

ACCOUNTANCY

Time allowed : 3 hours

Maximum Marks : 80

General Instructions:

- (i) This question paper contains three parts A, B and C.
- (ii) Part A is Compulsory for all candidates.
- (iii) Candidates can attempt only one part of the remaining parts B and C.
- (iv) All parts of the questions should be attempted at one place.

QUESTION PAPER CODE 67/1/1

Part A

(Accounting for not for Profit Organisations, Partnership Firms & Companies)

1. State the basis of accounting, on which a Receipts and Payments account is prepared in case of a not for profit organisation. 1
2. What is meant by “Unlimited liability of a Partner” ? 1
3. State the need for treatment of Good will on admission of a Partner. 1
4. What are Preliminary expenses? 1
5. How does the factor “location” affect the goodwill of a firm? 1
6. From the following information, calculate the amount of subscriptions outstanding for the year 2008-09.

A club has 250 members each paying an annual subscription of Rs. 1,000. The Receipts & Payments account for the year showed a sum of Rs. 2,65,000 received as subscriptions. The following additional information is provided.

	Rs.	
Subscriptions Outstanding on 31st March, 2008	40,000	3

- | | | |
|---|--------|--|
| Subscriptions Received in advance on 31st March, 2009 | 30,000 | |
| Subscriptions Received in advance on 31st March, 2008 | 12,000 | |
-
- 7.** S.S.S. Ltd., has a paid up share capital of Rs. 60,00,000 and a balance of Rs. 15,00,000 in the Securities Premium Account. The company management do not want to carryover this balance. State the ‘purposes for which this balance can be utilized.

3
 - 8.** DN Ltd., issued 50,000 shares of Rs. 10 each at a discount of 10% payable as Rs. 2 per share on application, Rs. 3 on allotment and Rs. 2 each on first and final call. Applications were received for 70,000 shares. It was decided that (a) refuse allotment to the applicants for 10,000 shares (b) allot 20,000 shares to Mohan who had applied for similar number and (c) allot the remaining shares on pro-rata basis. Mohan failed to pay the allotment money and Sohan who belonged the category ‘c’ and was allotted 3,0,00 shares paid both the calls with allotment. Calculate the amount received on allotment.

3
 - 9.** A, B & C were partners. Their capitals were Rs. 30,000; Rs. 20,000 and Rs. 10,000 respectively, According to the partnership deed they were entitled to an interest on capital at 5% p.a. In addition B was also entitled to draw a salary of Rs. 500 per month. C was entitled to a commission of 5% on the profits after charging the interest on capital, but before charging the salary payable to B. The net profits for the year were Rs. 30,000, distributed in the ratio of their capitals without providing for any of the above adjustments. The profits were to be shared in the ratio of 2:2: 1. Pass the necessary adjustment entry showing the workings clearly.

4
 - 10.** A, B and C were partners sharing profits in the ratio of 6:4:5. Their capitals were A Rs. 1,00,000, B - Rs. 80,000 and C - Rs. 60,000. On 1st April 2009, B retired from the firm and the new profit sharing ratio between A and C was decided as 11 :4. On B’s retirement the goodwill of the firm was valued at Rs. 1,80,000. Showing your calculations clearly’ pass necessary journal entry for the treatment of-goodwill on B’s retirement.

4
 - 11.** X Ltd., had Rs. 8,00,000, 9% debentures due to be redeemed out of profits on 1st Oct, 2009 ,at a premium of 5%. The company had a :Debenture, Redemption Reserve of Rs. 4,14,000. Pass necessary journal entries at the time of redemption.

4

12. From the following information of a not for profit organisation, show the 'sports material' items in the 'Income and Expenditure Account' for the year ending 31st March, 2009 and the Balance Sheets as on 31st March, 2008' and 31st March, 2009 :

	31-3-2008	31-3-2009
	Rs.	Rs.
Stock of sports material	2,200	5,800
Creditors for sports material	7,800	9,200
Advance to Suppliers for sports material	15,000	25,000

Payment to suppliers for the sports material during the year was Rs. 1,20,000, there were no cash purchases made.

