} \times \frac{2}{5} = 20,000$	Dr.		Cr.		Particulars	Amount (₹)	Particulars	Amount (₹)	Sarthak's Executors A/c (Bal. figure) (1/2 mark)	6,58,750	Balance b/d	3,50,000			Meera's Capital A/c	1,60,000			Rohit's Capital A/c	80,000			P & L Suspense A/c	20,000			Interest on Capital A/c	8,750			Contingency Reserve A/c	40,000		6,58,750		6,58,750	<p>1/2</p> <p>1/2</p> <p>1/2</p> <p>1</p> <p>1/2</p> <p>1/2</p> <p>=</p> <p>4 Marks</p>
Dr.		Cr.																																						
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		Contingency Reserve A/c	40,000																																					
	6,58,750		6,58,750																																					

13	14	15	<p>Q. From the following closing stock was ₹ 15,000. Ans : Dr. Income & Expenditure a/c of Gems Club for the year ended 31/03/2018 Cr.</p> <table border="1" data-bbox="331 197 1406 920"> <thead> <tr> <th>Particulars</th> <th>Amount (₹)</th> <th>Particulars</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>Salaries 64,500</td> <td></td> <td>Subscription 3,00,000</td> <td></td> </tr> <tr> <td>+ outstanding <u>8,000</u></td> <td>72,500</td> <td>(-) advance (2018-19) (15,000)</td> <td></td> </tr> <tr> <td>Miscellaneous Expenses 52,000</td> <td></td> <td>+ o/s subscription (2017-18) <u>20,000</u></td> <td>3,05,000</td> </tr> <tr> <td>Telephone Charges 12,000</td> <td></td> <td>Interest on Investment 2400</td> <td></td> </tr> <tr> <td>Printing & Stationery</td> <td></td> <td>+ Accrued Interest <u>1600</u></td> <td>4,000</td> </tr> <tr> <td>Opening Stock 12,000</td> <td></td> <td>Donations</td> <td>17,000</td> </tr> <tr> <td>+ Purchases 19,000</td> <td></td> <td>Rent Received 70,000</td> <td></td> </tr> <tr> <td>- Closing Stock (<u>15,000</u>)</td> <td>16,000</td> <td>+Receivable <u>2,000</u></td> <td>72,000</td> </tr> <tr> <td>Surplus – Excess of</td> <td></td> <td>Sale of old newspaper</td> <td>600</td> </tr> <tr> <td>Income over expenditure 2,46,100</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>3,98,600</td> <td></td> <td>3,98,600</td> </tr> </tbody> </table>	Particulars	Amount (₹)	Particulars	Amount (₹)	Salaries 64,500		Subscription 3,00,000		+ outstanding <u>8,000</u>	72,500	(-) advance (2018-19) (15,000)		Miscellaneous Expenses 52,000		+ o/s subscription (2017-18) <u>20,000</u>	3,05,000	Telephone Charges 12,000		Interest on Investment 2400		Printing & Stationery		+ Accrued Interest <u>1600</u>	4,000	Opening Stock 12,000		Donations	17,000	+ Purchases 19,000		Rent Received 70,000		- Closing Stock (<u>15,000</u>)	16,000	+Receivable <u>2,000</u>	72,000	Surplus – Excess of		Sale of old newspaper	600	Income over expenditure 2,46,100					3,98,600		3,98,600	<p>1 mark each for subscriptions and printing & stationery + $\frac{1}{2} \times 8$ 2+4 = (6)</p>								
Particulars	Amount (₹)	Particulars	Amount (₹)																																																									
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14	15	13	<p>Q. Ashish and Kanav..... Prepare Revaluation Account. Ans :</p> <p>Dr. Realisation Account Cr.</p> <table border="1" data-bbox="331 1144 1361 1917"> <thead> <tr> <th>Particulars</th> <th>Amount (₹)</th> <th>Particulars</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td><u>Sundry Assets</u></td> <td></td> <td><u>Sundry Liabilities</u></td> <td></td> </tr> <tr> <td>Stock 24,000</td> <td></td> <td>Trade Creditors 42,000</td> <td></td> </tr> <tr> <td>Debtors 19,000</td> <td></td> <td>Employees Prov Fund 60,000</td> <td></td> </tr> <tr> <td>Furniture 40,000</td> <td></td> <td>Mrs. Ashish's Loan <u>9,000</u></td> <td>1,11,000</td> </tr> <tr> <td>Plant 2,10,000</td> <td></td> <td>Investment Fluctuation Reserve</td> <td>4,000</td> </tr> <tr> <td>Investment <u>32,000</u></td> <td>3,25,000</td> <td></td> <td></td> </tr> <tr> <td>Ashish's Capital A/c (Mrs. Ashish's Loan) 9,000</td> <td></td> <td>Ashish Capital A/c (Furniture) 38,000</td> <td></td> </tr> <tr> <td>Kanav's Capital A/c (Remuneration) 12,000</td> <td></td> <td><u>Bank A/c – Assets</u></td> <td></td> </tr> <tr> <td>Bank A/c (EPF) 60,000</td> <td></td> <td>Debtors – 18,500</td> <td></td> </tr> <tr> <td>Partners' Capital A/c(Gain)</td> <td></td> <td>Plant - 2,31,000</td> <td></td> </tr> <tr> <td>Ashish - 12012</td> <td></td> <td>Stock - <u>15,840</u></td> <td>2,65,340</td> </tr> <tr> <td>Kanav - <u>8008</u></td> <td>20,020</td> <td>Kanav's Capital A/c (Stock) 7,680</td> <td></td> </tr> <tr> <td></td> <td>4,26,020</td> <td></td> <td>4,26,020</td> </tr> </tbody> </table> <p>Note : In case, the medium of answering of the candidate is English & he/she has prepared revaluation account using the information given in the question, full credit should be given.</p>	Particulars	Amount (₹)	Particulars	Amount (₹)	<u>Sundry Assets</u>		<u>Sundry Liabilities</u>		Stock 24,000		Trade Creditors 42,000		Debtors 19,000		Employees Prov Fund 60,000		Furniture 40,000		Mrs. Ashish's Loan <u>9,000</u>	1,11,000	Plant 2,10,000		Investment Fluctuation Reserve	4,000	Investment <u>32,000</u>	3,25,000			Ashish's Capital A/c (Mrs. Ashish's Loan) 9,000		Ashish Capital A/c (Furniture) 38,000		Kanav's Capital A/c (Remuneration) 12,000		<u>Bank A/c – Assets</u>		Bank A/c (EPF) 60,000		Debtors – 18,500		Partners' Capital A/c(Gain)		Plant - 2,31,000		Ashish - 12012		Stock - <u>15,840</u>	2,65,340	Kanav - <u>8008</u>	20,020	Kanav's Capital A/c (Stock) 7,680			4,26,020		4,26,020	<p>1 mark each for transfer of Sundry Assets and transfer of Sundry Liabilities + $\frac{1}{2} \times 8$ i.e. 2+4 = (6)</p>
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Solution of Hindi version

Ans :

Realisation Account

Particulars	Amount (₹)	Particulars	Amount (₹)
Sundry Assets		Sundry Liabilities	
Stock 24,000		Trade Creditors 42,000	
Debtors 19,000		Employees Prov Fund 60,000	
Furniture 40,000		Mrs. Ashish's Loan 9,000	1,11,000
Plant 2,10,000		Investment Fluctuation	4,000
Investment 32,000	3,25,000	Ashish Capital A/c (Furniture)	38,000
Ashish's Capital A/c (Mrs. Ashish's Loan)	9,000	Bank A/c – Assets	
Kanav's Capital A/c (Remuneration)	12,000	Debtors – 18,500	
Bank A/c - Liabilities		Plant - 2,31,000	
Creditors 42,000		Stock - 15,840	2,65,340
EPF 60,000	1,02,000	Kanav's Capital A/c (Stock)	7,680
		Loss transferred to Partners' Capital A/c:-	
		Ashish – 13,188	
		Kanav - 8,792	21,980
	4,48,000		4,48,000

1 mark each for transfer of Sundry Assets and transfer of Sundry Liabilities + ½ x 8 i.e. 2+4 = (6)

15

13

14

Q. Naveen, Qadir and clearly.

Ans.

Books of the Naveen, Qadir and Rajesh

Journal

Date	Particulars	LF	Dr. Amt. (₹)	Cr. Amt. (₹)
2018 April 1	Rajesh's Current A/c..... Dr. To Naveen's Current A/c To Qadir's Current A/c [Being interest on Capital wrongly allowed & partners' salary omitted, now rectified]		17,800	10,000 7,800

2

Working:

Past Adjustment Table

Particulars	Naveen	Qadir	Rajesh	Total
A. Cancellation of Interest on Capital :				
2016-17	24,000(Dr.)	21,600(Dr.)	14,400(Dr.)	60,000(Cr.)
2017-18	24,000(Dr.)	21,600(Dr.)	14,400(Dr.)	60,000(Cr.)
TOTAL Interest on Capital	48,000(Dr.)	43,200(Dr.)	28,800(Dr.)	1,20,000(Cr.)
B. Omission of Salary :				
2016-17	14,000(Cr.)	16,000(Cr.)	-----	30,000(Dr.)
2017-18	14,000(Cr.)	16,000(Cr.)	-----	30,000(Dr.)
TOTAL Salary	28,000(Cr.)	32,000(Cr.)	-----	60,000(Dr.)
C. Profits to be credited : A-B				
2016-17 (3:2:1)	15,000(Cr.)	10,000(Cr.)	5,000(Cr.)	30,000(Dr.)
2017-18 (3:2:1)	15,000(Cr.)	9,000(Cr.)	6,000(Cr.)	30,000(Dr.)

4

=

TOTAL profits credited	30,000(Cr.)	19,000(Cr.)	11,000(Cr.)	60,000(Dr.)
Net Effect [A+B+C]	10,000 (Cr.)	7,800(Cr.)	17,800(Dr.)	00

(6)

Note : In case a student has presented correct working in any other form, full credit may be given.

OR

Q. On 31st March ,..... clearly.

Ans.

**Books of the Abhir, Bobby and Vineet
Journal**

Date	Particulars	LF	Dr (₹)	Cr (₹)
2018 Apr 1	Bobby's Capital A/c..... Dr. To Abhir's Capital A/c To Vineet's Capital A/c [Being interest on Capital and interest on drawings omitted, now rectified]		14,402	10,112 4,290

1

Working:

(A)

Past Adjustment Table

Particulars	Abhir	Bobby	Vineet	Total
Cancellation of profits	60,000(Dr.)	60,000(Dr.)	30,000(Dr.)	1,50,000 (Cr.)
Omission of IOD	6,600 (Dr.)	4,500 (Dr.)	2,500(Dr.)	13,600 (Cr.)
Omission of IOC :	76712 (Cr.)	50098 (Cr.)	36,790 (Cr.)	1,63,600 (Dr.)
Net Effect	10,112 (Cr.)	14,402(Dr.)	4,290(Cr.)	00

2

(B) Calculation of Opening Capital :

Particulars	Abhir	Bobby	Vineet
Capital on 31-3-2018	8,00,000	6,00,000	4,00,000
ADD : Drawings	2,40,000	1,00,000	1,00,000
LESS : Share of profit	(60,000)	(60,000)	(30,000)
Capital on 1-4-2017	9,80,000	6,40,000	4,70,000

3

(C) Interest on Capital @ 10% 98,000 + 64,000 + 47,000 = ₹ 2,09,000
Profits available = ₹1,50,000 + 13,600 = ₹163,600

= (6)

Therefore, Interest on Capital is given as ₹1,63,600 divided in the ratio of 98:64:47

16

16

17

Q. Denspar Ltd. Invited.....books of Denspar Ltd.

Ans :

**Books of Denspar Ltd.
Journal**

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)
	Bank A/c Dr. To Equity Share Application A/c (Being application money received)		3,60,000	3,60,000
	Equity Share Application A/c Dr. To Equity Share Capital A/c (Being application money transferred)		3,60,000	3,60,000
	Equity Share Allotment A/c Dr. To Equity Share Capital A/c To Security Premium Reserve A/c (Being allotment money due)		23,40,000	5,40,000 18,00,000

½

½

½

Bank A/c Calls in Arrears A/c To Equity Share Allotment A/c To Calls in Advance A/c (Being allotment money received)	Dr. Dr.	23,24,000 91,000	23,40,000 75,000	1
Equity Share 1st Call A/c To Equity Share Capital A/c To Security Premium Reserve A/c (Being share first call due)	Dr.	12,60,000	3,60,000 9,00,000	½
Bank A/c Calls in Advance A/c To Equity Share First Call A/c To Calls in arrear A/c (Being call money received)	Dr. Dr.	13,16,000 35,000	12,60,000 91,000	1
Equity Share Second & Final Call A/c To Equity Share Capital A/c To Security Premium Reserve A/c (Being second and final call money due)	Dr.	14,40,000	5,40,000 9,00,000	½
Bank A/c Calls in arrear A/c Calls in advance A/c To Equity Share 2 nd & Final Call A/c (Being call money received)	Dr. Dr. Dr.	13,84,000 16,000 40,000	14,40,000	1
Equity Share Capital A/c Security Premium Reserve A/c To Calls in arrear A/c To Share forfeited A/c (Being 2,000 shares forfeited)	Dr. Dr.	20,000 10,000	16,000 14,000	1
Bank A/c Share forfeited A/c To Equity Share Capital A/c (Being 1,500 shares reissued)	Dr. Dr.	12,000 3,000	15,000	1
Share forfeited A/c To Capital Reserve A/c (Being balance in share forfeited account for 1,500 shares transferred to Capital Reserve)	Dr.	7,500	7,500	½ = (8)

Note : In case, an examinee has passed entries without opening calls in arrear account, full credit is to be given.

OR

Q. 'KLN Ltd.' invited books of 'KLN Ltd.'

Books of 'KLN Ltd.'

Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)
	Bank A/c Dr. To Equity Share Application A/c (Being application money received on 1,90,000 shares @ ₹3 per share)		5,70,000	5,70,000
	Equity Share Application A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c To Equity Share Allotment A/c To Bank A/c (Being application money transferred to share capital, share allotment and the balance refunded)		5,70,000	2,00,000 1,00,000 1,50,000 1,20,000
	Equity Share Allotment A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being allotment money due)		4,00,000	3,00,000 1,00,000
	Bank A/c Dr. Calls in Arrear Ac Dr. To Equity Share Allotment A/c (Being allotment money received) Or Bank A/c Dr. To Equity Share Allotment A/c (Being allotment money received)		2,43,500 6,500	2,50,000 2,43,500
	Equity Share First Call A/c Dr. To Equity Share Capital A/c (Being call money due)		3,00,000	3,00,000
	Bank A/c Dr. Calls in Arrears A/c Dr. To Equity Share First Call A/c (Being call money received) Or Bank A/c Dr. To Equity Share First Call A/c (Being call money received)		2,85,000 15,000	3,00,000 2,85,000
	Equity Share Capital A/c Dr. Securities Premium Reserve A/c Dr. To Share Forfeited A/c To Calls in Arrear A/c (Being share forfeited) or Equity Share Capital A/c Dr. Securities Premium Reserve A/c Dr.		16,000 2,000	5,500 12,500

½

1

½

1

½

½

1



			To Share Forfeited A/c To Share Allotment A/c To Share First Call A/c (Being share forfeited)			5,500 6,500 6,000		
			Equity Share Second & Final Call A/c To Equity Share Capital A/c (Being second & final call due)	Dr.		1,96,000	1,96,000	½
			Bank A/c Calls in Arrear A/c To Equity Share Second & Final Call A/c (Being call money received) Or Bank A/c To Equity Share Second & Final Call A/c (Being call money received)	Dr. Dr.		1,90,000 6,000	1,96,000	½
			Equity Share Capital A/c To Share Forfeited A/c To Calls in Arrears (Being shares forfeited) Or Equity Share Capital A/c To Share Forfeited A/c To Equity Share First call A/c To Equity Share Second and Final Call A/c (Being shares forfeited)	Dr.		30,000	15,000 15,000	1
			Bank A/c Share Forfeited A/c To Equity Share Capital A/c (Being forfeited shares reissued)			32,000 8,000	40,000	½
			Share forfeited A/c To Capital Reserve A/c (Being balance in share forfeited account transferred to capital reserve)	Dr.		9,750	9,750	½ = (8)

17	17	16	Q. Mohan, Vinay and Nitya..... reconstituted firm.				
			Ans.				
			Dr.		Revaluation Account		Cr.
			Particulars	Amount (₹)	Particulars	Amount (₹)	
			To Plant & Machinery A/c To Provision for Bad Debts [Bad debts 1,000	6,000	By Bank A/c By Partners' Capital A/c Mohan 3,000 Vinay 2,000 Nitya <u>1,000</u>	4,000 6,000	
			Provision for bad debts 3,000]	4,000		6,000	2
				10,000		10,000	



Dr.				Partners' Capital A/c				Cr.			
Particulars	Mohan	Vinay	Nitya	Particulars	Mohan	Vinay	Nitya				
To Mohan's Capital A/c		48,000	42,000	By Bal c/d	1,20,000	100,000	90,000				
To revaluation A/c (loss)	3,000	2,000	1,000	By Contingency Reserve	15,000	10,000	5,000				
To Mohan's Loan A/c	2,22,000			By Vinay's Capital	48,000						
To Bal c/d		60,000	52,000	By, Nitya's Capital	42,000						
	2,25,000	1,10,000	95,000		2,25,000	1,10,000	95,000				
To Bank A/c		6,000	16,000	By Balance B/d		60,000	52,000				
To Balance c/d		54,000	36,000								
		60,000	52,000			60,000	52,000				

Note: in case the candidate has not extended the Capital A/c but has done the capital adjustment correctly, full credit is to be given.

Balance Sheet as at 31st March, 2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	48,000	Cash at Bank (31,000 +4,000 – 6000 – 16,000)	13,000
Employees Provident Fund	1,70,000	Bills Receivable	54,000
Mohan's Loan A/c	2,22,000	Book Debts	63,000
Vinay's Capital A/c	54,000	Less : Bad Debts	3,000
Nitya'S Capita A/c	36,000	Less: Provision for Bad Debts	<u>3,000</u>
		Plant & Machinery	1,14,000
		Land & Building	2,92,000
	5,30,000		5,30,000

OR

Dr. Revaluation A/c Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To Stock A/c	16,000	By Loss transferred to Partners' Capital A/c	
To claim for workmen Compensation	40,000	Leena	33,600
		Rohit	<u>22,400</u>
	56,000		56,000

Dr. Partners' Capital A/c Cr.

Particulars	Leena	Rohit	Manoj	Particulars	Leena	Rohit	Manoj
To Revaluation A/c (Loss)	33,600	22,400		By Balance b/d	1,60,000	1,40,000	
To Balance c/d	1,93,400	1,75,600		By General Reserve	27,000	18,000	
				By Premium for Goodwill	40,000	40,000	
	2,27,000	1,98,000			2,27,000	1,98,000	
To Balance c/d	1,93,400	1,75,600	92,250	By Balance b/d	1,93,400	1,75,600	

1 mark for each capital A/c+
1 mark for capital adjustment

4

1 mark for correct assets side +1 mark for correct Liabilities Side

2 = (8)

2

1 mark for each capital A/c

				By Cash/Bank A/c			92,250		3																												
		1,93,400	1,75,600	92,250		1,93,400	1,75,600	92,250																													
Balance Sheet as at 31st March, 2018																																					
Liabilities		Amount (₹)		Assets		Amount (₹)		1 ½ mark for correct assets side +1 ½ mark for correct Liabilities Side 3 = (8)																													
Creditors		80,000		Cash		2,14,250																															
Bills Payable		38,000		(42,000 +80,000 + 92,250)																																	
Claim for workmen compensation		40,000		Debtors 1,32,000																																	
Partners' Capital A/cs. :				Less : Provision for Doubtful Debts 7,000		1,25,000																															
Leena 1,93,400				Plant & Machinery		1,50,000																															
Rohit 1,75,600				Stock		1,30,000																															
Manoj 92,250		4,61,250				6,19,250																															
		6,19,250				6,19,250																															
Working : Sacrificing Share = Old Share – New Share Leena's Sacrifice = 3/5 – 5/10 = 1/10 Rohit's Sacrifice = 2/5 – 3/10 = 1/10 Sacrificing Ratio = 1 : 1																																					
PART B																																					
OPTION - I																																					
(Financial Statements Analysis)																																					
18	--	--	Q. 'Under which typeCash Flow Statement?							1																											
			Ans. Investing Activity																																		
19	---	---	Q. State the primary 'Cash Flow Statement.'							1																											
			Ans. The primary objective of Cash Flow Statement is to provide useful information about Cash Flows (Inflows & outflow) of an enterprise during a particular period under various heads i.e operating , investing & financing activities.																																		
20	21	20	Q. Under which major..... Part I of the Companies Act, 2013?							½ X 8 = (4)																											
			Ans.																																		
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21	20	21	<p>Q. (i) From the following..... Rs. 1,00,000.</p> <p>Ans. Interest Coverage Ratio = $\frac{\text{Net Profits before Interest \& Tax}}{\text{Interest on long term debts}}$</p> <p style="text-align: right;">(Rs.)</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td>Net Profits after Interest and Tax</td> <td>--</td> <td>1,20,000</td> <td></td> </tr> <tr> <td>Add : Tax @ 40%</td> <td>--</td> <td>80,000</td> <td></td> </tr> <tr> <td>Interest on debt</td> <td>--</td> <td><u>27,000</u></td> <td>(15,000 + 12,000)</td> </tr> <tr> <td>Profits before Interest & Tax</td> <td>=</td> <td>2,27,000</td> <td></td> </tr> </table> <p style="text-align: center;">Interest Coverage Ratio = $\frac{2,27,000}{27,000}$ = 8.4 times</p> <p>Q. (ii) A company purchase of goods.</p> <p>Ans.</p> <p><u>After purchase of goods on credit :</u></p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td>Current Assets</td> <td>=</td> <td>Rs.3,00,000 + Rs.20,000</td> <td>=</td> <td>Rs. 3,20,000</td> </tr> <tr> <td>Current Liabilities</td> <td>=</td> <td>Rs.1,40,000 +Rs.20,000</td> <td>=</td> <td>Rs.1,60,000</td> </tr> </table> <p style="text-align: center;">Current Ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}}$ = $\frac{3,20,000}{1,60,000}$ = 2:1</p> <p style="text-align: center;">OR</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>EFFECT</u></th> <th style="text-align: left;"><u>REASON</u></th> </tr> </thead> <tbody> <tr> <td>(i) Decrease</td> <td>As quick assets will decrease with no change in current liabilities.</td> </tr> <tr> <td>(ii) Decrease</td> <td>As current liabilities will increase with no change in quick assets.</td> </tr> <tr> <td>(iii) Increase</td> <td>As quick assets will increase with no change in current liabilities.</td> </tr> <tr> <td>(iv) No change</td> <td>As neither quick assets nor current liabilities are changing.</td> </tr> </tbody> </table>	Net Profits after Interest and Tax	--	1,20,000		Add : Tax @ 40%	--	80,000		Interest on debt	--	<u>27,000</u>	(15,000 + 12,000)	Profits before Interest & Tax	=	2,27,000		Current Assets	=	Rs.3,00,000 + Rs.20,000	=	Rs. 3,20,000	Current Liabilities	=	Rs.1,40,000 +Rs.20,000	=	Rs.1,60,000	<u>EFFECT</u>	<u>REASON</u>	(i) Decrease	As quick assets will decrease with no change in current liabilities.	(ii) Decrease	As current liabilities will increase with no change in quick assets.	(iii) Increase	As quick assets will increase with no change in current liabilities.	(iv) No change	As neither quick assets nor current liabilities are changing.	<p>2</p> <p>2 = (4)</p> <p>1 x 4 = (4)</p>
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22	---	---	<p>Q. From the informationProfit and Loss.</p> <p>Ans.</p> <p style="text-align: center;">Comparative Statement of Profit & Loss For the years ending 31st March 2017 and 2018</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;">Particulars</th> <th style="width: 5%;">Note No.</th> <th style="width: 10%;">2016-17 (₹)</th> <th style="width: 10%;">2017- 18 (₹)</th> <th style="width: 10%;">Absolute Inc/ Dec.</th> <th style="width: 10%;">% age Inc./Dec</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Particulars	Note No.	2016-17 (₹)	2017- 18 (₹)	Absolute Inc/ Dec.	% age Inc./Dec							
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		I) Revenue from Operations	4,00,000	7,20,000	3,20,000	80	1
		II) Less: Expenses					
		a) Cost of material consumed	2,00,000	2,40,000	40,000	20	1
		b) Other expenses	20,000	48,000	28,000	140	
		Total Expenses	2,20,000	2,88,000	68,000	30.9	1
		Profit before Tax (I – II)	1,80,000	4,32,000	2,52,000	140	
		Less: Tax @ 50%	90,000	2,16,000	1,26,000	140	1
		Profit after tax	90,000	2,16,000	1,26,000	140	= (4)

23	23	23	<p>Q. From the following Balance Sheet..... Cash Flow Statement.</p> <p>Ans.</p> <p style="text-align: center;">DCX Ltd.</p> <p style="text-align: center;">Cash flow Statement for the year ending 31st March, 2018</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Particulars</th> <th style="width: 20%;">Details (₹)</th> <th style="width: 20%;">Amount (₹)</th> </tr> </thead> <tbody> <tr> <td colspan="3">A. Cash flows from Operating Activities :</td> </tr> <tr> <td>Net Profit before Tax</td> <td>(24,000)</td> <td></td> </tr> <tr> <td>Add : Depreciation on Machinery</td> <td>4,20,000</td> <td></td> </tr> <tr> <td>Add : Interest on Debentures</td> <td>64,000</td> <td></td> </tr> <tr> <td>Less : Gain on sale of machinery</td> <td>(1,60,000)</td> <td></td> </tr> <tr> <td>Operating profit before the working Capital changes</td> <td>3,00,000</td> <td></td> </tr> <tr> <td>Add: Increase in Trade Payables</td> <td>50,000</td> <td></td> </tr> <tr> <td>Less: Increase in Inventories</td> <td>(4,00,000)</td> <td></td> </tr> <tr> <td>Cash generated from Operations before tax</td> <td>(50,000)</td> <td></td> </tr> <tr> <td>Less: Tax Paid</td> <td>(56,000)</td> <td></td> </tr> <tr> <td>Net Cash used in Operating Activities</td> <td></td> <td>(1,06,000)</td> </tr> <tr> <td colspan="3">B. Cash flows from Investing Activities :</td> </tr> <tr> <td>Purchase of Machinery</td> <td>(16,00,000)</td> <td></td> </tr> <tr> <td>Purchase of Intangible Assets</td> <td>(1,00,000)</td> <td></td> </tr> <tr> <td>Sale of Machinery</td> <td>6,40,000</td> <td></td> </tr> <tr> <td>Net Cash used in investing activities</td> <td></td> <td>(10,60,000)</td> </tr> <tr> <td colspan="3">C. Cash flows from financing Activities</td> </tr> <tr> <td>Issue of shares</td> <td>9,00,000</td> <td></td> </tr> <tr> <td>Issue of Debentures</td> <td>3,00,000</td> <td></td> </tr> <tr> <td>Interest paid on debentures</td> <td>(64,000)</td> <td></td> </tr> <tr> <td>Cash Inflows from Financing Activities</td> <td></td> <td><u>11,36,000</u></td> </tr> <tr> <td>Net Decrease in Cash and Cash Equivalents</td> <td></td> <td><u>(30,000)</u></td> </tr> <tr> <td>Add: Opening Balance of Cash and Cash equivalents</td> <td></td> <td></td> </tr> <tr> <td> Current Investments</td> <td>78,000</td> <td></td> </tr> <tr> <td> Cash & cash equivalents</td> <td>78,000</td> <td></td> </tr> <tr> <td>Closing Balance of Cash and Cash equivalents</td> <td></td> <td><u>1,56,000</u></td> </tr> <tr> <td> Current Investments</td> <td>89,000</td> <td></td> </tr> <tr> <td> Cash & cash equivalents</td> <td>37,000</td> <td></td> </tr> <tr> <td></td> <td></td> <td>1,26,000</td> </tr> </tbody> </table>					Particulars	Details (₹)	Amount (₹)	A. Cash flows from Operating Activities :			Net Profit before Tax	(24,000)		Add : Depreciation on Machinery	4,20,000		Add : Interest on Debentures	64,000		Less : Gain on sale of machinery	(1,60,000)		Operating profit before the working Capital changes	3,00,000		Add: Increase in Trade Payables	50,000		Less: Increase in Inventories	(4,00,000)		Cash generated from Operations before tax	(50,000)		Less: Tax Paid	(56,000)		Net Cash used in Operating Activities		(1,06,000)	B. Cash flows from Investing Activities :			Purchase of Machinery	(16,00,000)		Purchase of Intangible Assets	(1,00,000)		Sale of Machinery	6,40,000		Net Cash used in investing activities		(10,60,000)	C. Cash flows from financing Activities			Issue of shares	9,00,000		Issue of Debentures	3,00,000		Interest paid on debentures	(64,000)		Cash Inflows from Financing Activities		<u>11,36,000</u>	Net Decrease in Cash and Cash Equivalents		<u>(30,000)</u>	Add: Opening Balance of Cash and Cash equivalents			Current Investments	78,000		Cash & cash equivalents	78,000		Closing Balance of Cash and Cash equivalents		<u>1,56,000</u>	Current Investments	89,000		Cash & cash equivalents	37,000				1,26,000	1½
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			<p>Working Notes: Calculation of Profit before Tax : Net Profit for the year = (1,00,000) Add: Provision for tax = <u>76,000</u> Net profit before tax = (24,000)</p> <p>Dr. Machinery A/c Cr.</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>₹</th> <th>Particulars</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td>To Balance b/d</td> <td>25,00,000</td> <td>By Acc. depreciation</td> <td>3,20,000</td> </tr> <tr> <td>To Gain on sale</td> <td>1,60,000</td> <td>By Bank</td> <td>6,40,000</td> </tr> <tr> <td>To Bank A/c (Bal. Fig.)</td> <td>16,00,000</td> <td>By balance c/d</td> <td>33,00,000</td> </tr> <tr> <td></td> <td><u>42,60,000</u></td> <td></td> <td><u>42,60,000</u></td> </tr> </tbody> </table> <p>Working Notes Accumulated Depreciation A/c</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>₹</th> <th>Particulars</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td>Machinery A/c</td> <td>3,20,000</td> <td>By balance b/d</td> <td>5,00,000</td> </tr> <tr> <td>Balance c/d</td> <td>6,00,000</td> <td>Statement of P & L (Bal. figure)</td> <td>4,20,000</td> </tr> <tr> <td></td> <td><u>9,20,000</u></td> <td></td> <td><u>9,20,000</u></td> </tr> </tbody> </table>	Particulars	₹	Particulars	₹	To Balance b/d	25,00,000	By Acc. depreciation	3,20,000	To Gain on sale	1,60,000	By Bank	6,40,000	To Bank A/c (Bal. Fig.)	16,00,000	By balance c/d	33,00,000		<u>42,60,000</u>		<u>42,60,000</u>	Particulars	₹	Particulars	₹	Machinery A/c	3,20,000	By balance b/d	5,00,000	Balance c/d	6,00,000	Statement of P & L (Bal. figure)	4,20,000		<u>9,20,000</u>		<u>9,20,000</u>	<p>½</p> <p>½</p> <p>½</p> <p>= (6)</p>
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			<p>PART B OPTION - II (Computerized Accounting)</p>																																					
18	---	---	<p>Q. What is.....attributes. Ans. In DBMS data is organised in tables .A table has a number of rows and columns. Each row contains a record of information. The information which is in the form of a sequence of columns is known as attribute.</p>	1 Mark																																				
19	---	18	<p>Q. What is meant.....'Hardware'? Ans: Computer related peripherals and their network is known as hardware.</p>	1 Mark																																				
20	---	---	<p>Q. Give four..... accounting system.</p> <p>Ans : Following are the limitations of computerised accounting softwares:</p> <ol style="list-style-type: none"> 1. Faster obsolescence of technology necessitates investment in shorter period of time 2. Data may be lost or corrupted due to power interruptions. 3. Data are prone to hacking. 4. Un-programmed and un-specified reports cannot be granted. 	4 Marks																																				
21	22	21	<p>Q. Explain any two.....information system. Ans: (Any Two)</p> <ul style="list-style-type: none"> • Cash and bank sub- system • Sales and accounts receivable sub-system • Inventory sub-system • Purchase and accounts payable sub-system • Payroll accounting sub-system 																																					



			<ul style="list-style-type: none"> • Fixed assets accounting sub-system • Expense accounting sub-system • Tax accounting sub-system • Final accounts sub-system • Costing sub-system • Budget sub-system <p style="text-align: center;">(With suitable explanation)</p> <p style="text-align: center;">OR</p> <p>Q. List the elements a given period.</p> <p>Ans : Elements considered while calculating 'deductions' for current payroll period are:</p> <ol style="list-style-type: none"> 1. PT professional tax applicable in state. 2. TDS- Tax deduction at source which is a statutory deduction and deducted towards monthly income tax liability. 3. Recovery of loan instalment if taken up by employee. 4. Any other deduction e.g 'advance against salary or festival advance etc. 	<p>4 Marks</p> <p>OR</p> <p>4 Marks</p>
22	21	22	<p>Q. State the steps in Tally.</p> <p>Ans: The following are the steps to construct BRS in tally:</p> <ol style="list-style-type: none"> 1. Bring up the monthly summary of bank book. 2. 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. 3. The display now becomes an Edit screen in Reconciliation mode. The primary components are: A column for the 'Bankers Date' 4. Amounts not reflected in banks 5. Balance as per bank <p style="text-align: center;">OR</p> <p>Q. Explain composite..... attributes.</p> <p>Ans :</p> <ol style="list-style-type: none"> 1. Composite Vs simple (or atomic) attributes: The composite attributes can be divided into smaller sub-parts to represent some more basic attributes with independent meanings. The simple attributes cannot be further sub-divided. For example, Name of a person that is normally sub-divided into first name, middle name and last name is a composite attributes. Height of a person is a simple attribute as it devoid of further sub-division. 2. Single-valued Vs Multi-valued attributes: An attribute with a single value for an entity is single-valued as opposed to those which multiple values. For 	<p>4 Marks</p> <p>OR</p>

			example, height of a person is single-valued attribute while qualifications of that person are a multi-valued attribute.	2x2=4 marks
23	23	23	<p>Q. What is meant..... three benefits.</p> <p>Ans :</p> <p>A format change, such as background cell shading or font colour that is applied to a cell when a specified condition for the data in the cell is true.</p> <p>Conditional formatting is often applied to worksheets to find:</p> <ul style="list-style-type: none"> • 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. <p>Benefits of using conditional formatting:</p> <ol style="list-style-type: none"> i) Helps in answering questions which are important for taking decisions. ii) Guides with help of using visuals. iii) Helps in understanding distribution and variation of critical data. 	6 marks

Q. Set No.			Marking Scheme 2018-19 Accountancy (055) 67/2/2 Expected Answers / Value points	Distrib u-tion of marks
--	67/2/ 2	--		
6	1	4	<p>Q. What is meant by..... Shares ?</p> <p>Ans : Private placement of shares means issue and allotment of shares to a select group of persons privately.</p> <p style="text-align: center;">OR</p> <p>Q. What is meant by.....'Reserve Capital'</p> <p>Ans : Reserve Capital is a portion of a uncalled capital that is reserved by the company to be called in the event of winding up of the company.</p>	<p>1</p> <p>OR</p> <p>1</p>
4	2	3	<p>Q. Kiya and leela.....Kiya, Leela and Kiran.</p> <p>Ans : Sacrificing ratio of Kiya and Leela = 3:1 Kiran's Share = $1/5$ Kiya's Sacrifice = $1/5 \times 3/4 = 3/20$ Leela's sacrifice = $1/5 \times 1/4 = 1/20$</p> <p>New Share = Old share – Sacrifice share</p> <p>Kiya's new share = $3/5 - 3/20 = 9/20$ Leela's new share = $2/5 - 1/20 = 7/20$ Kiran's Share = $1/5 \times 4/4 = 4/20$ New ratio = 9 : 7 : 4</p>	<p>$\frac{1}{2}$</p> <p>$\frac{1}{2}$ = (1)</p>
5	3	2	<p>Q. Dinkar, Navita..... every year.</p> <p>Ans : Profits of the firm till Navita's death = 10% of 6,00,000 = 60,000 Navita's share = $2/6 \times 60,000 = 20,000$</p>	<p>$\frac{1}{2}$</p> <p>$\frac{1}{2}$ = (1)</p>
3	4	1	<p>Q. State the main.....organization.</p> <p>Ans : The main aim of a Not-for –profit organization is to provide service to a specific group or to the public at large.</p> <p style="text-align: center;">OR</p> <p>Q. How is 'Life membership.....Not-for-Profit profit organization?</p> <p>Ans : Life membership fee is capitalized, added to Capital fund i.e. shown on the liabilities side of Balance Sheet.</p>	<p>1</p> <p>OR</p> <p>1</p>



Q. 'ZK Ltd.' in the books of 'ZK Ltd.'

Ans :

**Books of ZK Ltd.
Journal**

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)
	(i) Bank A/c Dr. To Debentures Application & Allotment A/c (Being debentures application money received)		3,80,000	3,80,000
	(ii) Debentures Application & Allotment A/c Dr. Discount on issue of Debentures A/c Dr. Loss in issue of debentures A/c Dr. To 9% Debentures A/c To Premium on redemption of Deb. A/c (Being debenture issued at discount redeemable at premium)		3,80,000 20,000 40,000	4,00,000 40,000
	Alternative for entry (ii) Debentures application & allotment A/c Dr. Loss on issue of debentures A/c Dr. To 9% Debentures A/c To Premium on redemption of Debentures A/c (Being debentures issued at discount redeemable at premium)		3,80,000 60,000	4,00,000 40,000

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Q. The firm of P, Q and R.....super profits.

Ans :

Average Profit = ₹ 4,00,000
Capital Employed = ₹ 6,00,000
Normal Profit 8% = ₹ 6,00,000 x 8/100 = 48,000

Super Profit = Average Profit – Normal Profit
₹ 4,00,000 – 48,000 = ₹ 3,52,000

Goodwill on the basis of Capitalisation of super profit = $\frac{\text{Super Profit} \times 100}{\text{Rate of Normal Profit}}$
 $= \frac{3,52,000 \times 100}{8} = ₹ 44,00,000$

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Q. 'WX Ltd.'Companies Act, 2013

Ans.

**Balance Sheet of WX Ltd.
as per Schedule III Part I Companies Act 2013**

Particulars	Note No.	Current Year (₹)	Previous Year (₹)
EQUITY & LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	1	14,35,000	---

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Notes to Accounts :

NoteNo.	Particulars	Current Year (₹)
1	Share Capital	
	Authorised Share Capital	
	2,00,000 Equity Shares of @ ₹ 10 each	<u>20,00,000</u>
	Issued Share Capital	
	1,50,000 Equity Shares @ ₹10 each	<u>15,00,000</u>
	Subscribed Capital	
	(a) Subscribed and Fully paid	
	1,40,000 Equity shares of ₹ 10 each	14,00,000
	(b) Subscribed but not fully paid	
	5,000 Equity shares @ ₹10 each	50,000
	Less: Calls in arrear @ ₹3 per share	<u>(15,000)</u>
		<u>35,000</u>
		<u>14,35,000</u>

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Q. From the following..... ₹ 25,00,000.

Ans.

(a)

Dr.		Stock of Medicines A/c		Cr.	
Particulars	Amount(₹)	Particulars	Amount (₹)		
Balance b/d	8,00,000	Income & Expenditure A/c	20,00,000		
Purchases A/c	27,00,000	(Bal. figure)			
		By balance c/d	15,00,000		
	35,00,000		35,00,000		

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Dr.		Creditors for medicines A/c		Cr.	
Particulars	Amount (₹)	Particulars	Amount ₹		
Cash / Bank A/c	25,00,000	By balance b/d	6,00,000		
Balance c/d	8,00,000	By purchases (Bal. figure)	27,00,000		
	33,00,000		33,00,000		

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Alternative Solution for (a) :

OR

**Calculation of amount of medicines to be debited to ' Income & Expenditure A/c '
For the year 31/03/2018.**

Particulars	Amount (₹)
Amount paid to creditors during the year	25,00,000
Add : Closing balance of creditors	8,00,000
Less : Opening balance of creditors	<u>(6,00,000)</u>
Purchases of Medicines	27,00,000
Add : Opening stock of Medicines	8,00,000
Less : Closing stock of medicines	<u>(15,00,000)</u>
Amount of Medicines to be debited to Income & Expenditure Account	<u>20,00,000</u>

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b)

Balance Sheet of Charitable Hospital as at 31/03/2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors for Medicines	8,00,000	Stock of Medicines	15,00,000

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Q. L, M and N..... of the firm.

Ans. Books of L, M and N

Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)
	General Reserve A/c Dr. To L's Capital A/c To M's Capital A/c To N's Capital A/c (Being the General Reserve transferred to partners' Capital A/c)		1,17,000	23,400 35,100 58,500
	L's Capital A/c Dr. M's Capital A/c Dr. N's Capital A/c Dr. To Profit & Loss A/c (Being debit balance of Profit & Loss A/c transferred to partners' Capital A/c)		7,000 10,500 17,500	35,000
	M's Capital A/c Dr. To N's Capital A/c (Being adjustment for Goodwill)		50,000	50,000
	Revaluation A/c Dr. To L's Capital A/c To M's Capital A/c To N's Capital A/c (Being gain on revaluation transferred to Partners' Capital A/c)		30,000	6,000 9,000 15,000

M's gain = 1/10 ; N's Sacrifice = 1/10

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Q. Manika, Rekha and Mohit..... her executors.

Rekha's Capital Account

Dr.		Cr.	
Particular	Amount (₹)	Particular	Amount (₹)
To Rekha's Executors' A/c (B.F) (1/2 mark)	6,95,250	By Balance b/d	4,50,000
		By Manika Capital A/c	1,00,000
		By Mohit Capital A/c	20,000
		By Profit & Loss Suspense A/c	34,000
		By Interest on Capital A/c	11,250
		By General Reserve A/c	80,000
	6,95,250		6,95,250

Working Notes :-

1. Calculation of Rekha's share of Goodwill

Average Profit = $\frac{2,20,000 + 3,00,000 + 3,60,000 + 3,20,000}{4} = ₹ 3,00,000$

Rekha's Share of Goodwill = ₹ 3,00,000 x 4/10 = ₹ 1,20,000

Gaining Ratio = 5 : 1

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2. Calculation of Profit share of Rekha

$$\text{Average Profit of last two years} = \frac{\text{₹}360000 + \text{₹}320000}{2} = \frac{\text{₹}6,80,000}{2} = \text{₹}3,40,000$$

$$\text{Rekha's Share of Profit} = \text{₹}3,40,000 \times \frac{3}{12} \times \frac{4}{10} = \text{₹}34,000$$

15 13 14

Q. Naveen, Qadir and clearly.
Ans.

**Books of the Naveen, Qadir and Rajesh
Journal**

Date	Particulars	LF	Dr. Amt. (₹)	Cr. Amt. (₹)
2018 April 1	Rajesh's Current A/c..... Dr. To Naveen's Current A/c To Qadir's Current A/c [Being interest on Capital wrongly allowed & partners' salary omitted, now rectified]		17,800	10,000 7,800

Working:

Past Adjustment Table

Particulars	Naveen	Qadir	Rajesh	Total
A. Cancellation of Interest on Capital :				
2016-17	24,000(Dr.)	21,600(Dr.)	14,400(Dr.)	60,000(Cr.)
2017-18	24,000(Dr.)	21,600(Dr.)	14,400(Dr.)	60,000(Cr.)
TOTAL Interest on Capital	<u>48,000(Dr.)</u>	<u>43,200(Dr.)</u>	<u>28,800(Dr.)</u>	<u>1,20,000(Cr.)</u>
B. Omission of Salary :				
2016-17	14,000(Cr.)	16,000(Cr.)	-----	30,000(Dr.)
2017-18	14,000(Cr.)	16,000(Cr.)	-----	30,000(Dr.)
TOTAL Salary	<u>28,000(Cr.)</u>	<u>32,000(Cr.)</u>	<u>-----</u>	<u>60,000(Dr.)</u>
C. Profits to be credited : A-B				
2016-17 (3:2:1)	15,000(Cr.)	10,000(Cr.)	5,000(Cr.)	30,000(Dr.)
2017-18 (3:2:1)	15,000(Cr.)	9,000(Cr.)	6,000(Cr.)	30,000(Dr.)
TOTAL profits credited	<u>30,000(Cr.)</u>	<u>19,000(Cr.)</u>	<u>11,000(Cr.)</u>	<u>60,000(Dr.)</u>
Net Effect [A+B+C]	<u>10,000 (Cr.)</u>	<u>7,800(Cr.)</u>	<u>17,800(Dr.)</u>	<u>00</u>

Note : In case a student has presented correct working in any other form, full credit may be given.

OR

Q. On 31st March clearly.
Ans.

**Books of the Abhir, Bobby and Vineet
Journal**

Date	Particulars	LF	Dr (₹)	Cr (₹)
2018 Apr 1	Bobby's Capital A/c..... Dr. To Abhir's Capital A/c To Vineet's Capital A/c [Being interest on Capital and interest on drawings omitted, now rectified]		14,402	10,112 4,290

Working:

(A)

Past Adjustment Table

Particulars	Abhir	Bobby	Vineet	Total
Cancellation of profits	60,000(Dr.)	60,000(Dr.)	30,000(Dr.)	1,50,000 (Cr.)
Omission of IOD	6,600 (Dr.)	4,500 (Dr.)	2,500(Dr.)	13,600 (Cr.)
Omission of IOC :	76712 (Cr.)	50098 (Cr.)	36,790 (Cr.)	1,63,600 (Dr.)
Net Effect	<u>10,112 (Cr.)</u>	<u>14,402(Dr.)</u>	<u>4,290(Cr.)</u>	<u>00</u>

(B) Calculation of Opening Capital :

Particulars	Abhir	Bobby	Vineet
Capital on 31-3-2018	8,00,000	6,00,000	4,00,000
ADD : Drawings	2,40,000	1,00,000	1,00,000
LESS : Share of profit	(60,000)	(60,000)	(30,000)
Capital on 1-4-2017	9,80,000	6,40,000	4,70,000

(C) Interest on Capital @ 10% 98,000 + 64,000 + 47,000 = ₹ 2,09,000

Profits available = ₹1,50,000 + 13,600 = ₹163,600

Therefore, Interest on Capital is given as ₹1,63,600 divided in the ratio of 98:64:47

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Q. From the following closing stock was ₹ 15,000.

Ans :

Dr. Income & Expenditure a/c of Gems Club for the year ended 31/03/2018 Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
Salaries 64,500		Subscription 3,00,000	
+ outstanding 8,000	72,500	(-) advance (2018-19) (15,000)	
Miscellaneous Expenses 52,000		+ o/s subscription (2017-18) 20,000	3,05,000
Telephone Charges 12,000		Interest on Investment 2400	
Printing & Stationery		+ Accrued Interest 1600	4,000
Opening Stock 12,000		Donations	17,000
+ Purchases 19,000		Rent Received 70,000	
- Closing Stock (15,000)	16,000	+Receivable 2,000	72,000
Surplus – Excess of		Sale of old newspaper	600
Income over expenditure 2,46,100			
	3,98,600		3,98,600

1 mark each for subscriptions and printing & stationery + ½ x 8 2+4 = (6)

14 15 13

Q. Ashish and Kanav..... Prepare Revaluation Account.

Ans :

Dr.		Realisation Account		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
<u>Sundry Assets</u>		<u>Sundry Liabilities</u>			
Stock 24,000		Trade Creditors 42,000			
Debtors 19,000		Employees Prov Fund 60,000			
Furniture 40,000		Mrs. Ashish's Loan 9,000		1,11,000	
Plant 2,10,000		Investment Fluctuation Reserve		4,000	
Investment 32,000	3,25,000				
Ashish's Capital A/c (Mrs. Ashish's Loan)	9,000	Ashish Capital A/c (Furniture)		38,000	
Kanav's Capital A/c (Remuneration)	12,000	<u>Bank A/c – Assets</u>			
Bank A/c (EPF)	60,000	Debtors – 18,500			
Partners' Capital A/c(Gain)		Plant - 2,31,000			
Ashish - 12012		Stock - 15,840		2,65,340	
Kanav - 8008	20,020	Kanav's Capital A/c (Stock)		7,680	
	4,26,020			4,26,020	

Note : In case, the medium of answering of the candidate is English & he/she has prepared revaluation account using the information given in the question, full credit should be given.

Solution of Hindi version

Ans :

Dr.		Realisation Account		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
<u>Sundry Assets</u>		<u>Sundry Liabilities</u>			
Stock 24,000		Trade Creditors 42,000			
Debtors 19,000		Employees Prov Fund 60,000			
Furniture 40,000		Mrs. Ashish's Loan 9,000		1,11,000	
Plant 2,10,000		Investment Fluctuation Reserve		4,000	
Investment 32,000	3,25,000				
Ashish's Capital A/c (Mrs. Ashish's Loan)	9,000	Ashish Capital A/c (Furniture)		38,000	
Kanav's Capital A/c (Remuneration)	12,000	<u>Bank A/c – Assets</u>			
Bank A/c - Liabilities		Debtors – 18,500			
Creditors 42,000		Plant - 2,31,000			
EPF 60,000	1,02,000	Stock - 15,840		2,65,340	
		Kanav's Capital A/c (Stock)		7,680	
		Loss transferred to Partners' Capital A/c:-			
		Ashish – 13,188			
		Kanav - 8,792		21,980	
	4,48,000			4,48,000	

1 mark each for transfer of Sundry Assets and transfer of Sundry Liabilities + ½ x 8 i.e.

2+4 = (6)

1 mark each for transfer of Sundry Assets and transfer of Sundry Liabilities + ½ x 8 i.e.

2+4 = (6)

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Q. Denspar Ltd. Invited.....books of Denspar Ltd.

Ans :

**Books of Denspar Ltd.
Journal**

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)
	Bank A/c Dr. To Equity Share Application A/c (Being application money received)		3,60,000	3,60,000
	Equity Share Application A/c Dr. To Equity Share Capital A/c (Being application money transferred)		3,60,000	3,60,000
	Equity Share Allotment A/c Dr. To Equity Share Capital A/c To Security Premium Reserve A/c (Being allotment money due)		23,40,000	5,40,000 18,00,000
	Bank A/c Dr. Calls in Arrears A/c Dr. To Equity Share Allotment A/c To Calls in Advance A/c (Being allotment money received)		23,24,000 91,000	23,40,000 75,000
	Equity Share 1st Call A/c Dr. To Equity Share Capital A/c To Security Premium Reserve A/c (Being share first call due)		12,60,000	3,60,000 9,00,000
	Bank A/c Dr. Calls in Advance A/c Dr. To Equity Share First Call A/c To Calls in arrear A/c (Being call money received)		13,16,000 35,000	12,60,000 91,000
	Equity Share Second & Final Call A/c Dr. To Equity Share Capital A/c To Security Premium Reserve A/c (Being second and final call money due)		14,40,000	5,40,000 9,00,000
	Bank A/c Dr. Calls in arrear A/c Dr. Calls in advance A/c Dr. To Equity Share 2 nd & Final Call A/c (Being call money received)		13,84,000 16,000 40,000	14,40,000
	Equity Share Capital A/c Dr. Security Premium Reserve A/c Dr. To Calls in arrear A/c To Share forfeited A/c (Being 2,000 shares forfeited)		20,000 10,000	16,000 14,000
	Bank A/c Dr. Share forfeited A/c Dr. To Share Capital A/c		12,000 3,000	15,000

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	(Being 1,500 shares reissued)			
	Share forfeited A/c To Capital Reserve A/c (Being balance in share forfeited account for 1,500 shares transferred to Capital Reserve)	Dr.	7,500	7,500

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Note : In case, an examinee has passed entries without opening calls in arrear account, full credit is to be given.

OR

Q. 'KLN Ltd.' invited books of 'KLN Ltd.'

Books of 'KLN Ltd.'

Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)
	Bank A/c To Equity Share Application A/c (Being application money received on 1,90,000 shares @ ₹3 per share)	Dr.	5,70,000	5,70,000
	Equity Share Application A/c To Equity Share Capital A/c To Securities Premium Reserve A/c To Equity Share Allotment A/c To Bank A/c (Being application money transferred to share capital, share allotment and the balance refunded)	Dr.	5,70,000	2,00,000 1,00,000 1,50,000 1,20,000
	Equity Share Allotment A/c To Equity Share Capital A/c To Securities Premium Reserve A/c (Being allotment money due)	Dr.	4,00,000	3,00,000 1,00,000
	Bank A/c Calls in Arrear Ac To Equity Share Allotment A/c (Being allotment money received) Or Bank A/c To Equity Share Allotment A/c (Being allotment money received)	Dr. Dr. Dr.	2,43,500 6,500 2,43,500	2,50,000 2,43,500
	Equity Share First Call A/c To Equity Share Capital A/c (Being call money due)	Dr.	3,00,000	3,00,000
	Bank A/c Calls in Arrears A/c To Equity Share First Call A/c (Being call money received) Or	Dr. Dr.	2,85,000 15,000	3,00,000

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	Bank A/c To Equity Share First Call A/c (Being call money received)	Dr.	2,85,000	2,85,000	
	Equity Share Capital A/c Securities Premium Reserve A/c To Share Forfeited A/c To Calls in Arrear A/c (Being share forfeited) or Equity Share Capital A/c Securities Premium Reserve A/c To Share Forfeited A/c To Share Allotment A/c To Share First Call A/c (Being share forfeited)	Dr. Dr. Dr. Dr.	16,000 2,000 16,000 2,000	5,500 12,500 5,500 6,500 6,000	1
	Equity Share Second & Final Call A/c To Equity Share Capital A/c (Being second & final call due)	Dr.	1,96,000	1,96,000	½
	Bank A/c Calls in Arrear A/c To Equity Share Second & Final Call A/c (Being call money received) Or Bank A/c To Equity Share Second & Final Call A/c (Being call money received)	Dr. Dr. Dr.	1,90,000 6,000 1,90,000	1,96,000 1,90,000	½
	Equity Share Capital A/c To Share Forfeited A/c To Calls in Arrears (Being shares forfeited) Or Equity Share Capital A/c To Share Forfeited A/c To Equity Share First call A/c To Equity Share Second and Final Call A/c (Being shares forfeited)	Dr. Dr.	30,000 30,000	15,000 15,000 15,000 9,000 6,000	1
	Bank A/c Share Forfeited A/c To Equity Share Capital A/c (Being forfeited shares reissued)		32,000 8,000	40,000	
	Share forfeited A/c To Capital Reserve A/c (Being balance in share forfeited account transferred to capital reserve)	Dr.	9,750	9,750	½
					½ = (8)



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Q. Mohan, Vinay and Nitya..... reconstituted firm.

Ans.

Dr.		Revaluation Account		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
To Plant & Machinery A/c	6,000	By Bank A/c	4,000		
To Provision for Bad Debts- [Bad debts 1,000		(computer sold)			
Provision for bad debts 3,000]	4,000	By Partners' Capital A/c (Loss)			
		Mohan 3,000			
		Vinay 2,000			
		Nitya <u>1,000</u>		6,000	
	10,000			10,000	

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Dr.				Partners' Capital A/c				Cr.			
Particulars	Mohan	Vinay	Nitya	Particulars	Mohan	Vinay	Nitya				
To Mohan's Capital A/c		48,000	42,000	By Bal c/d	1,20,000	100,000	90,000				
To revaluation A/c (loss)	3,000	2,000	1,000	By Contingency Reserve	15,000	10,000	5,000				
To Mohan's Loan A/c	2,22,000			By Vinay's Capital	48,000						
To Bal c/d		60,000	52,000	By, Nitya's Capital	42,000						
	2,25,000	1,10,000	95,000		2,25,000	1,10,000	95,000				
				By Balance B/d		60,000	52,000				
To Bank A/c		6,000	16,000								
To Balance c/d		54,000	36,000								
		60,000	52,000			60,000	52,000				

1 mark for each capital A/c+ 1 mark for capital adjustment

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Note: in case the candidate has not extended the Capital A/c but has done the capital adjustment correctly, full credit is to be given.

Balance Sheet as at 31st March, 2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	48,000	Cash at Bank (31,000 +4,000 – 6000 – 16,000)	13,000
Employees Provident Fund	1,70,000	Bills Receivable	54,000
Mohan's Loan A/c	2,22,000	Book Debts	63,000
Vinay's Capital A/c	54,000	Less : Bad Debts	3,000
Nitya'S Capita A/c	36,000	Less: Provision for Bad Debts	3,000
		Plant & Machinery	1,14,000
		Land & Building	2,92,000
	5,30,000		5,30,000

1 mark for correct assets side +1 mark for correct Liabilities Side = (8)

OR

Dr.		Revaluation A/c		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
To Stock A/c	16,000	By Loss transferred to Partners' Capital A/c			
To claim for workmen Compensation	40,000	Leena	33,600		
		Rohit	22,400		56,000
	56,000				56,000

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Dr.				Partners' Capital A/c				Cr.			
Particulars	Leena	Rohit	Manoj	Particulars	Leena	Rohit	Manoj				
To Revaluation A/c (Loss)	33,600	22,400		By Balance b/d	1,60,000	1,40,000					
To Balance c/d	1,93,400	1,75,600		By General Reserve	27,000	18,000					
				By Premium for Goodwill	40,000	40,000					
	2,27,000	1,98,000			2,27,000	1,98,000					
				By Balance b/d	1,93,400	1,75,600					
				By Cash/Bank A/c						92,250	
To Balance c/d	1,93,400	1,75,600	92,250								
	1,93,400	1,75,600	92,250		1,93,400	1,75,600	92,250				

1 mark for each capital A/c

3

Balance Sheet as at 31st March, 2018

Liabilities	Amount (₹)	Assets	Amount (₹)

1 ½ mark for correct assets side +1 ½ mark for correct



Creditors	80,000	Cash			
Bills Payable	38,000	(42,000 + 80,000 + 92,250)		2,14,250	
Claim for workmen compensation	40,000	Debtors	1,32,000		
Partners' Capital A/cs. :		Less : Provision for Doubtful Debts	<u>7,000</u>	1,25,000	
Leena	1,93,400	Plant & Machinery		1,50,000	
Rohit	1,75,600	Stock		1,30,000	
Manoj	<u>92,250</u>				
	4,61,250				
	6,19,250			6,19,250	

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 Liabilities
 Side
 3
 = (8)

Working :

Sacrificing Share = Old Share – New Share

Leena's Sacrifice = $\frac{3}{5} - \frac{5}{10} = \frac{1}{10}$

Rohit's Sacrifice = $\frac{2}{5} - \frac{3}{10} = \frac{1}{10}$

Sacrificing Ratio = 1 : 1

PART B
OPTION - I
(Financial Statements Analysis)

-	18	-	Q. While preparing..... Non-financial enterprise? Ans : Investing Activity.	1															
-	19	-	Q. What is meant by 'Cash & Cash Equivalents'? Ans : Cash comprises of cash on hand and demand deposits with bank and cash equivalents are short term highly liquid investments (up to three months) that are readily convertible into known amount of cash and which are subject to an insignificant risk of change in value.	1															
21	20	21	Q. (i) From the following..... Rs. 1,00,000. Ans. Interest Coverage Ratio = $\frac{\text{Net Profits before Interest \& Tax}}{\text{Interest on long term debts}}$ <table style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: right;">(Rs.)</td> <td></td> </tr> <tr> <td>Net Profits after Interest and Tax</td> <td>--</td> <td>1,20,000</td> </tr> <tr> <td>Add : Tax @ 40%</td> <td>--</td> <td>80,000</td> </tr> <tr> <td>Interest on debt</td> <td>--</td> <td><u>27,000</u> (15,000 + 12,000)</td> </tr> <tr> <td>Profits before Interest & Tax</td> <td>=</td> <td>2,27,000</td> </tr> </table>		(Rs.)		Net Profits after Interest and Tax	--	1,20,000	Add : Tax @ 40%	--	80,000	Interest on debt	--	<u>27,000</u> (15,000 + 12,000)	Profits before Interest & Tax	=	2,27,000	2
	(Rs.)																		
Net Profits after Interest and Tax	--	1,20,000																	
Add : Tax @ 40%	--	80,000																	
Interest on debt	--	<u>27,000</u> (15,000 + 12,000)																	
Profits before Interest & Tax	=	2,27,000																	

$$\text{Interest Coverage Ratio} = \frac{2,27,000}{27,000} = 8.4 \text{ times}$$

Q. (ii) A company purchase of goods.

Ans.

After purchase of goods on credit :

Current Assets = Rs.3,00,000 + Rs.20,000 = Rs. 3,20,000

Current Liabilities = **Rs.1,40,000** +Rs.20,000 = Rs.1,60,000

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}} = \frac{3,20,000}{1,60,000} = 2:1$$

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(4)

OR
REASON

EFFECT

- (i) Decrease As quick assets will decrease with no change in current liabilities.
- (ii) Decrease As current liabilities will increase with no change in quick assets.
- (iii) Increase As quick assets will increase with no change in current liabilities.
- (iv) No change As neither quick assets nor current liabilities are changing.

1 x 4
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(4)

20 21 20

Q. Under which major..... Part I of the Companies Act, 2013?

Ans.

Items	Heads	Sub-heads
(i) Interest accrued and due on debentures	Current liabilities	Other Current Liabilities
(ii) Loose Tools	Current Assets	Inventories
(iii) Accrued Interest on Calls in advance	Current Liabilities	Other Current Liabilities
(iv) Interest due on calls in arrears	Current Assets	Other Current Assets
(v) Trademarks	Non Current Assets	Fixed Assets-Intangible
(vi) Premium on redemption of debentures	Non Current liabilities	Other Non Current Liabilities
(vii) Plant and Machinery	Non Current Assets	Fixed Assets-Tangible
(viii) Patents	Non Current Assets	Fixed Assets-Intangible

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(4)

OR

Q. Explain briefly..... of Financial Statements.

Ans. Limitations of Financial Statements are : (any four)

- (i) It is a **Historical Analysis** as it analyses what has happened till date. It doesn't reflect the future.
- (ii) It **ignores price level changes** as a change in price level makes analysis of financial statements of different accounting years invalid.
- (iii) It **ignores qualitative aspect** as the quality of management, quality of staff etc. are ignored while carrying out the analysis of financial statements.
- (iv) It suffers from the **limitations of financial statements** as the analysis is based on the information given in the financial statements.
- (v) It is **not free from bias** of accountants such as method of inventory valuation, method of depreciation etc.

1x4
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(4)

- (vi) It may lead to **window dressing** i.e. showing a better financial position than what actually is by manipulating the books of accounts.
- (vii) It **may be misleading** without the knowledge of the changes in accounting procedure by a firm.

22

Q. Prepare a Comparative..... 31st March, 2018

Ans.

Comparative Statement of Profit & Loss for the year ended 31st March, 2018

Particulars	31.03.2017 (₹)	31.03.2018 (₹)	Absolute Charge (₹)	% Absolute Charge
Revenue from operation	12,00,000	17,60,000	5,60,000	46.67
Less :				
Cost of Materials Consumed	4,00,000	4,40,000	40,000	10.00
Other Expenses	80,000	1,32,000	52,000	65.00
Total Expenses	4,80,000	5,72,000	92,000	19.17
Profit before tax	7,20,000	11,88,000	4,68,000	65.00
Less 50% tax	3,60,000	5,94,000	2,34,000	65.00
Profit after tax	3,60,000	5,94,000	2,34,000	65.00

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23

Q. From the following Balance Sheet..... Cash Flow Statement.

Ans.

DCX Ltd.

Cash flow Statement for the year ending 31st March, 2018

Particulars	Details (₹)	Amount (₹)
A. Cash flows from Operating Activities :		
Net Profit before Tax	(24,000)	
Add : Depreciation on Machinery	4,20,000	
Add : Interest on Debentures	64,000	
Less : Gain on sale of machinery	(1,60,000)	
Operating profit before the working Capital changes	3,00,000	
Add: Increase in Trade Payables	50,000	
Less: Increase in Inventories	(4,00,000)	
Cash generated from Operations before tax	(50,000)	
Less: Tax Paid	(56,000)	
Net Cash used in Operating Activities		(1,06,000)
B. Cash flows from Investing Activities :		
Purchase of Machinery	(16,00,000)	
Purchase of Intangible Assets	(1,00,000)	
Sale of Machinery	6,40,000	
Net Cash used in investing activities		(10,60,000)

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C. Cash flows from financing Activities		
Issue of shares	9,00,000	
Issue of Debentures	3,00,000	
Interest paid on debentures	(64,000)	<u>11,36,000</u>
Cash Inflows from Financing Activities		
		<u>(30,000)</u>
Net Decrease in Cash and Cash Equivalents		
Add: Opening Balance of Cash and Cash equivalents		
Current Investments	78,000	
Cash & cash equivalents	78,000	<u>1,56,000</u>
Closing Balance of Cash and Cash equivalents		
Current Investments	89,000	
Cash & cash equivalents	37,000	<u>1,26,000</u>

Working Notes:

Calculation of Profit before Tax :

Net Profit for the year = (1,00,000)
Add: Provision for tax = 76,000
Net profit before tax = (24,000)

Dr.

Machinery A/c

Cr.

Particulars	₹	Particulars	₹
To Balance b/d	25,00,000	By Acc. depreciation	3,20,000
To Gain on sale	1,60,000	By Bank	6,40,000
To Bank A/c (Bal. Fig.)	16,00,000	By balance c/d	33,00,000
	<u>42,60,000</u>		<u>42,60,000</u>

Accumulated Depreciation A/c

Particulars	₹	Particulars	₹
Machinery A/c	3,20,000	By balance b/d	5,00,000
Balance c/d	6,00,000	Statement of P & L (Bal. figure)	4,20,000
	<u>9,20,000</u>		<u>9,20,000</u>

PART B

OPTION - II

(Computerized Accounting)

-	18	-	Q. What is.....processing mode?	
			Ans. The activity sequence of the basic information mode is collect data, organise and process it and then communicate the information extracted.	1 Mark
-	19	-	Q. What is meant.....'Data Validation'?	
			Ans: Data Validation is the process of ensuring that a program operates on clean, correct and useful data. It uses validation rules and constraints to check for the correctness, meaningfulness and security of data that are input to the system.	1 Mark



-	20	---	<p>Q. Give four..... accounting system.</p> <p>Ans : Advantages of Computerised Accounting System:</p> <ol style="list-style-type: none"> 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. 	4 Mark s
22	21	22	<p>Q. State the steps in Tally.</p> <p>Ans: The following are the steps to construct BRS in tally:</p> <ol style="list-style-type: none"> 1. Bring up the monthly summary of bank book. 2. 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. 3. The display now becomes an Edit screen in Reconciliation mode. The primary components are: A column for the 'Bankers Date' 4. Amounts not reflected in banks 5. Balance as per bank <p style="text-align: center;">OR</p> <p>Q. Explain composite..... attributes.</p> <p>Ans :</p> <p>1. Composite Vs simple (or atomic) attributes: The composite attributes can be divided into smaller sub-parts to represent some more basic attributes with independent meanings. The simple attributes cannot be further sub-divided. For example, Name of a person that is normally sub-divided into first name, middle name and last name is a composite attributes. Height of a person is a simple attribute as it devoid of further sub-division.</p> <p>2. Single-valued Vs Multi-valued attributes: An attribute with a single value for an entity is single-valued as opposed to those which multiple values. For example, height of a person is single-valued attribute while qualifications of that person are a multi-valued attribute.</p>	4 Mark s OR 2x2= 4 mark s
21	22	21	<p>Q. Explain any two.....information system.</p> <p>Ans: (Any Two)</p> <ul style="list-style-type: none"> • Cash and bank sub- system • Sales and accounts receivable sub-system • Inventory sub-system 	



			<ul style="list-style-type: none"> • Purchase and accounts payable sub-system • Payroll accounting sub-system • Fixed assets accounting sub-system • Expense accounting sub-system • Tax accounting sub-system • Final accounts sub-system • Costing sub-system • Budget sub-system <p style="text-align: center;">(With suitable explanation)</p> <p style="text-align: center;">OR</p> <p>Q. List the elements a given period.</p> <p>Ans : Elements considered while calculating 'deductions' for current payroll period are:</p> <p>(i) PT professional tax applicable in state.</p> <p>(ii) TDS- Tax deduction at source which is a statutory deduction and deducted towards monthly income tax liability.</p> <p>(iii) Recovery of loan instalment if taken up by employee.</p> <p>(iv) Any other deduction e.g 'advance against salary or festival advance etc.</p>	<p>4 Mark s</p> <p>OR</p> <p>4 Mark s</p>
23	23	23	<p>Q. What is meant..... three benefits.</p> <p>Ans :</p> <p>A format change, such as background cell shading or font colour that is applied to a cell when a specified condition for the data in the cell is true.</p> <p>Conditional formatting is often applied to worksheets to find:</p> <ul style="list-style-type: none"> • 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. <p>Benefits of using conditional formatting:</p> <p>i) Helps in answering questions which are important for taking decisions.</p> <p>ii) Guides with help of using visuals.</p> <p>iii) Helps in understanding distribution and variation of critical data.</p>	<p>6 mark s</p>

Q. Set No.			Marking Scheme 2018-19 Accountancy (055) Delhi – 67/2/3 Expected Answers / Value points	Distribution of marks
/	67/	67/		
1	2/2	2/3		
4	1	<p>Q. State the main.....organization.</p> <p>Ans : The main aim of a Not-for –profit organization is to provide service to a specific group or to the public at large.</p> <p style="text-align: center;">OR</p> <p>Q. How is 'Life membership.....Not-for-Profit profit organization?</p> <p>Ans : Life membership fee is capitalized, added to Capital fund i.e. shown on the liabilities side of Balance Sheet.</p>	<p style="text-align: right;">1</p> <p style="text-align: right;">OR</p> <p style="text-align: right;">1</p>	
3	2	<p>Q. Dinkar, Navita..... every year.</p> <p>Ans : Profits of the firm till Navita's death = 10% of 6,00,000 = 60,000</p> <p>Navita's share = $2/6 \times 60,000 = 20,000$</p>	<p style="text-align: right;">$\frac{1}{2}$</p> <p style="text-align: right;">$\frac{1}{2}$</p> <p style="text-align: right;">=</p> <p style="text-align: right;">(1)</p>	
2	3	<p>Q. Kiya and leela.....Kiya, Leela and Kiran.</p> <p>Ans : Sacrificing ratio of Kiya and Leela = 3:1</p> <p>Kiran's Share = $1/5$</p> <p>Kiya's Sacrifice = $1/5 \times 3/4 = 3/20$</p> <p>Leela's sacrifice = $1/5 \times 1/4 = 1/20$</p> <p>New Share = Old share – Sacrifice share</p> <p>Kiya's new share = $3/5 - 3/20 = 9/20$</p> <p>Leela's new share = $2/5 - 1/20 = 7/20$</p> <p>Kiran's Share = $1/5 \times 4/4 = 4/20$</p> <p>New ratio = 9 : 7 : 4</p>	<p style="text-align: right;">$\frac{1}{2}$</p> <p style="text-align: right;">=</p> <p style="text-align: right;">(1)</p>	
1	4	<p>Q. What is meant by..... Shares ?</p> <p>Ans :</p> <p>Private placement of shares means issue and allotment of shares to a select group of persons privately.</p> <p style="text-align: center;">OR</p> <p>Q. What is meant by..... 'Reserve Capital'</p> <p>Ans : Reserve Capital is a portion of a uncalled capital that is reserved by the company to be called in the event of winding up of the company.</p>	<p style="text-align: right;">1</p> <p style="text-align: right;">OR</p> <p style="text-align: right;">1</p>	
5	5	Q. A new partner..... these rights.		



Ans. Two main rights acquired by a newly admitted partner (**any one**) :-
 (i) Right to share the assets of the partnership firm;
 (ii) Right to share the profits of the partnership firm.

1

OR

Q. How does.....goodwill of a firm?

Effect of Nature of Business on Goodwill :-

A firm that produces high value added products or products with stable demand is able to earn more profits therefore, firm's goodwill will be more.

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6 Q. B,C and Dfirm's dissolution.

Ans :

**Books of B, C and D
Journal**

Date	Particulars	L F	Dr. Amount (₹)	Cr. Amount (₹)
	Realisation A/c Dr. To C's Capital A/c (Being C taking over brother's loan)		10,000	10,000

1

7 Q. A, B, C..... goodwill in cash.

Ans :

(a) Calculation of New Profit Sharing ratio :

New share = Old share – sacrifice share

Sacrifice of C and D = $\frac{1}{2} \times \frac{1}{3} = \frac{1}{6}$

A's New Share = $\frac{1}{4}$

B's New Share = $\frac{1}{4}$

C's New Share = $\frac{1}{4} - \frac{1}{6} = \frac{3-2}{12} = \frac{1}{12}$

D's New Share = $\frac{1}{4} - \frac{1}{6} = \frac{3-2}{12} = \frac{1}{12}$

New ratio of A, B, C, D & E = $\frac{1}{4} : \frac{1}{4} : \frac{1}{12} : \frac{1}{12} : \frac{1}{3} = 3 : 3 : 1 : 1 : 4$

1 ½

(b)

**Books of A, B, C, D and E
Journal**

Date	Particulars	L F	Dr. Amount (₹)	Cr. Amount (₹)
	E's Current /Capital A/c Dr To C's Capital A/c To D's Capital A/c (Being goodwill adjustment on E's admission)		1,00,000	50,000 50,000

**1 ½
=
(3)**

8 Q. 'JN Ltd.'..... Companies Act, 2013.

Ans.

Balance Sheet of 'JN Ltd.' as at 31st March, 2018



Particulars	Note No.	Amount ₹ Current year	Amount ₹ Previous year	
EQUITY and LIABILITIES				
1. Shareholders' Funds				
(a) Share Capital	1	99,96,000		1

Notes to Accounts :

Note No.	Particulars	(₹)	
1	Share Capital		
	Authorised Capital		
	2,00,000 Equity Shares of Rs 100 each	<u>20,00,000</u>	½
	Issued Capital	<u>10,00,000</u>	½
	1,00,000 Equity Shares of Rs 100 each		
	Subscribed Capital		
	(a) Subscribed and Fully paid		
	99,800 Equity shares of ₹ 100 each	99,80,000	½
	(b) Subscribed but not fully paid		
	200 Equity shares of ₹ 100 each	20,000	
	Less : Calls in arrears	<u>(4,000)</u>	½
		<u>16,000</u>	=
		99,96,000	(3)

7 9 Q. 'UZ Ltd. in the books of 'UZ Ltd.'

Ans :

Books of UZ Ltd.

Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)	
	(i) Plant & Machinery A/c Dr. To Elk Machine Ltd. (Being Machinery purchased)		6,90,000	6,90,000	1
	(ii) Elk Machine Ltd. Dr. To Bills Payable A/c (Being bills accepted)		90,000	90,000	½



(iii) ELK Machine Ltd. Dr. Discount on debentures A/c Dr. To 6% debentures A/c (Being 6% debentures issued at 20% discount)	6,00,000 1,50,000	7,50,000
OR for (ii) & (iii)		
ELK Machine Ltd. Dr. Discount on debentures A/c Dr. To Bills Payable A/c To 6% debentures A/c (Being bills accepted & 6% debentures issued at 20% discount)	6,90,000 1,50,000	90,000 7,50,000

1 ½
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(3)

(No. of debentures issued = 6,00,000/80 = 7500)

OR

OR

Q. 'ZK Ltd.' in the books of 'ZK Ltd.'

Ans :

Books of ZK Ltd.

Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)
	(i) Bank A/c Dr. To Debentures Application & Allotment A/c (Being debentures application money received)		3,80,000	3,80,000
	(ii) Debentures Application & Allotment A/c Dr. Discount on issue of Debentures A/c Dr. Loss in issue of debentures A/c Dr. To 9% Debentures A/c To Premium on redemption of Deb. A/c (Being debenture issued at discount redeemable at premium)		3,80,000 20,000 40,000	4,00,000 40,000
	Alternative for entry (ii) Debentures application & allotment A/c Dr. Loss on issue of debentures A/c Dr. To 9% Debentures A/c To Premium on redemption of Debentures A/c (Being debentures issued at discount redeemable at premium)		3,80,000 60,000	4,00,000 40,000

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(3)

10

Q. Calculate the in cash.

(a)

Dr.

Stock of Stationery A/c

Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
Balance b/d	25,000	Income & Expenditure A/c (Bal. figure)	26,000
Purchases - cash	6,000	By balance c/d	40,000
Credit	35,000		
	66,000		66,000

1



Dr.		Creditors for Stationery A/c		Cr.	
Particulars	Amount (₹)	Particulars	Amount ₹		
Cash / Bank A/c	46,000	By balance b/d	30,000		
Balance c/d	19,000	By purchases (Bal. figure)	35,000		
	65,000		65,000		

Alternative Solution for (a) :

Calculation of amount of Stationery to be debited to ' Income & Expenditure A/c ' For the year 31/03/2018.

Particulars	Amount (₹)
Amount paid to creditors during the year	46,000
Add : Closing balance of creditors	19,000
Less : Opening balance of creditors	(30,000)
Credit Purchases of Stationery	35,000
Add: Cash Purchases of Stationery	6,000
Add : Opening stock of Stationery	25,000
Less : Closing stock of Stationery	(40,000)
Amount of Stationery to be debited to Income & Expenditure Account	26,000

(b)

Balance Sheet of Charitable Hospital as at 31/03/2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors for Stationery	19,000	Stock of Stationery	40,000

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(3)

11

Q. Satish and Taruna of the firm.

Ans.

Books of Satish and Taruna
Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)
	Revaluation A/c Dr. Workmen compensation Fund A/c Dr. To claim for workmen compensation a/c (Being claim for workmen compensation accepted)		5,000 35,000	40,000
	General Reserve A/c Dr To Satish's Capital A/c To Taruna's Capital A/c (Being General Reserve transferred to Partners')		40,000	24,000 16,000

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1



Capital Accounts in old ratio)			
Taruna's Capital A/c Dr To Satish Capital A/c (Being goodwill adjusted)		5,000	5 000
Satish' s Capital A/c.....Dr. Taruna's Capital A/c.....Dr. To Revaluation A/c (Being Loss on Revaluation borne by partners)		3,000 2,000	5,000

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(4)

12 Q. Garima, Harish and Reena finally closed.

Ans.

Dr.		Harish's Executor Account		Cr.	
Date	Particular	Amt. ₹	Date	Particulars	Amt. ₹
2015 March 31	To Cash/Bank A/c	22,500	2015 March 31	By Harish's Capital A/c	90,000
March 31	To Balance c/d	67,500			
		90,000			90,000
2016 March 31	To Cash/Bank	34,650	2015 April 1	By Balance b/d	67,500
March 31	To Balance c/d	45,000	31-3-16	By Interest A/c	12,150
		79,650			79,650
2017 March 31	To Cash/Bank A/c	30,600	2016 April 1	By Balance b/d	45,000
March 31	To Balance c/d	22,500	31-3-17	By Interest A/c	8,100
		53,100			53,100
2017 March 31	To Cash/Bank A/c	26, 550	2017 April 1	By Balance b/d	22,500
March 31			31-3-18	By Interest A/c	4,050
		26,550			26,550

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(4)

15 13 Q. Ashish and Kanav..... Prepare Revaluation Account.

Ans :



Dr.		Realisation Account		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
<u>Sundry Assets</u>		<u>Sundry Liabilities</u>			
Stock 24,000		Trade Creditors 42,000			
Debtors 19,000		Employees Prov Fund 60,000			
Furniture 40,000		Mrs. Ashish's Loan 9,000		1,11,000	
Plant 2,10,000		Investment Fluctuation Reserve		4,000	
Investment 32,000	3,25,000	Ashish Capital A/c (Furniture)		38,000	
Ashish's Capital A/c (Mrs. Ashish's Loan)	9,000	<u>Bank A/c – Assets</u>			
Kanav's Capital A/c (Remuneration)	12,000	Debtors – 18,500			
Bank A/c (EPF)	60,000	Plant - 2,31,000			
Partners' Capital A/c(Gain)		Stock - 15,840		2,65,340	
Ashish - 12012	20,020	Kanav's Capital A/c (Stock)		7,680	
Kanav - 8008					
	4,26,020			4,26,020	

1 mark each for transfer of Sundry Assets and transfer of Sundry Liabilities + ½ x 8 i.e. 2+4 = (6)

Note : In case, the medium of answering of the candidate is English & he/she has prepared revaluation account using the information given in the question, full credit should be given.

Solution of Hindi version

Ans :

Dr.		Realisation Account		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
<u>Sundry Assets</u>		<u>Sundry Liabilities</u>			
Stock 24,000		Trade Creditors 42,000			
Debtors 19,000		Employees Prov Fund 60,000			
Furniture 40,000		Mrs. Ashish's Loan 9,000		1,11,000	
Plant 2,10,000		Investment Fluctuation Fund		4,000	
Investment 32,000	3,25,000	Ashish Capital A/c (Furniture)		38,000	
Ashish's Capital A/c (Mrs. Ashish's Loan)	9,000	<u>Bank A/c – Assets</u>			
Kanav's Capital A/c (Remuneration)	12,000	Debtors – 18,500			
Bank A/c - Liabilities		Plant - 2,31,000			
Creditors 42,000		Stock - 15,840		2,65,340	
EPF 60,000	1,02,000	Kanav's Capital A/c (Stock)		7,680	
		Loss transferred to Partners' Capital A/c:-			
		Ashish - 13,188			
		Kanav - 8,792		21,980	

1 mark each for transfer of Sundry Assets and transfer of Sundry Liabilities + ½ x 8 i.e. 2+4 = (6)

4,48,000

4,48,000

13 14

Q. Naveen, Qadir and clearly.

Ans.

**Books of the Naveen, Qadir and Rajesh
Journal**

Date	Particulars	LF	Dr. Amt. (₹)	Cr. Amt. (₹)
2018 April 1	Rajesh's Current A/c..... Dr. To Naveen's Current A/c To Qadir's Current A/c [Being interest on Capital wrongly allowed & partners' salary omitted, now rectified]		17,800	10,000 7,800

2

Working:

Past Adjustment Table

Particulars	Naveen	Qadir	Rajesh	Total
A. Cancellation of Interest on Capital :				
2016-17	24,000(Dr.)	21,600(Dr.)	14,400(Dr.)	60,000(Cr.)
2017-18	24,000(Dr.)	21,600(Dr.)	14,400(Dr.)	60,000(Cr.)
TOTAL Interest on Capital	48,000(Dr.)	43,200(Dr.)	28,800(Dr.)	1,20,000(Cr.)
B. Omission of Salary :				
2016-17	14,000(Cr.)	16,000(Cr.)	-----	30,000(Dr.)
2017-18	14,000(Cr.)	16,000(Cr.)	-----	30,000(Dr.)
TOTAL Salary	28,000(Cr.)	32,000(Cr.)	-----	60,000(Dr.)
C. Profits to be credited : A-B				
2016-17 (3:2:1)	15,000(Cr.)	10,000(Cr.)	5,000(Cr.)	30,000(Dr.)
2017-18 (3:2:1)	15,000(Cr.)	9,000(Cr.)	6,000(Cr.)	30,000(Dr.)
TOTAL profits credited	30,000(Cr.)	19,000(Cr.)	11,000(Cr.)	60,000(Dr.)
Net Effect [A+B+C]	10,000 (Cr.)	7,800(Cr.)	17,800(Dr.)	00

4

=

(6)

Note : In case a student has presented correct working in any other form, full credit may be given.

OR

Q. On 31st March ,..... clearly.

Ans.

**Books of the Abhir, Bobby and Vineet
Journal**

Date	Particulars	LF	Dr (₹)	Cr (₹)
2018 Apr 1	Bobby's Capital A/c..... Dr. To Abhir's Capital A/c To Vineet's Capital A/c [Being interest on Capital and interest on drawings omitted, now rectified]		14,402	10,112 4,290

1

Working:

(A)

Past Adjustment Table

Particulars	Abhir	Bobby	Vineet	Total
Cancellation of profits	60,000(Dr.)	60,000(Dr.)	30,000(Dr.)	1,50,000 (Dr.)
Omission of IOD	6,600 (Dr.)	4,500 (Dr.)	2,500(Dr.)	13,600 (Dr.)
Omission of IOC :	76,712 (Cr.)	50,098 (Cr.)	36,790 (Cr.)	1,63,600 (Dr.)
Net Effect	10,112 (Cr.)	14,402(Dr.)	4,290(Cr.)	00

2

(B) **Calculation of Opening Capital :**

Particulars	Abhir	Bobby	Vineet
Capital on 31-3-2018	8,00,000	6,00,000	4,00,000
ADD : Drawings	2,40,000	1,00,000	1,00,000
LESS : Share of profit	(60,000)	(60,000)	(30,000)

3



		<p>Capital on 1-4-2017 <u>9,80,000</u> <u>6,40,000</u> <u>4,70,000</u></p> <p>(C) Interest on Capital @ 10%= 98,000+64,000+47,000 = ₹ 2,09,000 Profits available = ₹1,50,000 + 13,600 = ₹163,600 Therefore, Interest on Capital is given as ₹1,63,600 divided in the ratio of 98:64:47</p>	= (6)																																																
14	15	<p>Q. From the following closing stock was ₹ 15,000. Ans : Dr. Income & Expenditure A/c of Gems Club for the year ended 31/03/2018 Cr.</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount (₹)</th> <th>Particulars</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>Salaries 64,500</td> <td></td> <td>Subscription 3,00,000</td> <td></td> </tr> <tr> <td>+ outstanding 8,000</td> <td>72,500</td> <td>(-) advance (2018-19) (15,000)</td> <td></td> </tr> <tr> <td>Miscellaneous Expenses</td> <td>52,000</td> <td>+ o/s subscription (2017-18) 20,000</td> <td>3,05,000</td> </tr> <tr> <td>Telephone Charges</td> <td>12,000</td> <td>Interest on Investment 2,400</td> <td></td> </tr> <tr> <td>Printing & Stationery</td> <td></td> <td>+ Accrued Interest 1,600</td> <td>4,000</td> </tr> <tr> <td>Opening Stock 12,000</td> <td></td> <td>Donations</td> <td>17,000</td> </tr> <tr> <td>+ Purchases 19,000</td> <td></td> <td>Rent Received 70,000</td> <td></td> </tr> <tr> <td>- Closing Stock (15,000)</td> <td>16,000</td> <td>+Receivable 2,000</td> <td>72,000</td> </tr> <tr> <td>Surplus – Excess of</td> <td></td> <td>Sale of old newspaper</td> <td>600</td> </tr> <tr> <td>Income over expenditure</td> <td>2,46,100</td> <td></td> <td></td> </tr> <tr> <td></td> <td>3,98,600</td> <td></td> <td>3,98,600</td> </tr> </tbody> </table>	Particulars	Amount (₹)	Particulars	Amount (₹)	Salaries 64,500		Subscription 3,00,000		+ outstanding 8,000	72,500	(-) advance (2018-19) (15,000)		Miscellaneous Expenses	52,000	+ o/s subscription (2017-18) 20,000	3,05,000	Telephone Charges	12,000	Interest on Investment 2,400		Printing & Stationery		+ Accrued Interest 1,600	4,000	Opening Stock 12,000		Donations	17,000	+ Purchases 19,000		Rent Received 70,000		- Closing Stock (15,000)	16,000	+Receivable 2,000	72,000	Surplus – Excess of		Sale of old newspaper	600	Income over expenditure	2,46,100				3,98,600		3,98,600	<p>1 mark each for subscriptions and printing & stationery + ½ x 8 2+4 = (6)</p>
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17	16	<p>Q. Mohan, Vinay and Nitya..... reconstituted firm. Ans. Dr. Revaluation Account Cr.</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount (₹)</th> <th>Particulars</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>To Plant & Machinery A/c</td> <td>6,000</td> <td>By Bank A/c (computer sold)</td> <td>4,000</td> </tr> <tr> <td>To Provision for Bad Debts [Bad debts 1,000</td> <td></td> <td>By Partners' Capital A/c (Loss)</td> <td></td> </tr> <tr> <td>Provision for bad debts 3,000]</td> <td>4,000</td> <td>Mohan 3,000</td> <td></td> </tr> <tr> <td></td> <td></td> <td>Vinay 2,000</td> <td></td> </tr> <tr> <td></td> <td></td> <td>Nitya 1,000</td> <td>6,000</td> </tr> <tr> <td></td> <td>10,000</td> <td></td> <td>10,000</td> </tr> </tbody> </table>	Particulars	Amount (₹)	Particulars	Amount (₹)	To Plant & Machinery A/c	6,000	By Bank A/c (computer sold)	4,000	To Provision for Bad Debts [Bad debts 1,000		By Partners' Capital A/c (Loss)		Provision for bad debts 3,000]	4,000	Mohan 3,000				Vinay 2,000				Nitya 1,000	6,000		10,000		10,000	2																				
Particulars	Amount (₹)	Particulars	Amount (₹)																																																
To Plant & Machinery A/c	6,000	By Bank A/c (computer sold)	4,000																																																
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	10,000		10,000																																																



Dr.				Partners' Capital A/c				Cr.			
Particulars	Mohan	Vinay	Nitya	Particulars	Mohan	Vinay	Nitya				
To Mohan's Capital A/c		48,000	42,000	By Bal c/d	1,20,000	100,000	90,000				
To revaluation A/c (loss)	3,000	2,000	1,000	By Contingency Reserve	15,000	10,000	5,000				
To Mohan's Loan A/c	2,22,000			By Vinay's Capital	48,000						
To Bal c/d		60,000	52,000	By, Nitya's Capital	42,000						
	2,25,000	1,10,000	95,000		2,25,000	1,10,000	95,000				
				By Balance B/d		60,000	52,000				
To Bank A/c		6,000	16,000								
To Balance c/d		54,000	36,000								
		60,000	52,000			60,000	52,000				

Balance Sheet as at 31st March, 2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	48,000	Cash at Bank (31,000 +4,000 – 6000 – 16,000)	13,000
Employees Provident Fund	1,70,000	Bills Receivable	54,000
Mohan's Loan A/c	2,22,000	Book Debts	63,000
Vinay's Capital A/c	54,000	Less : Bad Debts	3,000
Nitya'S Capita A/c	36,000	Less: Provision for Bad Debts	<u>3,000</u>
		Plant & Machinery	1,14,000
		Land & Building	2,92,000
	5,30,000		5,30,000

OR

Q. Leena and Rohit.....the Reconstituted firm.

Dr.		Revaluation A/c		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
To Stock A/c	16,000	By Loss transferred to Partners' Capital A/c			
To claim for workmen Compensation	40,000	Leena	33,600		
		Rohit	<u>22,400</u>		
	56,000		56,000		

1 mark for each capital A/c+1 mark for capital adjustment

4

1 mark for correct Asset side + 1 mark for correct Liabilities side

2

= (8)

2

Dr.				Cr.			
Partners' Capital A/c							
Particulars	Leena	Rohit	Manoj	Particulars	Leena	Rohit	Manoj
To Revaluation A/c (Loss)	33,600	22,400		By Balance b/d	1,60,000	1,40,000	
To Balance c/d	1,93,400	1,75,600		By General Reserve	27,000	18,000	
				By Premium for Goodwill	40,000	40,000	
	2,27,000	1,98,000			2,27,000	1,98,000	
				By Balance b/d	1,93,400	1,75,600	
				By Cash/Bank A/c			92,250
To Balance c/d	1,93,400	1,75,600	92,250				
	1,93,400	1,75,600	92,250		1,93,400	1,75,600	92,250

1 mark for each capital A/c

3

Balance Sheet as at 31st March, 2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	80,000	Cash	
Bills Payable	38,000	(42,000 + 80,000 + 92,250)	2,14,250
Claim for workmen compensation	40,000	Debtors	1,32,000
Partners' Capital A/cs. :		Less : Provision for Doubtful Debts	<u>7,000</u>
Leena	1,93,400	Plant & Machinery	1,50,000
Rohit	1,75,600	Stock	1,30,000
Manoj	<u>92,250</u>		
	4,61,250		
	6,19,250		6,19,250

1 ½ mark for correct Asset Side + 1 ½ mark for correct Liabilities side

3

= (8)

Working :

Sacrificing Share = Old Share – New Share

Leena's Sacrifice = 3/5 – 5/10 = 1/10

Rohit's Sacrifice = 2/5 – 3/10 = 1/10

Sacrificing Ratio = 1 : 1

16

17

Q. Denspar Ltd. Invited.....books of Denspar Ltd.

Ans :

Books of Denspar Ltd.

Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)
	Bank A/c		3,60,000	
	To Equity Share Application A/c	Dr.		3,60,000
	(Being application money received)			

½

Equity Share Application A/c To Equity Share Capital A/c (Being application money transferred)	Dr.		3,60,000	3,60,000	½
Equity Share Allotment A/c To Equity Share Capital A/c To Security Premium Reserve A/c (Being allotment money due)	Dr.		23,40,000	5,40,000 18,00,000	½
Bank A/c Calls in Arrears A/c To Equity Share Allotment A/c To Calls in Advance A/c (Being allotment money received)	Dr. Dr.		23,24,000 91,000	23,40,000 75,000	1
Equity Share 1st Call A/c To Equity Share Capital A/c To Security Premium Reserve A/c (Being share first call due)	Dr.		12,60,000	3,60,000 9,00,000	½
Bank A/c Calls in Advance A/c To Equity Share First Call A/c To Calls in arrear A/c (Being call money received)	Dr. Dr.		13,16,000 35,000	12,60,000 91,000	1
Equity Share Second & Final Call A/c To Equity Share Capital A/c To Security Premium Reserve A/c (Being second and final call money due)	Dr.		14,40,000	5,40,000 9,00,000	½
Bank A/c Calls in arrear A/c Calls in advance A/c To Equity Share 2 nd & Final Call A/c (Being call money received)	Dr. Dr. Dr.		13,84,000 16,000 40,000	14,40,000	1
Equity Share Capital A/c Security Premium Reserve A/c To Calls in arrear A/c To Share forfeited A/c (Being 2,000 shares forfeited)	Dr. Dr.		20,000 10,000	16,000 14,000	1
Bank A/c Share forfeited A/c To Share Capital A/c (Being 1,500 shares reissued)	Dr. Dr.		12,000 3,000	15,000	1
Share forfeited A/c To Capital Reserve A/c (Being balance in share forfeited account for 1,500 shares transferred to Capital Reserve)	Dr.		7,500	7,500	½ = (8)

Note : In case, an examinee has passed entries without opening calls in arrear account, full credit is to be given.

OR
Q. 'KLN Ltd.' invited books of 'KLN Ltd.'
Books of 'KLN Ltd.'
Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)
	Bank A/c Dr. To Equity Share Application A/c (Being application money received on 1,90,000 shares @ ₹3 per share)		5,70,000	5,70,000
	Equity Share Application A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c To Equity Share Allotment A/c To Bank A/c (Being application money transferred to share capital, share allotment and the balance refunded)		5,70,000	2,00,000 1,00,000 1,50,000 1,20,000
	Equity Share Allotment A/c Dr. To Equity Share Capital A/c To Securities Premium Reserve A/c (Being allotment money due)		4,00,000	3,00,000 1,00,000
	Bank A/c Dr. Calls in Arrear Ac Dr. To Equity Share Allotment A/c (Being allotment money received) Or Bank A/c Dr. To Equity Share Allotment A/c (Being allotment money received)		2,43,500 6,500	2,50,000 2,43,500
	Equity Share First Call A/c Dr. To Equity Share Capital A/c (Being call money due)		3,00,000	3,00,000
	Bank A/c Dr. Calls in Arrears A/c Dr. To Equity Share First Call A/c (Being call money received) Or Bank A/c Dr. To Equity Share First Call A/c (Being call money received)		2,85,000 15,000	3,00,000 2,85,000
	Equity Share Capital A/c Dr. Securities Premium Reserve A/c Dr. To Share Forfeited A/c To Calls in Arrear A/c (Being share forfeited) or Equity Share Capital A/c Dr. Securities Premium Reserve A/c Dr.		16,000 2,000	5,500 12,500

½

1

½

1

½

½

1

		To Share Forfeited A/c To Share Allotment A/c To Share First Call A/c (Being share forfeited)			5,500 6,500 6,000		
		Equity Share Second & Final Call A/c To Equity Share Capital A/c (Being second & final call due)	Dr.		1,96,000	1,96,000	
		Bank A/c Calls in Arrear A/c To Equity Share Second & Final Call A/c (Being call money received) Or Bank A/c To Equity Share Second & Final Call A/c (Being call money received)	Dr. Dr. Dr.		1,90,000 6,000	1,96,000 1,90,000	$\frac{1}{2}$ $\frac{1}{2}$
		Equity Share Capital A/c To Share Forfeited A/c To Calls in Arrears (Being shares forfeited) Or Equity Share Capital A/c To Share Forfeited A/c To Equity Share First call A/c To Equity Share Second and Final Call A/c (Being shares forfeited)	Dr. Dr.		30,000	15,000 15,000 15,000 9,000 6,000	1
		Bank A/c Share Forfeited A/c To Equity Share Capital A/c (Being forfeited shares reissued)			32,000 8,000	40,000	
		Share forfeited A/c To Capital Reserve A/c (Being balance in share forfeited account transferred to capital reserve)	Dr.		9,750	9,750	$\frac{1}{2}$
							$\frac{1}{2}$ = (8)

PART B
OPTION - I
(Financial Statements Analysis)

Q. What is meant by 'Inflow of Cash'?

Ans : Receipt of cash from a non-cash item is termed as Cash Inflow.

1



-	19	<p>Q. Are ' Assets..... your answer.</p> <p>Ans : 'Assets acquired by issue of shares' are not disclosed in cash flow statement as they do not result in flow of cash & cash equivalent.</p>	1																											
21	20	<p>Q. Under which major..... Part I of the Companies Act, 2013?</p> <p>Ans.</p> <table border="1"> <thead> <tr> <th>Items</th> <th>Heads</th> <th>Sub-heads</th> </tr> </thead> <tbody> <tr> <td>(i) Interest accrued and due on debentures</td> <td>Current liabilities</td> <td>Other Current Liabilities</td> </tr> <tr> <td>(ii) Loose Tools</td> <td>Current Assets</td> <td>Inventories</td> </tr> <tr> <td>(iii) Accrued Interest on Calls in advance</td> <td>Current Liabilities</td> <td>Other Current Liabilities</td> </tr> <tr> <td>(iv) Interest due on calls in arrears</td> <td>Current Assets</td> <td>Other Current Assets</td> </tr> <tr> <td>(v) Trademarks</td> <td>Non Current Assets</td> <td>Fixed Assets-Intangible</td> </tr> <tr> <td>(vi) Premium on redemption of debentures</td> <td>Non Current liabilities</td> <td>Other Non Current Liabilities</td> </tr> <tr> <td>(vii) Plant and Machinery</td> <td>Non Current Assets</td> <td>Fixed Assets-Tangible</td> </tr> <tr> <td>(viii) Patents</td> <td>Non Current Assets</td> <td>Fixed Assets-Intangible</td> </tr> </tbody> </table> <p style="text-align: center;">OR</p> <p>Q. Explain briefly..... of Financial Statements.</p> <p>Ans. <u>Limitations of Financial Statements are : (any four)</u></p> <p>(i) It is a Historical Analysis as it analyses what has happened till date. It doesn't reflect the future.</p> <p>(ii) It ignores price level changes as a change in price level makes analysis of financial statements of different accounting years invalid.</p> <p>(iii) It ignores qualitative aspect as the quality of management, quality of staff etc. are ignored while carrying out the analysis of financial statements.</p> <p>(iv) It suffers from the limitations of financial statements as the analysis is based on the information given in the financial statements.</p> <p>(v) It is not free from bias of accountants such as method of inventory valuation, method of depreciation etc.</p> <p>(vi) It may lead to window dressing i.e. showing a better financial position than what actually is by manipulating the books of accounts.</p> <p>(vii) It may be misleading without the knowledge of the changes in accounting procedure by a firm.</p>	Items	Heads	Sub-heads	(i) Interest accrued and due on debentures	Current liabilities	Other Current Liabilities	(ii) Loose Tools	Current Assets	Inventories	(iii) Accrued Interest on Calls in advance	Current Liabilities	Other Current Liabilities	(iv) Interest due on calls in arrears	Current Assets	Other Current Assets	(v) Trademarks	Non Current Assets	Fixed Assets-Intangible	(vi) Premium on redemption of debentures	Non Current liabilities	Other Non Current Liabilities	(vii) Plant and Machinery	Non Current Assets	Fixed Assets-Tangible	(viii) Patents	Non Current Assets	Fixed Assets-Intangible	<p style="text-align: right;">$\frac{1}{2} \times 8$ = (4)</p> <p style="text-align: right;">1x4 = (4)</p>
Items	Heads	Sub-heads																												
(i) Interest accrued and due on debentures	Current liabilities	Other Current Liabilities																												
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(vii) Plant and Machinery	Non Current Assets	Fixed Assets-Tangible																												
(viii) Patents	Non Current Assets	Fixed Assets-Intangible																												
20	21	<p>Q. (i) From the following..... Rs. 1,00,000.</p> <p>Ans. Interest Coverage Ratio = $\frac{\text{Net Profits before Interest \& Tax}}{\text{Interest on long term debts}}$</p> <table style="margin-left: 40px;"> <thead> <tr> <th></th> <th>(Rs.)</th> </tr> </thead> <tbody> <tr> <td>Net Profits after Interest and Tax</td> <td>-- 1,20,000</td> </tr> <tr> <td>Add : Tax @ 40%</td> <td>-- 80,000</td> </tr> <tr> <td>Interest on debt</td> <td>-- <u>27,000</u> (15,000 + 12,000)</td> </tr> <tr> <td>Profits before Interest & Tax</td> <td>= 2,27,000</td> </tr> </tbody> </table> <p style="margin-left: 40px;">Interest Coverage Ratio = $\frac{2,27,000}{27,000} = 8.4 \text{ times}$</p>		(Rs.)	Net Profits after Interest and Tax	-- 1,20,000	Add : Tax @ 40%	-- 80,000	Interest on debt	-- <u>27,000</u> (15,000 + 12,000)	Profits before Interest & Tax	= 2,27,000	2																	
	(Rs.)																													
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Add : Tax @ 40%	-- 80,000																													
Interest on debt	-- <u>27,000</u> (15,000 + 12,000)																													
Profits before Interest & Tax	= 2,27,000																													



27,000

Q. (ii) A company purchase of goods.

Ans.

After purchase of goods on credit :

Current Assets = Rs.3,00,000 + Rs.20,000 = Rs. 3,20,000

Current Liabilities = **Rs.1,40,000** +Rs.20,000 = Rs.1,60,000

Current Ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}} = \frac{3,20,000}{1,60,000} = 2:1$

2
=
(4)

OR

EFFECT

REASON

- (i) Decrease As quick assets will decrease with no change in current liabilities.
- (ii) Decrease As current liabilities will increase with no change in quick assets.
- (iii) Increase As quick assets will increase with no change in current liabilities.
- (iv) No change As neither quick assets nor current liabilities are changing.

OR

1 x 4
=
(4)

22

Q. Prepare a Comparative Statement..... 31st March, 2018

Ans.

Comparative Statement of Profit & Loss for the year ended 31st March, 2018

Particulars	31.03.2017 ₹	31.03.2018 ₹	Absolute Change ₹	% age Change
Revenue from operation	4,00,000	6,00,000	2,00,000	50
Less : Expenses				
Cost of Material Consumed	2,00,000	3,00,000	1,00,000	50
Other Expenses	50,000	45,000	(5,000)	(10)
Total Expenses	2,50,000	3,45,000	95,000	38
Profit before tax	1,50,000	2,55,000	1,05,000	70
Less : tax @ 40%	60,000	1,02,000	42,000	70
Profit after tax	90,000	1,53,000	63,000	70

1

1

1

1

=
(4)

23

23

Q. From the following Balance Sheet..... Cash Flow Statement.

Ans.

DCX Ltd.

Cash flow Statement for the year ending 31st March, 2018

Particulars	Details (₹)	Amount (₹)
A. Cash flows from Operating Activities :		
Net Profit before Tax	(24,000)	



Add : Depreciation on Machinery	4,20,000		
Add : Interest on Debentures	64,000		
Less : Gain on sale of machinery	<u>(1,60,000)</u>		
Operating profit before the working Capital changes	3,00,000		
Add: Increase in Trade Payables	50,000		
Less: Increase in Inventories	<u>(4,00,000)</u>		
Cash generated from Operations before tax	(50,000)		
Less: Tax Paid	<u>(56,000)</u>		
Net Cash used in Operating Activities		(1,06,000)	1½
B. Cash flows from Investing Activities :	(16,00,000)		
Purchase of Machinery	(1,00,000)		
Purchase of Intangible Assets	<u>6,40,000</u>		
Sale of Machinery			
Net Cash used in investing activities		(10,60,000)	1
C. Cash flows from financing Activities	9,00,000		
Issue of shares	3,00,000		
Issue of Debentures	<u>(64,000)</u>		
Interest paid on debentures			
Cash Inflows from Financing Activities		<u>11,36,000</u>	1
Net Decrease in Cash and Cash Equivalents		<u>(30,000)</u>	
Add: Opening Balance of Cash and Cash equivalents	78,000		
Current Investments	<u>78,000</u>		
Cash & cash equivalents		<u>1,56,000</u>	1
Closing Balance of Cash and Cash equivalents	89,000		
Current Investments	37,000		
Cash & cash equivalents		1,26,000	

Working Notes:

Calculation of Profit before Tax :

Net Profit for the year = (1,00,000)

Add: Provision for tax = 76,000

Net profit before tax = (24,000)

Dr.

Machinery A/c

Cr.

Particulars	₹	Particulars	₹
To Balance b/d	25,00,000	By Acc. depreciation	3,20,000
To Gain on sale	1,60,000	By Bank	6,40,000
To Bank A/c (Bal. Fig.)	16,00,000	By balance c/d	33,00,000
	<u>42,60,000</u>		<u>42,60,000</u>

Accumulated Depreciation A/c

Particulars	₹	Particulars	₹
Machinery A/c	3,20,000	By balance b/d	5,00,000
Balance c/d	6,00,000	Statement of P & L (Bal. figure)	4,20,000
	9,20,000		9,20,000

½

½

½

=

(6)



PART B OPTION - II (Computerized Accounting)				
)	---	18	Q. What is meant.....'Hardware'? Ans: Computer related peripherals and their network is known as hardware.	1 Mark
-		19	Q. What is.....'Database Design'? Ans : It means description of the structure of different parts of the overall database	1
-		20	Q. Explain any.....Management System. Ans. Advantages of 'Database management '(Any four): (i) Ready availability from one central source. (ii) Minimum data redundancy. (iii) Reduced programming effort.	4 marks
L	22	21	Q. Explain any two.....information system. Ans: (Any Two) <ul style="list-style-type: none"> • Cash and bank sub- system • Sales and accounts receivable sub-system • Inventory sub-system • Purchase and accounts payable sub-system • Payroll accounting sub-system • Fixed assets accounting sub-system • Expense accounting sub-system • Tax accounting sub-system • Final accounts sub-system • Costing sub-system • Budget sub-system <p style="text-align: center;">With suitable explanation</p> <p style="text-align: center;">OR</p> Q. List the elements a given period. Ans : Elements considered while calculating 'deductions' for current payroll period are: (i) PT professional tax applicable in state. (ii) TDS- Tax deduction at source which is a statutory deduction and deducted towards	4 Marks OR



		<p>monthly income tax liability.</p> <p>(iii) Recovery of loan instalment if taken up by employee.</p> <p>(iv) Any other deduction e.g 'advance against salary or festival advance etc.</p>	4 Marks
21	22	<p>Q. State the steps in Tally.</p> <p>Ans: The following are the steps to construct BRS in tally:</p> <ol style="list-style-type: none"> 1. Bring up the monthly summary of bank book. 2. 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. 3. The display now becomes an Edit screen in Reconciliation mode. The primary components are: A column for the 'Bankers Date' 4. Amounts not reflected in banks 5. Balance as per bank <p style="text-align: center;">OR</p> <p>Q. Explain composite..... attributes.</p> <p>Ans :</p> <p>1. Composite Vs simple (or atomic) attributes: The composite attributes can be divided into smaller sub-parts to represent some more basic attributes with independent meanings. The simple attributes cannot be further sub-divided. For example, Name of a person that is normally sub-divided into first name, middle name and last name is a composite attributes. Height of a person is a simple attribute as it devoid of further sub-division.</p> <p>2. Single-valued Vs Multi-valued attributes: An attribute with a single value for an entity is single-valued as opposed to those which multiple values. For example, height of a person is single-valued attribute while qualifications of that person are a multi-valued attribute.</p>	<p>4 Marks</p> <p style="text-align: center;">OR</p> <p>2+2 =4 marks</p>
23	23	<p>Q. What is meant..... three benefits.</p> <p>Ans :</p> <p>A format change, such as background cell shading or font colour that is applied to a cell when a specified condition for the data in the cell is true.</p> <p>Conditional formatting is often applied to worksheets to find:</p> <ul style="list-style-type: none"> • 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. <p>Benefits of using conditional formatting:</p> <ol style="list-style-type: none"> i) Helps in answering questions which are important for taking decisions. ii) Guides with help of using visuals. iii) Helps in understanding distribution and variation of critical data. 	6 marks

