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Q. Set No.			Marking Scheme 2014-15 Accountancy (055) **Delhi – 67/1/3** Expected Answers / Value points	Distribution of marks
67/1/1	67/1/2	67/1/3		
3	4	1	**Q. On the retirement.....................Sharma equally.** **Ans.** (b) to the debit of the capital accounts of Hari, Ram and Sharma equally.	1 Mark
4	3	2	**Q. Kumar, Verma and Naresh..................of the firm.** **Ans.** **Journal** Date: 2015 Jan23 | Particulars: Profit & Loss Suspense A/c Dr. / To Verma's Capital A/c / (Verma's share of profit upto 23rd June 2015) | LF: | Dr (₹): 2,350 | Cr (₹): 2,350	1 Mark
5	2	3	**Q. Give the..................................... forfeiture of share.** **Ans.** Forfeiture of shares means cancellation of shares alloted and treating actually received amount as forfeited. **[or any other suitable meaning]**	1 Mark
6	1	4	**Q. Joy Ltd. Issued............................allotment was.** **Ans.** (C) ₹ 3,80,250	1 Mark
1	6	5	**Q. In the absence of.................. partners.** **Ans.** (b) Equally	1 Mark
2	5	6	**Q. A,B,C and D............................. of your answer.** **Ans.** No, the accountant was not correct. **<u>Reason:</u>** Since the new partner brought his share of goodwill in cash it cannot be shown in the books.	(½ + ½) = 1 Mark
-	-	7	**Q. State the three............... can be utilised.** **Ans.** **Ans.** The amount received as securities premium can be used other than 'issue of bonus shares' and 'buy back of shares' for the following purposes : • In writing off the preliminary expenses of the company. • For writing off the expenses, commission or discount allowed on issue of shares or debentures of the company. • For providing the premium payable on redemption of redeemable preference shares or debentures of the company.	1 Mark Each = 3 Marks
8	8	8	**Q. On 1-4-2013 Jay and Vijay.....................year ended 31-3-2014.**	

Journal (Q. 4/3/2):

Date	Particulars		LF	Dr (₹)	Cr (₹)
2015 Jan23	Profit & Loss Suspense A/c To Verma's Capital A/c (Verma's share of profit upto 23rd June 2015)	Dr.		2,350	 2,350

Ans.

In the books of Jay and Vijay
Profit & Loss Appropriation A/c
Dr. **For the year ended 31st March 2014** **Cr.**

Particulars	Amount (₹)	Particulars	Amount (₹)
To Interest on Capital: Jay's Capital A/c 7800x8/13=4800 ½ Vijay'sCapitalA/c7800x5/13=3000 ½	7,800	By Profit for the year	7,800 1
	7,800		7,800

= 3 marks

Working notes:
Calculation of Interest on Capital:

-

		(₹)
a)	Interest on Jay's Capital:	7,200
b)	Interest on Vijay's Capital:	4,500
	Total:	11,700

1

The available profit is ₹ 7,800 since the profit is less than interest, the available profit will be distributed in the ratio of interest i.e. 7,200:4,500 or 8:5.

- - 9

Q. 'Sun Pharma Ltd. ....accounts.
Ans.

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

Particulars	Note No.	Amount ₹ Current year	Amount ₹ Previous year
EQUITY & LIABILITIES I Shareholder's funds : a) Share Capital	1	49,90,000	

1

Notes to Accounts :

Particulars		₹	Marks
(1) Share Capital			
Authorised Capital :			
1,00,000 equity shares of ₹ 100 each		1,00,00,000	1
Issued Capital			
50,000 equity shares of ₹ 100 each		50,00,000	½
Subscribed and fully paid			
49,500 shares of ₹ 100 each	49,50,000		
Add: Share forfeiture Account	40,000	49,90,000	½
			=3 Marks

10 10 10

Q. 'Sangam Woollens Ltd. ....to the society.
Ans.

a)

Books of Sangam Woollens Ltd.
Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)
i.	Machinery A/c Dr. To Vendors A/c (For purchase of machinery)		5,00,000	5,00,000

1

ii.	Vendors A/c Dr. To Equity Share Capital A/c To 9% Debentures A/c (For issue of equity shares and debentures at par)		5,00,000	 4,00,000 1,00,000	 1
	OR				
	Vendors A/c Dr. To Equity Share Capital A/c (For issue of equity shares)		4,00,000	 4,00,000	 1
	Vendors A/c Dr. To 9% Debentures A/c (For issue debentures at par)		1,00,000	 1,00,000	= **3 Marks**

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

- Fulfilling/ Discharging of social responsibility.
- Generation of employment opportunities in rural areas

(OR any other suitable value.)

-	-	**11**	**Q. Sunny, Honey........................his executors.**

Ans.

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

Particulars	Amount (₹)	Particulars	Amount (₹)
To Honey's Executor A/c ½	81,350	By Balance b/d	30,000 ½
		By P/L Suspense A/c	40,000 1
		By Interest on Capital	1,350 1
		By General Reserve A/c	10,000 1
	81,350		**81,350**

Working notes:

i. Calculation of Interest on Capital: 30,000 x 6/100 x 9/12 = ₹ 1,350

ii. Calculation of Honey's Share of Profit :
= 6,00,000 x 20/100 x 1/3 = ₹ 40,000

iii. Share in General Reserve= 30,000 x 1/3 = ₹ 10,000

= **4 Marks**

12 | 12 | 12

Q. Kumar, Gupta and Kavita................................Journal entry.

Ans.

i. <u>Calculation of Goodwill of the firm</u>

Average Profit = ₹ (4,00,000 + 4,80,000 + 7,33,000 – 33,000 + 2,20,000) / 5 — **2**

= ₹ 3,60,000

Goodwill of the firm = 2 x 3,60,000 = ₹ 7,20,000

Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)
	Gupta's Capital A/c Dr.		1,20,000	
	To Kumar's Capital A/c			60,000
	To Kavita's Capital A/c			60,000
	(Adjustment of goodwill among partners on change in profit sharing ratio)			

2

Old ratio = 1:1:1

New Ratio = 1:2:1

Kumar's Sacrifice = 1/3 – 1/4 = 1/12

Gupta's Gain = 1/3 – 2/4 = 2/12

Kavita's Sacrifice = 1/3-1/4 = 1/12

= 4 Marks

Kumar's sacrifice = 7,20,000 x 1/12 = ₹ 60,000

Gupta's Gain = 7,20,000 x 2/12 = ₹ 1,20,000

Kavita's Sacrifice = 7,20,000 x 1/12 = ₹ 60,000

15 | 14 | 13

Q. Bora, Singh and Ibrahim...................................amounts.

Ans.

Realisation A/c

Particulars	Amt (₹)	Particulars	Amt (₹)
To Stock	10,000	By Provision for bad debts	5,000
To Debtors	25,000	By Sundry Creditors	16,600
To Plant and Machinery	40,000	By Bills Payable	3,400
To Bank:		By Mortgage Loan	15,000
Sundry creditors 16,000		By Bank – assets realised:	
Bills Payable 3,400		Stock – 6,700	
Mortgage Loan <u>15,000</u>	34,400	Debtors – 12,500	
To Bank (Outstanding repairs)	400	Plant &Machinery- <u>36,000</u>	55,200
To Bank (Exp.)	620	By Bank – unrecorded assets realised	6,220
		<u>By Loss Transferred to Partners' Capital A/c:</u>	
		<u>Bora</u> <u>5,000</u>	
		<u>Singh</u> <u>3,000</u>	1
		<u>Ibrahim</u> <u>1,000</u>	**9,000**
	<u>1,10,420</u>		**<u>1,10,420</u>**

1

Partner's Capital A/c

Particulars	Bora (₹)	Singh (₹)	Ibrahim (₹)	Particulars	Bora (₹)	Singh (₹)	Ibrahim (₹)
<u>To Revalution A/c</u> 1	**<u>5,000</u>**	**<u>3,000</u>**	**<u>1,000</u>**	By Balance b/d	22,000	18,000	10,000
<u>To Bank A/c</u> 1	**<u>19,500</u>**	**<u>16,500</u>**	**<u>9,500</u>**	By General Reserve A/c	2,500	1,500	500
	<u>24,500</u>	**<u>19,500</u>**	**<u>10,500</u>**		**<u>24,500</u>**	**<u>19,500</u>**	**<u>10,500</u>**

2

Dr. **Bank A/c** Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To Balance b/d	19,500	By Realisation (liabilities)	34,400
To realisation A/c (assets realized)	55,200	By Realisation (unrecorded liabilities)	400
To Realisation A/c (unrecorded assets)	1 **6,220**	**By Realisation A/c (Expenses)**	**620** 1
		By Bora's Capital A/c 19,500 **By Singh's Capital A/c 16,500** **By Ibrahim's Capital A/c 9,500**	**45,500** 1
	80,920		**80,920**

3

= 6 Marks

---

13 | 15 | 14

Q. On 1-4-2010 Sahil.......................admission.

Ans.

1. **Calculation of New Profit Sharing ratio of Sahil, Charu and Tanu**

Sahil's old share = 4/7
Sahil surrender = 1/5 x 1/2 = 1/10 in favour of Tanu
Sahil's new share = 4/7 – 1/10 = 33/70 1
Charu's old share = 3/7
Charu surrenders = 1/5 x 1/2 = 1/10 in favour of Tanu
Charu's new share = 3/7 - 1/10 = 23/70 1

Tanu's share = 1/10 + 1/10 = 2/10

New Profit Sharing ratio among Sahil, Charu and Tanu = 33/70: 23/70: 2/10 or 14/70
= **33:23:14** 1

3

2. **Calculation of New Profit Sharing Ratio of Sahil, Charu, Tanu and Puneet**

Sahil's old share = 33/70
Sahil surrenders in favour of Puneet = 1/7 x 7/10 = 7/70
So, Sahil's new share = 33/70 – 7/70 = 26/70 ½

Charu's old share = 23/70
Charu surrenders in favour of Puneet = 1/7 x 3/10 = 3/70
Charu's new share = 23/70 – 3/70 = 20/70 ½

Tanu's new share = 14/70 ½
Puneet's new share = 1/7 or 10/70 ½

New Profit Sharing ratio among partners = 26/70:20/70:14/70:10/70
= 26:20;14:10
= 13:10:7:5 1

3

=

6 Marks

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14 | 13 | 15

Bharat Ltd. ....9% Debentures A/c.

Ans.

Dr. Cr.

9% Debentures A/c

Date	Particulars	LF	Amount (₹)	Date	Particulars	LF	Amount (₹)	
2009 Mar 31	To Balance c/d		6,00,000 6,00,000	2008 Apr 1	By Debentures app & all A/c By Discount on issse of debentures A/c		5,40,000 60,000 6,00,000	2
2010 Mar 31	To Balance c/d		6,00,000	2009 Apr 1	By Balance b/d		6,00,000	2
2011 Mar 31	To Debenture holders A/c To Balance c/d		1,00,000 5,00,000 6,00,000	2010 Apr 1	By Balance b/d		6,00,000 6,00,000	
2012 Mar 31	To Debenture Holder A/c To Balance c/d		1,00,000 4,00,000 5,00,000	2011 Apr 1	By Balance b/d		5,00,000 5,00,000	2
2013 Mar 31	To Debenture Holder A/c To Balance c/d		2,00,000 2,00,000 4,00,000	2012 Apr 1	By Balance b/d		4,00,000 4,00,000	
2014 Mar 31	To Debenture holders A/c		2,00,000 2,00,000	2013 Apr 1	By Balance b/d		2,00,000 2,00,000	= 6 Marks

Note:

- **First two years account is necessary to be correctly prepared and four marks have to be awarded. However, if an examinee has not prepared last four years account, stating/ mentioning that amount of debentures to be redeemed is not given in the question then additional credit of two marks is to be given.**
- **If an examinee has prepared the last four years account correctly mentioning any amount then also full credit of two marks is to be given.**

- | - | 16 | **Q. Wellness Ltd...............................transactions.**

Ans.

Books of Wellness Ltd.

Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)	
i.	Bank A/c Dr. To Equity Share Application & Allotment A/c (For application money received on 39,000 shares)		1,56,000	 1,56,000	½
ii.	Equity Share Application & Allotment A/c Dr. Discount on issue of shares A/c Dr. To Equity Share Capital A/c (For equity share allotment made)		1,56,000 39,000	 1,95,000	1
iii.	Equity Share first call A/c Dr. To Equity Share Capital A/c (For first call money due)		1,17,000	 1,17,000	½
iv.	Bank A/c Dr. To Equity share first call a/c (For first call money received except on 3000 shares) **OR** Bank A/c Dr. Calls in arrears A/c Dr. To Equity Share First Call A/c (For first call money received except on 3000 shares and the advance adjusted)		1,08,000 1,08,000 9,000	 1,08,000 1,17,000	1
v.	Equity Share second and final call A/c Dr. To Equity Share Capital A/c (Being second and final call money due on 39000 shares)		78,000	 78,000	1
vi.	Bank A/c Dr. To Equity share second and final call a/c (For second and final call money received except on 9000 shares) **OR** Bank A/c Dr. Calls in arrears A/c Dr. To Equity share second and final call A/c (For second and final call money received except on 9000 shares)		60,000 60,000 18,000	 60,000 78,000	1
vii.	Equity Share Capital A/c Dr. To Share Forfeiture A/c To Equity share first call A/c To Equity Share second and final call A/c To discount on issue of shares A/c (For 3000 shares forfeited) **OR**		30,000	 12,000 9,000 6,000 3,000	1

				Equity Share Capital A/c Dr. To Share Forfeiture A/c To Calls in arrears A/c To discount on issue of shares A/c (For 3000 shares forfeited)		30,000	 12,000 15,000 3,000	
			viii.	Bank A/c Dr. Discount on issue of shares A/c Dr. Share forfeiture A/c Dr. To Equity Share Capital A/c (For shares reissued for ₹8 per share fully paid up)		24,000 3,000 3,000	 30,000	1
			ix.	Share forfeiture A/c Dr. To capital reserve A/c (For forfeiture balance transferred to capital reserve)		9,000	 9,000	1 = 8 Marks

-	-	16 OR	**Q. Shubham Ltd.......................................Company.** **Ans.**

Books of Shubham Ltd.

Journal

Date	Particulars	LF	Dr. Amt (₹)	Cr. Amt (₹)	
i.	Bank A/c Dr. To Equity Share Application and Allotment A/c (For application money received on 18,000 shares)		1,08,000	 1,08,000	½
ii.	Equity Share Application and Allotment A/c Dr. To Equity Share Capital A/c To Calls in Advance A/c To Securities premium/ Securities premium reserve A/c (For equity share allotment made)		1,08,000	 36,000 36,000 36,000	1 ½
iii.	Equity Share first call A/c Dr. To Equity Share Capital A/c (For first call money due on 12000 shares)		48,000	 48,000	1
iv.	Bank A/c Dr. Calls in advance A/c Dr. To Equity share first call a/c (For first call money received except on 120 shares) **OR** Bank A/c Dr. Calls in arrears A/c Dr. Calls in advance A/c Dr. To Equity share first call A/c (For first call money received except on 120 shares)		11,880 36,000 11,880 120 36,000	 47,880 48,000	1

			v.	Equity share second and final call A/c Dr. To Equity share capital A/c (For second and final call money due on 12000 shares)		36,000	36,000	½
			vi.	Bank A/c Dr. To Equity share second and final call A/c (For second and final call money received except on 120 shares) **OR** Bank A/c Dr. Calls in arrears A/c Dr. To Equity share second and final call A/c (For second and final call money received except on 120 shares)		35,640 35,640 360	 35,640 36,000	1
			vii.	Equity Share Capital A/c Dr. To Share Forfeiture A/c To Equity Share first Call A/c To Equity share second and final call A/c (For 120 shares forfeited) **OR** Equity Share Capital A/c Dr. To Share Forfeiture A/c To Calls in arrears A/c (For 120 shares forfeited)		1,200 1,200	 720 120 360 720 480	2
			viii.	Bank A/c Dr. Share forfeiture A/c Dr. To Share Capital A/c (For shares reissued for ₹4 per share fully paid up)		480 720	 1,200	½ = **8 Marks**
17	**17**	**17**		**Q. Charu and Harsha......................... Capital Accounts.** **Ans.**				**2 Marks**

Revaluation A/c

Dr **Cr**

Particulars	**Amt (₹)**	**Particulars**	**Amt (₹)**
To Profit transferred to Partner's Capital A/c Charu 1,200 Harsha <u>800</u> 1	2,000	By Provision for Bad Debts A/c	2,000 1
	<u>2,000</u>		<u>2,000</u>