6

13. (a) X, Y & Z are partners in a firm sharing profits in the ratio of 3:2:1. On April 1st 2009, X retires from the firm, Y and Z agree that the capital of the new firm shall be fixed at Rs. 2,10,000 in the profit sharing ratio. The Capital Accounts of Y and Z after all adjustments on the date of retirement showed balances of Rs. 1,45,000 and Rs. 63,000 respectively. State the amount of actual cash to be brought in or to be paid to the partners.

3

- (b) A, B & C are partners in a firm whose books are closed on March 31st each year. A died on 30th June 2009 and according to the agreement the share of profits of a deceased partner up to the date of the death is to be calculated on the basis of the average profits for the last five years. The net profits for the last 5 years have been: 2005 - Rs. 14,000; 2006 - Rs. 18,000; 2007 - Rs. 16,000, 2008 - Rs. 10,000 (loss) and 2009 - Rs. 16,000. Calculate A's share of the profits upto the date of death and pass necessary journal entry.

3

14. Suresh Ltd., on 1st April 2006. acquired assets of the value of Rs. 6,00,000 and liabilities worth Rs. 70,000 from P & Co, at an agreed value of Rs. 5,50,000. Suresh Ltd. issued 12% Debentures of Rs. 100 each at a premium of 10% in full satisfaction of purchase consideration. The Debentures were redeemable 3 years later at a premium of 5%. Pass entries to record the above including redemption of debentures.

6

15. X Ltd., issued 50,000 shares of Rs. 10 each at a premium of Rs. 2 per share payable as follows:

Rs. 3 on application

Rs. 6 on allotment (including premium)

and Rs. 3 on call.

Applications were received for 75,000 shares and a pro-rata allotment was made as follows:

To the applicants of 40,000 shares, 30,000 shares were issued and for the rest 20,000 shares were issued. All moneys due were received except the allotment and call money from Ram who had applied for 1,200 shares (out of the group of 40,000 shares). All his shares were forfeited. The forfeited shares were re-issued for Rs. 7 per share fully paid up. Pass necessary Journal Entries for the above transactions.

8

OR

Janta Ltd., invited applications for issuing 2,00,000 equity shares of Rs. 10 each at a discount of 10%. The amount was payable as follows:

On Application Rs. 2 per share

On Allotment Rs. 3 per share

On first and final call - balance amount

The issue was undersubscribed to the extent of 20,000 shares. Shares were allotted to all the applicants. All calls were made and were duly received. 'A' to whom 1500 shares were allotted failed to pay allotment and call money and 'B' to whom 1200 shares were allotted paid the full amount due at the time of allotment. The shares on which allotment and call money was not received were forfeited. The forfeited shares were re-issued at Rs. 8 per share fully paid up.

Pass necessary journal entries in 'the books of Janta Ltd., for the above transactions.

16. A, B and C were partners sharing profits in the ratio of 3:1:1. Their Balance-Sheet as on March 31st 2009, the date on which they dissolve their firm, was as follows:

Liabilities	Amount Rs.	Assets	Amount Rs.
Capitals:		Sundry Assets	17,000
A - 27,500		Stock	7,800
B - 10,000		Debtors 24,200	
C - 7,000	44,500	Less Provision for doubtful debts 1,200	23,000
Loan	1,500	Bills Receivables	1,000
Creditors	6,000	Cash	3,200
	52,000		52,000

It was agreed that:

- (a) A to take over Bills Receivables at Rs. 800, debtors amounting to Rs. 20,000 at 17,200 and the creditors of Rs. 6,000 were to be paid by him at this figure.
- (b) B is to take over all stock for Rs. 7,000 and some sundry assets at Rs. 7,200 (being 10% less than the book value)
- (c) C to take over remaining sundry assets at 90% of the book value and assume the responsibility of discharge of loan together with accrued interest of Rs. 300.
- (d) The expenses of realization were Rs. 270.

The remaining debtors were sold to a debt collecting agency at 50% of the Book value. Prepare Realisation A/c, Partners Capital A/cs and Cash A/c.

8

OR

On 31st March, 2009 the Balance Sheet of Ram and Shyam, who were sharing profits .in the ratio of 3:1 was as follows:

Liabilities	Rs.	Assets	Rs.
Creditors	2,800	Cash at Bank	2,000
Employees' provident fund	1,200	Debtors 6,500	
General Reserve	2,000	Less Reserve for	
Capitals:		bad debts 500	6,000
Ram 6,000		Stock	3,000
Shyam 4,000	10,000	Investments	5,000
	16,000		16,000

They decided to admit, Mohan on April 1st 2009 for 1/5th share on the following terms:

- (i) Mohan shall bring Rs. 6,000 as his share of premium.
- (ii) That unaccounted accrued income of Rs. 100 be provided for.
- (iii) The market value of investments was Rs. 4,500.
- (iv) A debtor whose dues of Rs. 500 was written off as bad debts paid Rs. 400 in full settlement.
- (v) Mohan to bring in capital to the extent of 1/5th of the total capital of the new firm.

Prepare Revaluation A/c, Partners Capital A/cs and the Balance Sheet of the new firm.

Part - B

(Financial Statements Analysis)

- 17.** State anyone objective of Financial Statement Analysis. **1**
- 18.** Under which type of activity will you classify 'Issuing 9% Debentures' while preparing Cash Flow Statement? **1**
- 19.** Declaration of Final dividend would result in inflow, outflow or no flow of cash. Give your answer with reason. **1**

20. From the following information provided prepare a comparative income statement for the period 2008 & 2009. 3

	<u>2008</u>	<u>2009</u>
Sales (Rs.)	6,00,000	9,00,000
Gross Profit	40% on sales	50% on sales
Administrative expenses	20% of Gross profit	15% of Gross profit
Income tax	50%	50%

21. (a) A business has a current ratio of 3: 1 and quick ratio of 1.2:1. If the working capital is Rs. 1,80,000/-, calculate the total Current Assets and value of Stock. 2

- (b) From the given information calculate the Stock turnover ratio. Sales Rs. 2,00,000; GP : 25% on cost; Stock at the beginning is 1/3 of the stock at the end which was 30% of sales. 2

22. Assuming that the Debt-Equity ratio is 2. State giving reasons whether this ratio would increase, decrease or remain unchanged in the following cases: (ANY FOUR)

(a) Purchase of fixed asset on a credit of 2 months.

(b) Purchase of fixed asset on a long term deferred payment basis.

(c) Issue of New shares for cash.

(d) Issue of Bonus shares.

(e) Sale of fixed asset at a loss of Rs. 3,000. 4

23. From the following Balance Sheets, prepare a Cash Flow Statement as per AS-3 (revised)

Liabilities	2008 Amount Rs.	2009 Amount Rs.	Assets	2008 Amount Rs.	2009 Amount Rs.
Share capital	12,000	15,000	Furniture	5,000	8,000
P & L Account	5,000	6,000	Stock	6,000	4,000
Creditors	15,000	11,000	Debtors	10,000	8,000
			Cash	11,000	12,000
	32,000	32,000		32,000	32,000

A dividend of Rs. 3,000 was paid during the year 2008-09.

6

Part - C
(Computerised Accounting)

17. What is meant by Computerised Accounting System? 1
18. List any two specific areas of accounting the spread sheet lends support to 1
19. What are master files and index files? 2
20. Briefly explain the types of data processing. 3
21. Classify the types of database at the back end. 3
22. Explain the structure of "Computerised Accounting System". 4
23. Calculate the formula on excel for the following:
- Dearness Allowance
- 44% of basic pay up to Rs. 10,000, Minimum Rs. 2,000
- 35% on above Rs. 10,000, minimum Rs. 4,400.
- House Rent Allowance

Upto basic pay of Rs. 8,000 Rs. 2,000

8001-15000 basic pay Rs. 6,000

Above Rs. 15,000 basic pay Rs. 9,000

City Compensatory Allowance:

10% of pay subject to a minimum of Rs. 1,000

3 + 3 = 6

QUESTION PAPER CODE 67/1

PART A

(Accounting for Not-for-Profit Organisations, Partnership Firm; and Companies)

- | | | |
|----|---|---|
| 1. | Name any two financial statements prepared by a not-for-profit organisation. | 1 |
| 2. | What is meant by Partnership deed? | 1 |
| 3. | Why are 'Reserves and Surplus' distributed at the time of reconstitution of the firm? | 1 |
| 4. | How does the factor 'Efficiency of Management' affect the goodwill of a firm? | 1 |
| 5. | What is meant by 'Capital Reserve' ? | 1 |
| 6. | From the following information calculate the amount of subscriptions outstanding for the year 2008 - 09 : | 3 |

A club has 200 members each paying an annual subscription of Rs. 1,000. The Receipts and Payments account for the year showed a sum of Rs 2,05,000 received as subscriptions.

The following additional information is provided:

	Rs.
Subscriptions outstanding on 31st March 2008	40,000
Subscriptions received in advance on 31st March 2009	30,000
Subscriptions received in advance on 31st March 2008	12,000

7. X Ltd. obtained a loan of Rs. 4,00,000 from IDBI Bank. The company issued 5000, 9% Debentures of Rs. 100 each as a collateral security for the same. Show how these items will be presented in the Balance Sheet of the company. 3
8. DN Ltd. issued 50,000 shares of Rs. 10 each at a discount of 10% payable as Rs. 2 per share on application, Rs. 3 on allotment and Rs. 2 each on first and final call. Applications were received for 70,000 shares. It was decided that
- (a) refuse allotment to the applicants of 10,000 shares,
 - (b) allot 10,000 shares to Mohan who had applied for a similar number, and
 - (c) allot the remaining shares on a pro-rata basis.
- Mohan failed to pay the allotment money and Sohan who belonged to category (c) and was allotted 3,000 shares, paid both the calls with allotment. Calculate the amount received on allotment. 3
9. A, Band C were partners in a firm. Their capitals were A Rs. 30,000, B Rs. 20,000 and C Rs. 10,000 respectively. According to the partnership deed they were entitled to an interest on capital @ 5% p.a. In addition B was also entitled to draw a salary of Rs. 500 per month. C was entitled to a commission of 5% on the profits after charging the interest on capital, but before charging the salary payable to B. The net profits for the year were Rs. 30,000 distributed' in the ratio of their capitals without providing for any of the above adjustments. The profits were to be shared in the ratio of 2 : 1 : 2. Pass the necessary adjustment entry showing the workings clearly. 4
10. A, Band C were partners in a firm sharing profits in the ratio of 6 : 5 : 4. Their capitals were A, Rs. 1,00,000, B, Rs. 80,000 and C, Rs. 60,000 respectively. On 1st April 2009 'C' retired from the firm and the new profit sharing ratio between A and B was decided as 11 : 4. On C's retirement the goodwill of the firm was valued at Rs. 90,000. Showing your calculations clearly, pass necessary journal entry for the treatment of goodwill on C's retirement. 4
11. X Ltd. had Rs. 10,00,000 9% debentures due to be redeemed out of profits on 1st October 2009 at a premium of 5%. The company had a Debenture Redemption Reserve of Rs. 4,14,000. Pass necessary journal entries at the time of redemption. 4

- 12.** From the following information of a not-for-profit organisation, show the 'Sports Material' item in the Income and Expenditure A/c for the year ending on 31st March 2009 and Balance Sheets as on 31st March 2008 and 31st March 2009.

	31.3.2008	31.3.2009
	Rs.	Rs.
Stock of Sports Material	7,200	5,800
Creditors for Sports Material	5,800	9,200
Advance to suppliers for Sports Material	12,000	21,000

Payment to suppliers for the Sports Material during the year was Rs. 1,00,000.
 There were no cash purchases made.

6

- 13.** (a) X, Y and Z are partners in 'a. firm sharing profits in the ratio of 3 : 2 : 1. On April 1st 2009, