Accountancy – Class XII

SQP (2019-20)

General Instructions:

(i) This question paper contains two parts – A and B.
(ii) Part A is compulsory for all.
(iii) Part B has two options – Analysis of Financial Statements and Computerised Accounting.
(iv) Attempt only one option of Part B.
(v) All parts of a question should be attempted at one place.

	PART A **(Accounting for Not-for-Profit Organizations, Partnership Firms and Companies)**	
1	How are the following items presented in financial statements of a Not-for- Profit organisation:- (a) Tournament Fund- 80,000 (b) Tournament expenses-14,000	**1**
2	At what rate is interest payable on the amount remaining unpaid to the executor of deceased partner, in absence of any agreement among partners, when (s)he opts for interest and not share of profit. (a) 12% p.a. (b) 8% p.a. (c) 6% p.a. (d) 7.5%p.a.	**1**
3	State the order of payment of the following, in case of dissolution of partnership firm. i. to each partner proportionately what is due to him/her from the firm for advances as distinguished from capital (i.e. partner' loan); ii. to each partner proportionately what is due to him on account of capital; and iii. for the debts of the firm to the third parties;	**1**
4	A and B are partners in a firm having a capital of ₹ 54,000 and ₹ 36,000 respectively. They admitted C for 1/3rd share in the profits C brought proportionate amount of capital. The Capital brought in by C would be: a) ₹ 90,000 b) ₹ 45,000 c) ₹ 5,400 d) ₹ 36,00	**1**
5	Amit, a partner in a partnership firm withdrew ₹ 7,000 in the beginning of each quarter. For how many months would interest on drawings be charged?	**1**
6	Ankit, Unnati and Aryan are partners sharing profits in the ratio of 5:3:2. They decided to share future profits in the ratio of 2:3:5 with effect from 1st April,2018. They had the following balance in their balance sheet, passing necessary Journal Entry: **Particulars** | **Amount(₹)** Profit and loss Account (Dr) | 60,500	**1**
7	A and B are partners in a firm. They admit C as a partner with 1/5th share in the profits of the firm. C brings ₹ 4,00,000 as his share of capital. Calculate the value of C's share of Goodwill on the basis of his capital, given that the combined capital of A and B after all adjustments is ₹ 10,00,000	**1**
8	Riyansh, Garv and Kavleen were partners in a firm sharing profit and loss in the ratio of 8:7:5. On 2nd November 2018, Kavleen died. Kalveen's share of profits till the date of her death was calculated at₹ 9,375. Pass the necessary journal entry.	**1**
9	A and B are partners in a firm sharing profits and losses in the ratio of 3:2.On 1st April, 2019 they decided to admit C their new ratio is decided to be equal. Pass the necessary journal entry to distribute Investment Fluctuation Reserve of₹ 60,000 at the time of C's admission, when Investment appear in the books at₹ 2,10,000 and its market value is ₹1,90,000.	**1**
10	'Complete the following statement' When a liability is discharged by a partner, at the time of dissolution, Capital Account is credited because _____ .	**1**

11 A and B are in partnership sharing profits and losses in the ratio of 3:2. They admit C into partnership with 1/5th share which he acquires equally from A and B. Accountant has calculated new profit sharing ratio as 5:3:2. Is accountant correct? **1**

12 Wellness Co. Ltd. has issued 20,000, 9% Debentures of ₹ 100 each at a premium of 10% on 1st April, 2018 redeemable as follows: **1**

31st March, 2021 – 10,000 debentures
31st March, 2022 – 4,000 debentures
31st March, 2023 – balance debentures.
It transferred to Debentures Redemption Reserve the required amount as applicable rules of the Companies Act and Rules, 2014 on due date. How much amount will be transferred to General Reserve on 31st March, 2021

a) ₹ 1,00,000
b) ₹ 2,50,000
c) ₹ 5,00,000
d) ₹ 20,00,000

13 A portion of share capital that is reserved by the company and will be utilized only on the happening of winding up of the company is called _____. **1**

14 a) Calculate the amount of medicines consumed during the year ended 31st March,2019 **3**

Particulars	Amount (₹)
Opening Stock of Medicines	50,000
Closing stock of Medicines	45,000 more than opening stock
Amount paid for medicines during the year	2,00,000
Opening Creditors	20,000
Closing Creditors	50% of opening creditors

Or

Distinguish between Income and Expenditure Account and Receipt and payment Account on basis of :- **3**

i. Nature
ii. Nature of items
iii. Period

15 Danish, Ana and Pranjal are partners in a firm sharing profits and losses in the ratio of 5:3:2. Their books are closed on March 31st every year. **4**

Danish died on September 30th , 2019, The executors of Danish are entitled to:-

i. His share of Capital i.e. ₹ 5,00,000 along-with his share of goodwill. The total goodwill of the firm was valued at ₹ 60,000.
ii. His share of profit up to his date of death on the basis of sales till date of death. Sales for the year ended March 31, 2019 was ₹ 2,00,000 and profit for the same year was 10% on sales. Sales shows a growth trend of 20% and percentage of profit earning is reduced by 1%.
iii. Amount payable to Danish was transferred to his executors.

Pass necessary Journal Entries and show the workings clearly.

16 Maanika, Bhavi and Komal are partners sharing profits in the ratio of 6:4:1. Komal is guaranteed a minimum profit of ₹ 2,00,000. The firm incurred a loss of ₹22,00,000 for the year ended 31st March,2018. Pass necessary journal entry regarding deficiency borne by Maanika and Bhavi and prepare Profit and Loss Appropriation Account. **4**

OR

The partners of a firm, Alia, Bhanu and Chand distributed the profits for the year ended 31st March, 2017, ₹ 80,000 in the ratio of 3:3:2 without providing for the following adjustments:

a) Alia and Chand were entitled to a salary of ₹ 1,500 each p.m.
b) Bhanu was entitled for a salary of ₹ 4,000 p.a.