Partner's Capital A/c

Particulars	Charu (₹)	Harsha (₹)	Vaishali (₹)	Particulars	Charu (₹)	Harsha (₹)	Vaishali (₹)	
To Current A/cs ½	5,400	3,600	—	By Balance b/d	30,000	20,000	—	½
To Balance c/d ½	36,000	24,000	20,000	By General Reserve A/c	2,400	1,600	—	½
				By Cash A/c	—	—	20,000	½
				By premium for goodwill A/c	2,400	1,600	—	1
				By Revaluation A/c	1,200	800	—	½
				By Workmen Compensation Fund	1,800	1,200	—	1
				By Investment fluctuation fund	3,600	2,400	—	1
	<u>41,400</u>	<u>27,600</u>	<u>20,000</u>		<u>41,400</u>	<u>27,600</u>	<u>20,000</u>	

6 Marks

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8 Marks

17 OR | 17 OR | 17 OR

Q. Amit, Balan and Chander........................ retirement.

Ans.

Revaluation A/c

Dr **Cr**

Particulars	Amt (₹)	Particulars	Amt (₹)
To Machinery A/c ½	4,800	By Provident Fund A/c ½	600
To Patents A/c		By Investments ½	5,800
To Profit transf½d to	1,000		
Partner's Capital A/c			
Amit 300			
Balan 200			
Chander <u>100</u>	1 600		
	<u>6,400</u>		<u>6,400</u>

3 Marks

Partner's Capital A/c

Particulars	Amit (₹)	Balan (₹)	Chander (₹)	Particulars	Amit (₹)	Balan (₹)	Chander (₹)	
To Chander's Capital A/c ½	2,700	1,800	—	By Balance b/d	40,000	36,500	20,000	
To Investment A/c ½	—	—	15,800	By General Reserve A/c	4,500	3,000	1,500	½
To Chander's Loan A/c ½	—	—	10,300	By Amit's Capital A/c	—	—	2,700	½
To Balan's Current A/C ½		5,900		By Balan's Capital A/c	—	—	1,800	½
To Balance c/d ½	48,000	32,000		By Revaluation A/c	300	200	100	½
				By Amit's Current A/c	5,900 ½			
	<u>50,700</u>	<u>39,700</u>	<u>26,100</u>		<u>50,700</u>	<u>39,700</u>	<u>26,100</u>	

5 Marks

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8 Marks

			PART B (Financial Statements Analysis)	
-	-	18	**Q. Which..hand.** **Ans.** (b) Bank deposits with 100 days of maturity.	**1 Mark**
-	-	19	**Q. While preparing..............................reason.** **Ans.** Yes, he is correct. **Reason:** As it is a non cash item.	½ ½ = **1 Mark**
-	-	20	**Q. Under which................................ work in progress.** **Ans.** (see table below)	**½ x 8 = 4 Marks**

S.No.	Items	Major Heads
1	Cash in hand	Current assets
2	Mining rights	Non current assets
3	Short term deposits	Current assets
4	Debenture redemption reserve	Shareholders' funds
5	Income received in advance	Current liabilities
6	Balance of the statement of Profit and Loss	Shareholders' funds
7	Office Equipments	Non current assets
8	Work in progress	Current assets

21	22	21	**Q. From the..Tax and Dividend.** **Ans.** **a) Return on Investment** **= Net Profit before Interest, tax and Dividend / Capital Employed x 100** ½ **Net Profit before Interest, tax and Dividend =** ₹ 14,50,000 **Capital Employed = Fixed Assets+ Current Assets – Current Liabilities** = ₹ 75,00,000 + ₹ 40,00,000 – ₹ 27,00,000 = ₹ 88,00,000 ½ **Return on Investment =** ₹ 14,50,000 / ₹ 88,00,000 x 100 1 = 16.47% **b) Total Assets to Debt Ratio = Total Assets / Long term debt** ½ **Total Assets = Fixed Assets + Current Assets =** 75,00,000 + 40,00,000 =₹ 1,15,00,000 ½ **Long term Debt =** 12% Debentures = ₹ 80,00,000 **Total Assets to Debt Ratio =** 1,15,00,000 / 80,00,000 1 **= 1.44:1**	**2 Marks** **2 Marks** = **4 Marks**
22	21	22	**Q. The motto.. to propagate.** **Ans.** **a) Net Profit Ratio = Net Profit after tax / Revenue from operations x 100** 1 **As on** 31-03-2013 = 3,00,000 / 10,00,000 x 100 ½ = 30% **As on** 31-03-2014 = 6,00,000 / 15,00,000 x 100 ½ = 40%	**2 Marks**

			b) Values: (Any two) • Participation of Employees in excess profits. • Treating employees a part of the company. • Ethical practices of company • Hardwork and honesty of employees. • Serving the organisation with dignity. **(Or any other suitable value)** **Note: For Hindi medium students only :** **If in place of values, an examinee has mentioned any profitability ratios, full credit needs to be given .** **2 x 1 = 2**	**2 Marks** **=** **4 Marks**
23	23	23	**Q. Prepare a Cash flow Statement .... 31-3-2013 and 31-3-2012.** **Ans.**	

Cash flow statement of Thermal Power Ltd.

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

Particulars	Details (₹)	Amount (₹)	
Cash Flows from Operating Activities:			
Net Profit before tax & extraordinary items	1,00,000		
Add: Non cash and non-operating charges			
Goodwill written off	72,000		
Depreciation on machinery	66,000		
Loss on sale of machinery	2,000		
Operating profit before working capital changes	2,40,000		
Less: Increase in Current Assets			
Increase in trade receivables	(27,000)		
Increase in inventories	(8,000)		
Less: Decrease in Current Liabilities			
Decrease in trade payables	(25,000)		
Decrease in short term provisions (I)	(27,000)		
Cash generated from Operating Activities	1,53,000	**1,53,000**	2
Cash flows from Investing Activities :			
Purchase of machinery	(2,94,000)		
Sale of machinery	6,000		
Cash used in investing activities	(2,88,000)	**(2,88,000)**	1
Cash flows from Financing Activities:			
Issue of share capital	1,00,000		
Money raised from borrowings	70,000		
Cash from financing activities	1,70,000	**1,70,000**	1
Net increase in cash & cash equivalents		**35,000**	
Add: Opening balance of cash & cash equivalents:			
Current Investments (II)	1,50,000		
Cash & cash equivalents	3,75,000	**5,25,000**	1
Closing Balance of cash & cash equivalents:			
Current Investments (II)	2,40,000		
Cash & cash equivalents	3,20,000	**5,60,000**	

Working Notes:

Machinery A/c.

Particulars	₹	Particulars	₹
To Balance b/d	10,00,000	By Bank A/c	6,000
To Bank A/c (Bal. Figure)	2,94,000	By Accumulated Depreciation	16,000
		By Loss on sale of machinery	2,000
		By Balance c/d	12,70,000
	12,94,000		12,94,000

½

Accumulated Depreciation A/c

Particulars	₹	Particulars	₹
To Machinery A/c	16,000	By Balance b/d	1,50,000
To balance c/d	2,00,000	By Depreciation a/c (Bal fig.)	66,000
	2,16,000		2,16,000

½

=

6 Marks

Notes:

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

1. If short term provision is treated as provision for doubtful debts.
- Operating profit before working capital changes will be ₹ 2,13,000.
- There is no change in the cash flow from the three activities and full credit is to be given for this treatment.

2. If short term provision is treated as provision for tax:
- Net profit before tax and extraordinary items will be ₹ 1,50,000.
- Operating profit before working capital changes will be ₹ 2,90,000.
- Cash generated from operations before tax will be ₹ 2,30,000
- Tax paid off ₹ 77,000 will be deducted for calculating cash from operating activities.
- There is no change in the cash flow from the three activities and full credit is to be given for this treatment also.

3. If short term provision is treated as proposed dividend:
- Net profit before tax and extraordinary items will be ₹ 1,50,000.
- Cash from operating activities will be ₹ 2,30,000
- Cash used in investing activity will remain same i.e. ₹ (2,88,000)
- Cash from financing activity will be ₹ 93,000

(II) If current investment is treated as current asset by an examinee:
Increase in current investment ₹ 90,000 will be deducted from operating profit before working capital changes. Opening and closing balance of cash & cash equivalents will be ₹3,75,000 and ₹ 3,20,000 respectively.

1. If Short term provision is treated as current liability:
- Operating profit before working capital changes will be ₹ 2,40,000.
- Cash from operating activities will be ₹ 63,000.
- Cash used in investing activity will remain same i.e. ₹ (2,88,000) and cash from financing activity will also remain same i.e. ₹ 1,70,000.
- Net decrease in cash and cash equivalents will be ₹ (55,000).

2. When short term provision is treated as proposed dividend:
- Net profit before tax and extraordinary items will be ₹ 1,50,000.
- Operating profit before working capital changes will be ₹ 2,90,000
- Cash from operating activities will be ₹ 1,40,000
- Cash used in investing activity will remain same i.e. ₹ (2,88,000)
- Cash from financing activity will be ₹ 93,000
- Net decrease in cash and cash equivalents will be ₹ (55,000).

			3. When short term provision is treated as provision for tax: • Net profit before tax and extraordinary items will be ₹ 1,50,000. • Operating profit before working capital changes will be ₹ 2,90,000 • Cash generated from operations ₹ 1,40,000 • Tax paid off ₹ 77,000 will be deducted for calculating cash from operating activities. • Cash from operating activities will be ₹ 63,000 • Cash used in investing activity will remain same i.e. ₹ (2,88,000) • Cash from financing activity will be ₹ 1,70,000 • Net decrease in cash and cash equivalents will be ₹ (55,000). 4. If short term provision is treated as provision for doubtful debts: • Net profit before tax and extraordinary items will be ₹ 1,00,000. • Operating profit before working capital changes will be ₹ 2,13,000. • Cash from operating activities will be ₹ 63,000 • Cash used in investing activity will remain same i.e. ₹ (2,88,000) • Cash from financing activity will be ₹ 1,70,000 • Net decrease in cash and cash equivalents will be ₹ (55,000).	
			PART C **(Computerized Accounting)**	
19	**18**	**18**	**Q. DBMS stands for..........................software.** **Ans.** (c) Data Base Management System	**1 Mark**
18	**19**	**19**	**Q. A sequential................................names.** **Ans.** (c) Numbers and letters are assigned in consecutive order.	**1 Mark**
22	**21**	**20**	**Q. Name..............................interest.** **Ans. (Any four)** Tailored software • Suitable for large organizations which have multiuse's and geographically scattered locations. • Require Specialties training to use. • They form an important part of MIS of the organization. • The secrecy and authenticity checks are robust. • Offer high flexibility in terms of no. of users.	**=** **4 Marks**
20	**22**	**21**	**Q. Explain ....bill.** **Ans.** A salary bill should • Payroll related data such as employee No, Name, Allendance, Basic pay, applicable Dearness and other allowance, deductions to be made. • Periodic payroll computations. These include calculation of various earnings and deduction heads, which are to be derived from basic values as per the formulae. • Preparation of salary statement employee salary slips. • Generation of advice to bank which contains salary to be transformed to individual bank account of employee.	**1 x 4** **=** **4 Marks**
21	**20**	**22**	**Q. Why is it....................................safety.** **Ans.**	

			To have an edge over competitors and avail first mover advantage it is necessary o maintain secrecy and confidentiality. The tools which help to maintain secrecy are: **(Any two)** **1.** Password security: Password is widely accepted security control to access the data. Only the authorized person can access the data. Any user who does not know the password cannot retrieve information from the system. It ensures data integrity. It uses a binary encoding format of storage and offers access to the data base. **2.** Data Audit: Audit feature of accounting software provides the user with administrator right in order to keep track of unauthorized access to the data base .It audit for the correctness of entries. Once entries are audited with adulterations, if any the software displays all entries along with the name of the auditor user and date and time of alteration. **3.** Data vault: Software provides additional security for the imputed data and this feature is referred as data vault. Data vault ensures that original information is presented and is not tempered. Data vault password cannot be broken. Some software uses data encryption method.	**2 x 2** **=** **4 Marks**
-	**-**	**23**	**Q. Name and explain...............................interest.** **Ans.** The name of financial function is **PMT** The PMT function calculates the periodic payment for an annuity, assuming equal payments and a constant rate of interest . The syntax of PMT function is as follow: = PMT (rate, nper, pv,[fv], [type]) where Rate — is the interet rate per period, Nper — is the number of periods, Pv — is the present value or the amount the future payments are worth presently, Fv — is the future value or cash balance that after the last payment is made (a future value of zero when we omit this optional argument) Type — is the value 0 for payments made at the end of the period or the value 1 for payments made at the beginning of the period.	**=** **6 Marks**