Pass the necessary Journal entry for the above adjustments in the books of the firm. Show workings clearly.

17 Bliss Products Ltd. registered with capital of ₹ 90,00,000 divided into 90,000 equity shares of ₹ 100 each. The company issued prospectus inviting applications for 50,000 equity shares of ₹ 100 each payable as ₹ 20 on application, ₹ 30 on allotment, ₹ 20 on first call and balance on second call. **4**

Applications were received for ₹40,000 shares. Raman to whom 1600 shares were allotted failed to pay final call money and these shares were forfeited. Of the forfeited shares, 600 shares were reissued to Sukhman, credited as fully paid for ₹ 90 per share.

Present the Share Capital as per Schedule III of Companies Act, 2013

18 The firm of R, K and S was dissolved on 31.3.2019. Pass necessary journal entries for the following after various assets (other than cash and Bank) and the third party liabilities had been transferred to realisation account. **4**

(i) K agreed to pay off his wife's loan of ₹ 6,000.

(ii) Total Creditors of the firm were ₹ 40,000. Creditors worth ₹10,000 were given a piece of furniture costing ₹8,000 in full and final settlement. Remaining creditors allowed a discount of 10%.

(iii) A machine that was not recorded in the books was taken over by K at ₹ 3,000 whereas its expected value was ₹ 5,000.

(iv) The firm had a debit balance of ₹ 15,000 in the profit and loss A/c on the date of dissolution.

19 From the following Receipts and Payments Accounts of Rolaxe Club, for the year ended 31st March, 2019. Prepare Income and Expenditure Account for the year ended 31st March, 2019. **6**

Receipts and Payments Account for the year ended 31st March, 2019

Receipts	Amount (₹)	Payments	Amount (₹)
To Balance b/d		By Advertisement	13,100
Cash in hand	17,050	By Rent rates and Taxes	14,000
Current a/c with bank	18,570	By Repairs	15,000
To Donations	20,000	By Printing and Stationery	16,000
To Proceeds from charity Show	16,200	By Government Bonds	5,000
To Subscription	52,000	By Telephone Expenses	1,000
To Life membership fees	5,250	By Furniture (purchased on 1st July, 2018)	70,000
To Entrance Fees	6,000	By Balance c/d	
To Interest on investment @ 7% for the year.	7,200	Cash in hand	3,170
		Cash at Bank	5,000
	1,42,270		**1,42,270**

Additional Information :-

i) Depreciate furniture by 15% p.a.

ii) There were 416 Life Members on 31.3.2018 the subscription payable by each member, to be a life time member is ₹ 125

iii)

Subscription outstanding on 31st March, 2018	6,000
Subscription outstanding on 31st March, 2019	7,000
Subscription received in advance on 31st March, 2018	4,000
Subscription received in advance on 31st March, 2019	5,000

20 Journalise the following transactions **6**

a) Mehar Ltd. issued ₹ 1,00,000, 12% Debentures of ₹ 100 each at a premium of 5% redeemable at a premium of 2%

b) 12 % Debentures were issued at a discount of 10% to a vendor of machinery for payment of ₹ 9,00,000

c) Issue of 10,000 11% debentures of ₹ 100 each as collateral in favour of State Bank of India. Company opted to pass necessary entry for issue of debentures.

Or

Faith and Belief Ltd has total redeemable debentures of ₹ 5,00,000. It decides to redeem these debentures in two instalments of ₹ 3,00,000 and ₹ 2,00,000 on December 31st 2018 and March 31st 2020 respectively. Assuming that the Company has sufficient funds in Debenture Redemption Reserve Account, pass necessary journal entries for the year ending March 31st 2020.

21 Gautam and Yashica are partners in a firm, sharing profits and losses in 3:1 respectively. The balance sheet of the firm as on 31st March 2018 was as follows: **8**

Balance Sheet
As at 31.3.2018

Liabilities		**Amt(₹)**	**Assets**	**Amt(₹)**
Sundry creditors		50,000	Furniture	60,000
Bills payable		30,000	Stock	1,40,000
Capitals			Debtors	80,000
Gautam	4,00,000		Cash in hand	90,000
Yashica	1,00,000		Machinery	2,10,000
		5,00,000		
		5,80,000		**5,80,000**

Asma is admitted as a partner for 3/8th share in the profits with a capital of ₹2,10,000 and ₹50,000 for her share of goodwill. It was decided that:

i. New profit sharing ratio will be 3:2:3
ii. Machinery will depreciated by 10% and Furniture by ₹5,000.
iii. Stock was re-valued at ₹ 2,10,000.
iv. Provision for doubtful debts is to be created at 10% of debtors.
v. The capitals of all the partners were to be in the new profit sharing ratio on basis of capital of new partner any adjustment to be done through current accounts.

Prepare Revaluation Account, Partners Capital Account and the Balance Sheet of the new firm.

Or

X,Y and Z were in partnership sharing profits in proportion to their capitals. Their Balance Sheet as on 31st March, 2018 was as follows:

Liabilities		**Amount (₹)**	**Particulars**		**Amount (₹)**
Sundry Creditors		16,600	Cash		15,000
Workmen's Compensation Fund		9,000	Debtors	21,000	
			Less-Prov for Doubtful Debts	(1400)	19,600
General Reserve		6,000	Stock		19,000
Capitals :			Machinery		58,000
X	90,000		Building		1,00,000
Y	60,000	1,80,000			
Z	30,000				
		2,11,600			**2,11,600**

On the above date, Y retired owing to ill health. The following adjustments were agreed upon for calculation of amount due to Y.

a) Provision for Doubtful Debts to be increased to 10% of Debtors.
b) Goodwill of the firm be valued at ₹ 36,000 and be adjusted into the Capital Accounts of X and Z, who will share profits in future in the ratio of 3:1.
c) Included in the value of Sundry Creditors was ₹ 2,500 for an outstanding legal claim, which will not arise.
d) X and Z also decided that the total capital of the new firm will be ₹ 1,20,000 in their profit

	sharing ratio. Actual cash to be brought in or to be paid off as the case may be. e) Y to be paid ₹ 9,000 immediately and balance to be transferred to his Loan Account. Prepare Revaluation Account, Partner's Capital Accounts and Balance Sheet of the new firm after Y's retirement.	
22	Saregama Ltd invited applications for issuing 80,000 equity shares of ₹ 100 each at a premium of ₹ 10. The amount was payable as follows On Application – ₹ 30 On allotment – ₹ 30 (including a premium of ₹ 10) On 1st call – ₹ 30 On Final Call Balance Applications of 1,20,000 shares were received. Allotment was made on pro rata basis to all applicants. Excess money received on application was adjusted on sums due on allotment. Dhwani, who was allotted 1,600 shares, failed to pay allotment money and Sargam who applied of 6,000 shares did not pay 1st call money. These shares were forfeited immediately after 1st call. 2,000 of these shares (including all shares of Dhwani were issued to Tarang for ₹ 95 per share as 80 paid up. Pass necessary journal entries in books of Saregama Ltd. by opening call in arrear, call in advance account, if final call has not been made. **Or** a. X Ltd. forfeited 10 shares of ₹ 10 each, ₹ 7 called up on which the shareholder had paid application and allotment money of ₹ 5 per share. Out of these, 8 shares were re-issued to Y for ₹8 per share at ₹ 8 per paid up per share. Record the journal entries for forfeiture and reissue of shares by opening call in arrear, call in advance account. b. L ltd forfeited Mr M's shares who has applied for 600 shares and was allotted 400 shares failed to pay allotment money of ₹ 4 per share including premium of ₹ 2 on which he had paid application money of ₹ 2 only. Pass necessary journal entries for forfeiture of shares by opening call in arrear, call in advance account. c. Crown Ltd forfeited 50 shares of ₹ 10 each, for non- payment of final call money of ₹ 3 per share. Out of these 20 shares were reissued to Taj at₹ 8 per share. Record the journal entries for forfeiture and reissue of shares assuming that the company maintains call in arrear, call in advance account.	**8**
	PART B **OPTION 1** **(Analysis of Financial Statements)**	
23	What will be the effect on current ratio if a bills payable is discharged on maturity?	**1**
24	The two basic measures of operational efficiency of a company are a) Inventory Turnover Ratio and Working Capital Turnover Ratio b) Liquid Ratio and Operating Ratio c) Liquid Ratio and Current Ratio d) Gross Profit Margin and Net Profit Margin	**1**
25	Debt Equity Ratio of a company is 1:2. Purchase of a Fixed asset for ₹ 5,00,000 on long term deferred payment basis will increase, decrease or not change the ratio?	**1**
26	State the importance of financial analysis for labour unions.	**1**
27	M/s Mevo and Sons.; a bamboo pens producing company, purchased a machinery for ₹ 9,00,000. It received dividend of ₹ 70,000 on investment in shares. The company also sold an old machine of the book value of ₹ 79,000 at a loss of ₹ 10,000. Compute Cash flow from Investing Activities.	**1**
28	Whether the following statement is True or False. 'Patents purchased by a company will be an operating activity.'	**1**
29	While preparing Cash Flow Statement, match the following activities I. Payment of cash to acquire Debenture by an Investing Company — a. Financing activity II. Purchase of Goodwill — b. Investing Activity III. Dividend paid by manufacturing company — c. Operating activity	**1**
30	From the following details calculate Interest Coverage Ratio: Net profit after tax - ₹ 7,00,000	**3**

6% debentures of ₹ 20,00,000
Tax Rate 30%

Or

Under which major heads and sub-heads will the following items be placed in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013?

(i) Debentures with maturity period in current financial year
(ii) Securities Premium Reserve
(iii) Provident Fund

31 Following information is extracted from the Statement of Profit and Loss of Crypto Finance Ltd. For the year ended 31st March 2017 and 31st March 2018. Fill in the missing figures **4**

Comparative Statement of Profit and Loss
for the years ended 31st March 2017 and 31st March 2018

Particulars	**2016-17 (₹)**	**2017-18 (₹)**	**Absolute Increase/ Decrease (₹)**	**Percentage Increase/ Decrease (%)**
Revenue from Operations	10,00,000	?	2,00,000	20%
Add other Income	?	60,000	?	20%
Total Revenue	?	12,60,000	?	20%
Less Employee Benefit Expenses	50,000	60,000	10,000	?
Profit before tax	10,00,000	12,00,000	2,00,000	?
Less Tax (50%)	5,00,000	6,00,000	1,00,000	?
Profit after tax	5,00,000	6,00,000	1,00,000	20%

Or

From the following Balance Sheet of R Ltd., Prepare a Common Size Statement

Balance Sheet As at 31st March, 2019.

Particulars	**Note no.**	**31.3.2019 (₹)**	**31.3.2018 (₹)**
I EQUITY AND LIABILITIES			
1. Shareholder's Funds:			
a. Share Capital		5,00,000	4,00,000
b. Reserve and Surplus		1,60,000	1,20,000
2. Current Liabilities:			
a. Trade Payable		1,40,000	80,000
Total		**8,00,000**	**6,00,000**
II ASSETS			
1. Non-Current Assets:			
a. Fixed Assets:			
i. Tangible Assets		3,20,000	2,40,000
ii. Intangible Assets		40,000	60,000
2. Current Assets			
a. Inventories		1,60,000	60,000
b. Trade Receivables		2,40,000	2,00,000
c. Cash and Cash Equivalents		40,000	40,000
Total		**8,00,000**	**6,00,000**

32 From the following Balance Sheet of Dreams Converge Ltd as at 31.3.2018 and 31.3.2017; Calculate Cash from operating activities. Showing your workings clearly

Particulars	Note No.	31.3.2018 (₹)	31.3.2017 (₹)
I. EQUITY AND LIABILITY :			
1. Shareholder's Fund:			
a. Share Capital		7,00,000	5,00,000

	b. Reserve and Surplus		3,50,000	2,00,000
	2. Non-Current Liabilities:			
	Long Term Borrowings		50,000	1,00,000
	3. Current Liabilities:			
	a. Trade Payables		1,22,000	1,05,000
	b. Short term Provisions (Provision for tax)		50,000	30,000
	TOTAL		**12,72,000**	**9,35,000**
	II. ASSETS :			
	1. Non Current Assets:			
	a. Fixed Assets:			
	i. Tangible Assets	1	5,00,000	5,00,000
	ii. Intangible Assets	2	95,000	1,00,000
	b. Non-current Investments		1,00,000	Nil
	2. Current Assets:			
	a. Inventory		1,30,000	55,000
	b. Trade Receivable		1,47,000	80,000
	c. Cash and Cash Equivalents		3,00,000	2,00,000
	TOTAL		**12,72,000**	**9,35,000**

Notes

Note Number	**Particulars**	**31.3.2018 (₹)**	**31.3.2017 (₹)**
1	**Tangible Assets:**		
	Machinery	2,80,000	2,00,000
	Accumulated depreciation	(1,00,000)	(80,000)
		1,80,000	**1,20,000**
	Equipment	3,20,000	3,80,000
		5,00,000	**5,00,000**
2	Intangible Assets :		
	Goodwill	95,000	1,00,000

Additional Information:

i. Machinery of the book value of 80,000 (accumulated depreciation ₹ 20,000) was sold at a loss of ₹ 18,000

PART B
OPTION 2
(Computerised Accounting)

23	List any two attributes of information to be stored in Payroll data base.	**1**
24	Which of the following is not an advantage of computerised accounting system a) Efficient record keeping b) Ensures effective control over the system. c) Generation of reports and information in fixed format d) Economy in the processing of accounting data.	**1**
25	Arrange the following steps of constructing Bank Reconciliation Statements in Tally in chronological sequence a) Bringing up the monthly summary of Bank Book. Bringing the cursor to the first month and pressing enter. b) The display becomes Edit Screen in Reconciliation mode. The primary components are A column for the 'Bankers Date' Amounts not reflected in banks and balance as per banks c) 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	**1**

<table>
<tr><td>26</td><td>Match the following

<table><tr><td>a)</td><td>Single valued attributes</td><td>i)</td><td>Attributes that can be divided in smaller sub parts to represent some more basic attribute with independent meaning</td></tr><tr><td>b)</td><td>Composite attribute</td><td>ii)</td><td>Attributes that cannot be further sub divided in smaller parts.</td></tr><tr><td>c)</td><td>Atomic attributes</td><td>iii)</td><td>Attributes with single value for an entity</td></tr></table></td><td>1</td></tr>
<tr><td>27</td><td>What is the activity sequence of the basic information processing mode</td><td>1</td></tr>
<tr><td>28</td><td>Differentiate between Generic software and Specific Software on basis of cost of installation and maintenance</td><td>1</td></tr>
<tr><td>29</td><td>Which of the following situations may not require the use of null value
a) When a particular attribute does not apply to an entity.
b) Value of an attribute is unknown, although it exist;
c) Unknown because it does not exist.
d) Multi value attributes may be nested (or grouped) to constitute complex ones.</td><td>1</td></tr>
<tr><td>30</td><td>Explain adjusting entries.
Or
Explain ‘Transparency control’ and ‘Scalability’ as features of Computerized Accounting System.</td><td>3</td></tr>
<tr><td>31</td><td>Name and explain the function which returns the future value of an investment which has constant payment and interest.</td><td>4</td></tr>
<tr><td>32</td><td>What is meant by conditional formatting? Give its two uses and three benefits.</td><td>6</td></tr>
</table>

Accountancy – Class XII
Marking Scheme (2019-20)

PART A
(Accounting for Not-for-Profit Organizations, Partnership Firms and Companies)

1 (1)

Balance Sheet of ___ NPO. as on ____ Date

Liabilities		Amount (₹)	Assets	Amount (₹)
Tournament Fund	80,000			
Less: Tournament expenses	14000			
		66,000		

2 (c) 6% p.a. (1)

3 iii. for the debts of the firm to the third parties;
i. to each partner proportionately what is due to him/her from the firm for advances as distinguished from capital (i.e. partner' loan);
ii. to each partner proportionately what is due to him on account of capital (1)

4 b) ₹ 45,000 (1)

5 7 ½ months (1)

6 Journal (1)

Date	Particulars		L.F.	Debit (₹)	Credit (₹)
2018					
April,1	Ankit's capital A/c	Dr		30,250	
	Unnati Capital A/c	Dr		18,150	
	Aryan's Capital A/c	Dr		12,100	
	To Profit and Loss A/c				60,500
	(Being Profit and Loss debit balance distributed at time of change in profit sharing ratio)				

7 Total Capital as per C's Share (4,00,000 X (5/1)) 20,00,000
Less Actual capital of A,B,C (10,00,000 + 4,00,000) 14,00,000

Value of firm's Goodwill 6,00,000 (1/2)

C's share of Goodwill = 6,00,000X (1/5) = ₹ 1,20,000 (1/2)

8 **Journal** (1)

Date	Particulars	L.F	Dr Amount (₹)	Dr Amount (₹)
2018				
Nov,2	Profit and Loss Suspense A/c Dr.		9,375	
	To Kavleen's Capital A/c			9,375
	(Being Kavleen's share of profit up to the date of her death transferred to her capital account)			

9 **Journal**

		Date	**Particulars**	**L.F**	**Dr Amount (₹)**	**Dr Amount (₹)**
		2019 April, 1	Investment Fluctuation Reserve A/c Dr. To Investment A/c To A's capital A/c To B's Capital A/c (Being the transfer of excess Investment Fluctuation reserve to partner's capital account in old profit sharing ratio)		60,000	 20,000 24,000 16,000
						(1)
10	because the claim of the partner against the firm is increased by the amount of liability assumed.					(1)
11	C's Share acquired from A and B each $= \frac{1}{5} X \frac{1}{2} = \frac{1}{10}$ A's Share $= \frac{3}{5} - \frac{1}{10} = \frac{5}{10}$ B's Share $= \frac{2}{5} - \frac{1}{10} = \frac{3}{10}$ New Profit Sharing ratio of A: B: C is 5:3: 2 Yes, new profit sharing ratio is 5:3:2					1
12	b) ₹ 2,50,000					(1)
13	Reserve Capital					(1)
14	**a) Statement Showing Expenditure on Medicine consumed during the year ending 31st March,2019:-**					

Particulars	**Amount (₹)**
Amount paid for medicines during the year	2,00,000
Add: Opening Stock of medicines	50,000
Less: Closing stock of medicines	(95,000)
Less: Opening Creditors	(20,000)
Add: Closing creditors	10,000
Medicine consumed during the year	1,45,000

½ X 6

Or

Basis of distinction	**Income and Expenditure**	**Receipt and Payment Account**	
Nature	It is like as profit and loss account, hence is a nominal account.	It is the summary of the cash book, hence a real account.	1
Nature of Items	It records items of Revenue and expense nature only.	It records receipts and payment of cash and bank.	1
Period	Items in Income and Expenditure account relate to the current period.	Receipts and payments items may relate to preceding and succeeding periods.	1

15

Journal

Date	Particulars	L.F	Dr Amount (₹)	Dr Amount (₹)
September 30, 2019	Ana's Capital A/c Dr Pranjal's Capital A/c Dr To Danish's Capital A/c (Being Danish's share of goodwill adjusted in capital Accounts of Ana and Pranjal		18,000 12,000	 30,000
September 30, 2019	Profit and Loss Suspense A/c Dr To Danish's Capital A/c (Being Danish's share of profit up to date of his death transferred to his capital account)		5,400	5,400
September 30, 2019	Danish's Capital A/c Dr To Danish's Executor's A/c (Being amount due to Danish transferred to his executor's account)		5,35,400	5,35,400

(1)

(1)

(1)

Working Notes:-

Sales = 2,00,000 + 20% of 2,00,000

= 2,00,000 +40,000

(1)

Profit % = 10% - 1% = 9%

Danish's Share of Profit =₹ 2,40,000 X 9/100 X 5/10 X 6/12 = ₹ 5,400

16

Journal

Date	**Particulars**	**L.F.**	Dr Amount (₹)	Dr Amount (₹)
2018 March,31	Maanika's capital A/c Dr. Bhavi's Capital A/c Dr. To Komal's Capital A/c (Being the deficiency of komal met by Maanika and Bhavi)		2,40,000 1,60,000	 4,00,000

(2)

Dr **Profit and Loss Appropriation A/c** **Cr**

For the year ended 31st March, 2018

Particulars	Amount (₹)	Particulars	Amount (₹)
To Net Loss (Profit and Loss A/c)	22,00,000	By Loss transferred to Maanika's capital a/c Bhavi's capital a/c Komal's Capital a/c	 12,00,000 8,00,000 2,00,000
	22,00,000		22,00,000

(1 ½

Working note:

Loss of the firm : 22,00,000

Komal's share of loss =22,00,000 X1/11 = 2,00,000

Guaranteed minimum profit=2,00,000

½

OR

Firm's		**Particular's**	**Alia's**		**Bhanu's**		**Chand's**	
Dr	Cr		Dr	Cr	Dr	Cr	Dr	Cr
	80,000	Profits Given	30,000		30,000		20,000	
40,000		Salary		18,000		4,000		18,000
40,000		Profit to be credited		15,000		15,000		10,000

			30,000	33,000	30,000	19,000	20,000	28,000

RECTIFYING JOURNAL ENTRY

Date	Particulars	L.F.	Amount (₹)	Amount (₹)
31st March, 2017	Bhanu's Capital A/c Dr To Chand's Capital A/c To Alia's Capital A/c (Being Salary, profit share incorrectly distributed, now adjusted)		11,000	 3,000 8,000

17

Extract of Balance Sheet of Bliss Products Ltd.
As at ____

Particulars	Note No.	Amount Current Year	Amount Previous Year
I. EQUITY AND LIABILITIES			
1. Shareholder's Fund			
a. Share Capital	1	39,70,000	

½

Notes to Accounts:

Note No.	Particulars		Amount (₹)
1	**Share Capital** **Authorized Capital** 90,000 Equity shares of ₹ 100 each		90,00,000
	Issued Capital 50,000 Equity shares of ₹ 100 each		50,00,000
	Subscribed Capital **Subscribed and Fully Paid Capital** 39,000 Equity shares of ₹ 100 each **Add:** Forfeited Shares (1,000 of ₹ 70 each)	39,00,000 70,000	39,70,000

1
1
1½

18

Journal

Date	Particulars	L.F.	Amount (₹)	Amount (₹)
	Realization A/c Dr To K's Capital A/c (Being wife's loan discharged by the partner)		6,000	 6,000
	Realization A/c Dr To Bank A/c (Being balance creditor's paid at a discount of 10% after part payment through furniture)		27,000	 27,000

(4)

K's Capital Account Dr To Realization A/c (Being unrecorded machine taken over by a partner)		3,000	3,000	
R's Capital A/c Dr K's Capital A/c Dr S's Capital A/c Dr To Profit and Loss A/c (being debit balance of Profit and Loss distributed amongst partners)		5,000 5,000 5,000	15,000	

19

Dr. **Income and Expenditure Account** **Cr**

For the year ended 31st March,2019

Expenditure	Amount (₹)	Income	Amount (₹)
To Advertisement	13,100	By Donations	20,000
To Rent, Rates and Taxes	14,000	By Proceeds from	
To Repairs	15,000	Charity show	16,200
To Printing and Stationery	16,000	By Subscription	52,000
To Telephone expenses	1,000	By Entrance fees	6,000
To Depreciation on furniture (70000x15/100x9/12)	7,875	By Interest on investments	7,200
To excess of Income over expenditure	34,425		
	1,01,400		1,01,400

(½ X 10) = 5 + 1 (subs)

Dr **Subscription Account** **Cr**

Particulars	Amount (₹)	Particulars	Amount (₹)
To Subscription in arrears in the beginning	6,000	By Subscription in advance at end	4,000
To Income and Expenditure	52,000	By Receipts and Payments	52,000
To Subscription in advance at end	5,000	By Subscription in arrears at end	7,000
	63,000		**63,000**

20

Journal

Date	Particulars	L.F	Amount (₹)	Amount (₹)	
a)	Bank A/c Dr. To Deb Application and Allotment A/c (Being the application money received)		1,05,000	1,05,000	[2]
	Debenture Application and Allotment A/c Dr Loss on Issue of Debenture A/c Dr To 12% Debenture A/c To Security Premium Reserve To Premium on Redemption A/c (Being 1,000 debentures issued at a premium of 5% and redeemable at 2% premium)		1,05,000 2,000	 100000 5000 2000	[2] [2]
	Vendor A/c Dr Discount on issue of Debenture A/c To 12% Debenture (Being Debentures issued to vendors at a		9,00,000 1,00,000	 10,00,000	[2]

b)

	discount of 10%)			
	Debenture Suspense A/c Dr To 11% Debenture A/c (Being 10,000 11% debentures of ₹ 100 issued as collateral security)		1000000	1000000

[2]

Or

c)

Date	Particulars	L.F	Amount (₹)	Amount (₹)	
	Debenture Redemption Investment A/c Dr To Bank A/c (being specified investments purchased)		30,000	30,000	[1 ½]
	10% Debenture A/c Dr To Debenture Holder A/c (being debenture due for redemption)		2,00,000	2,00,000	[1 ½]
	Debenture Holder A/c Dr To Bank A/c (Being payment made to debenture holders)		2,00,000	2,00,000	[1 ½]
	Debenture Redemption Reserve A/c Dr To General Reserve A/c (Being the transfer of Debenture Redemption Reserve to General Reserve on the redemption of debentures)		50,000	50,000	[1 ½]

21

Dr. Revaluation Account Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To Machinery A/c	21,000	By Stock A/c	70,000
To Furniture A/c	5,000		
To Provision for doubtful debts	8,000		
To partner's Capital A/c- Gain on revaluation	36,000		
Gautam's Capital A/c 27,000			
Yashica's Capital A/c 9,000			
	70,000		70,000

[3]

Dr. Partner's Capital Account Cr.

Particulars	Gautam (₹)	Yashica (₹)	Asma (₹)	Particulars	Gautam (₹)	Yashica (₹)	Asma (₹)
To Gautam's current A/c	2,67,000	----	----	By balance b/d	4,00,000	1,00,000	---
				By RevaluationA/c	27,000	9,000	---
				By Bank A/c	---	----	2,10,000
				By Premium for Goodwill	50,000	---	------
To balance c/d	2,10,000	1,40,000	2,10,000	By Yashica's current A/c		31,000	
	4,77,000	1,40,000	2,00,000		4,77,000	1,40,000	2,10,000

[3]

Balance sheet of Gautam, Yashica and Asma
As at 31.3.2018

Liabilities	Amount (₹)	Assets		Amount (₹)
Sundry Creditors	50,000	Cash		3,50,000
Bills Payable	30,000	Debtors	80,000	
Capital Accounts:-		(-) Provision for doubtful debts	8,000	72,000
Gautam- 2,10,000				
Yashica- 1,40,000		Stock		2,10,000
Asma 2,10,000	5,60,000	Furniture	60,000	
		(-) Depreciation	5,000	55,000
Gautam's current A/c	2,67,000			
		Machinery	2,10,000	
		(-) Depreciation	21,000	1,89,000
		Yashica's current A/c		31,000
	9,07,000			9,07,000

[2]

Working Note:- Total Capital of the firm =2,10,000 x 8/3
= 5,60,000
Gautam's capital in the firm =5,60,000 x3/8
= 2,10,000
Yashica'S capital in the firm = 5,60,000x2/8
= 1,40,000

OR

Dr. Revaluation Account Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To Provision for doubtful debts	700	By Creditors A/c	2,500
To Partner's Capital A/c – Gain on Revaluation			
X 900			
Y 600			
Z 300	1,800		
	2,500		2,500

[3]

Dr. Partner's Capital Account Cr.

Particulars	X (₹)	Y (₹)	Z (₹)	Particulars	X (₹)	Y (₹)	Z (₹)
To Z's capital A/c	9,000	----	3,000	By balance b/d	90,000	60,000	30,000
				By Reserve A/c	3,000	2,000	1,000
To Cash a/c	---	9,000	----	By Revaluation A/c	900	600	300
To Y's Loan A/c	----	68,600	----	By Workmen compensation Fund A/c	4,500	3,000	1,500
To balance c/d	90,000		30,000				
				By X's Capital A/c	---	9,000	----
				By Y's Capital A/c	----	3,000	-----
				By Cash A/c	600	----	200
	99,000	77,600	33,000		99,000	77,600	33,000

[3]

Balance sheet of X and Z
As at 31st March, 2018

Liabilities	Amount (₹)	Assets		Amount (₹)
Sundry Creditors	14,100	Cash		6,800
		Debtors	21,000	
Y's Loan A/c	68,600	(-) Provision for doubtful debts	2,100	18,900
Capital Accounts:-		Stock		19,000
X- 90,000		Machinery		58,000
Y- 30,000	1,20,000	Building		1,00,000
	2,02,700			2,02,700

[2]

Working note:-

1. Calculation of Gaining Ratio:

	X	Y	Z
Old Ratio	3/6	2/6	1/6
New Ratio	3/4	--	1/4
Gaining Ratio	3/12	---	1/12

2. Y's share of Goodwill 36,000X 2/6 = 12,000

22

Date	Particulars	L.F	Amount (₹)	Amount (₹)	
	Bank A/c Dr		36,00,000		
	To Share Application A/c			36,00,000	[½]
	(Being application money received)				
	Share Application A/c Dr		36,00,000		
	To Share Capital A/c			24,00,000	
	To Call in Advance A/c			12,00,000	[1]
	(being application money transferred to share capital, securities premium reserve, calls)				
	Share Allotment A/c Dr		24,00,000		
	To Share Capital A/c			16,00,000	
	To Security Premium Reserve A/c			8,00,000	
	(Being allotment money due)				
	Bank A/c Dr		11,76,000		
	Call in Advance A/c Dr		12,00,000		[½]
	Call in arrear A/c Dr		24,000		
	To Share Allotment A/c			24,00,000	
	(Being first call money received)				
	Share First Call A/c DR		24,00,000		
	To Share Capital A/c			24,00,000	[1]
	(Being first call money due)				
	Bank A/c Dr		22,32,000		
	Call in Arrears A/c Dr		1,68,000		
	To Share First Call			24,00,000	[½]
	(Being first call money received)				
	Share Capital A/c Dr		4,48,000		
	Security Premium Reserve A/c Dr		16,000		
	To Call in Arrear A/c DR			2,72,000	
	To Share Forfeited A/c			1,92,000	[1]
	(Being Dhwani and Sargam's share's forfeited for non- payment of allotment and/or call money)				
	Bank A/c Dr		19,00,000		
	To Share Capital A/c			1,60,000	

	To Security Premium Reserve A/c (Being forfeited share's reissued for 95 per share ₹ 80 paid up)			30,000	[1½]
	Share Forfeited A/c Dr To Capital Reserve A/c (Being balance in share forfeiture account transferred to capital reserve)		92,000	92,000	[1]

Or [1]

a)

Date	Particulars	L.F	Amount (₹)	Amount (₹)
	Equity Share Capital A/c Dr To Equity Share Forfeited A/c To Calls in Arrears A/c (Being forfeiture of 10 shares executed)		70	 50 20
	Bank A/c Dr To Share Capital A/c (Being eight shares reissued to Y as ₹ 8 per share paid up for ₹ 8 per share)		64	 64
	Equity Share Forfeited A/c Dr. To Capital Reserve A/c (Being gain on reissue of forfeited shares transferred to Capital Reserve)		40	 40

[1]

[1]

b)

Date	Particulars	L.F	Amount (₹)	Amount (₹)
	Equity Share Capital A/c Dr Security Premium A/c Dr To Equity Share Forfeited A/c To Calls in Arrears A/c (Being Mr. M's shares forfeited)		1,600 800	 1,200 1,200

[1]

[2]

c)

Date	Particulars	L.F	Amount (₹)	Amount (₹)
	Equity Share Capital A/c Dr To Share Forfeited A/c To Calls in Arrears A/c (Being 50 shares forfeited for non-payment of calls)		500	 350 150
	Bank A/c Dr Share Forfeited A/c Dr To Share Capital A/c (Being 20 shares reissued for ₹ 8 per share)		160 40	 200
	Share Forfeited A/c Dr. To Capital Reserve A/c (Being gain on reissue of forfeited shares transferred to Capital Reserve)		100	 100

[1]

[1]

[1]

23	The current ratio will increase	1
24	a) Inventory Turnover Ratio and Working Capital Turnover Ratio	[1]
25	Increased	[1]
26	Labor unions analyze the financial statements: a) To assess whether an enterprise can increase their pay. b) To check whether an enterprise can increase productivity or raise the prices of products/ services to absorb a wage increase.	 [½] [½]

(any other relevant point to be marked)

27 Cash flow from Investing Activities

Inflows	**Amount (₹)**	
Dividend Received	70,000	[½]
Sale of Old Machinery	69,000	
Outflows		
Purchase of Machinery	(9,00,000)	[½]
Net Cash outflow from Investing Activities	(7,61,000)	

28 False. [1]

29 Answer – I-c; II- b; III- a [1]

30 Net Profit Before Tax – Tax paid = Net Profit After Tax
x – 30/100 (x) = ₹ 7,00,000
x = ₹ 7,00,000 (100/70)
x = ₹ 10,00,000
Net Profit Before Tax = ₹ 10,00,000
Interest Payment = 6/100 (₹ 20,00,000) = ₹ 1,20,000 [1]
Earning Before Interest and Tax = Net Profit Before Tax + Interest Payment
= ₹ 10,00,000 + ₹ 1,20,000
= ₹ 11,20,000 [1]

Interest Coverage ratio = $\frac{Earning\ Before\ Interest\ and\ Tax}{Interest\ Expense}$

Interest Coverage Ratio = ₹ 11,20,000/ ₹ 1,20,000
Interest Coverage Ratio = 9.33 times [1]

Or

S. No	Item	Major Head	Sub Head	[1]
i.	Debentures with maturity period in current financial year	Current Liabilities	Other Current Liabilities	[1]
ii)	Securities Premium Reserve	Shareholder's Fund	Reserves and Surplus	[1]
iii)	Provident Fund	Non-Current Liabilities	Long Term Provision	

31

Particulars	**2016-17 (₹)**	**2017-18 (₹)**	**Absolute Increase/ Decrease (₹)**	**Percentage Increase/ Decrease (%)**
Revenue from Operations	10,00,000	12,00,000	2,00,000	20%
Add other Income	50,000	60,000	10,000	20%
Total Revenue	10,50,000	12,60,000	210,000	20%
Less Employee Benefit Expenses	50,000	60,000	10,000	20%
Profit before tax	10,00,000	12,00,000	2,00,000	20%
Less Tax (50%)	5,00,000	6,00,000	1,00,000	20%
Profit after tax	5,00,000	6,00,000	1,00,000	20%

[½ X 8]

Or

Common Size Balance Sheet of R Ltd.
As at 31st March, 2018 and 2019

Particulars	Note no.	Absolute Amounts		Percentage of Balance sheet Total	
		31.3.2018 (₹)	31.3.2019 (₹)	31.3.2018 (%)	31.3.2019 (%)
I EQUITY AND LIABILITIES					
1. Shareholder's Funds:					
a. Share Capital		4,00,000	5,00,000	66.7	62.5
b. Reserve and Surplus		1,20,000	1,60,000	20	20
2. Current Liabilities:					
a. Trade Payable		80,000	1,40,000	13.3	17.5
Total		**6,00,000**	**8,00,000**	**100**	**100**
II ASSETS					
1. Non-Current Assets:					
a. Fixed Assets:					
i. Tangible Assets		2,40,000	3,20,000	40	40
ii. Intangible Assets		60,000	40,000	10	5
2. Current Assets					
a. Inventories		60,000	1,60,000	10	20
b. Trade Receivables		2,00,000	2,40,000	33.3	30
c. Cash and Cash Equivalents		40,000	40,000	6.7	5
Total		**6,00,000**	**8,00,000**	**100**	**100**

32 **Cash Flow Statement As per AS 3 (Revised)**

Particulars		
I Cash from Operating Activity		
Net Profit Before Tax		
Profit during the year	1,50,000	
Add transfer to Reserve	50,000	
		2,00,000
Add:- Non Cash Non-Operating Expenses		
Depreciation provided	40,000	
Loss on Sale of Assets	18,000	
Goodwill Amortised	5,000	63,000
Less Non-Operating Income	--	--------
Operating Profit before Working Capital		2,63,000
Add Increase in Trade Payable	17,000	17,000
		2,80,000
Less : Increase in Inventory	(75,000)	
Increase in Trade Receivable	(67,000)	(1,42,000)
Cash From Operating Activities before Tax		1,38,000
Less Tax Paid		(30,000)
Cash From Operating Activities After tax		1,08,000

[4]

	Dr Machinery A/c Cr **Particulars** | **Amount (₹)** | **Particulars** | **Amount (₹)** To Balance b/d 2,00,000 | By Accumulated Depreciation 20,000 To Bank A/c (Purchases) 1,60,000 | By Loss on sale of Fixed Asset 18,000 By Bank A/c 42,000 By Balance c/d 2,80,000 3,60,000 | 3,60,000 Dr Accumulated Depreciation A/c Dr **Particulars** | **Amount (₹)** | **Particulars** | **Amount (₹)** To Machinery A/c 20,000 | By balance b/d 80,000 To Balance c/d 1,00,000 | By Statement of Profit and loss account 40,000 1,20,000 | 1,20,000	[1] [1]
	PART B **OPTION 2** **(Computerised Accounting)**	
23	Attributes of information to be stored in Payroll data base: (Any two) (i) Name (ii) ID (iii) Designation (iv) Location (v) Basic Pay	[½] [½]
24	Answer :- c) Generation of reports and information in fixed format	[1]
25	a); c); b)	[1]
26	Ans :- a) – ii; b) - i); c) – iii)	[1]
27	The activity sequence of the basic information mode is collect data, organize and process it and Then communicate the information extracted.	[1]
28	Cost of installation and maintenance is generally low with Generic Software and is relatively high with Specific software	[1]
29	Ans :- d)	[1]
30	The Adjusting entry is recorded to relate the figures to the trading period. Suppose, premises have been sublet on March 31, and three months' rent, has been received in advance amounting to Rs. 12000. While preparing accounts up to 31st March, one should take into account only one month's rent for preparing the profit and loss account (accounting period concept); the rest two month's rent, already received is for the next year and will be credited to profit and loss account next year. The adjusting entry will be: Rent Account Dr To Advance Rent Account Rent Received in advance Account is a 'Liability' and is shown in the balance sheet. **Or** Transparency and control CAS provides sufficient time to plan, increases data accessibility and enhances user satisfaction. With computerised accounting, the organisation will have greater transparency for day to day business operations and access to the vital information. Scalability CAS enables in changing the volume of data processing in tune with the change in the size of the business. The software can be used for any size the business and type of the organisation.	[3] [3]

31	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 follows: = **PMT (rate, nper, pv, [fv], [type])** where Rate is the interest rate per period, Nper is the number of periods, Pv is the present value or the amount the future payments are worth presently, 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. The PMT function is often used to calculate the payment for mortgage loans that have a fixed rate of interest	[4]
32	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. Conditional formatting is often applied to worksheets to find: a. Data that is above or below a certain value. Duplicate data values. b. Cells containing specific text. Data that is above or below average. c. Data that falls in the top ten or bottom ten values. Benefits of using conditional formatting: 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]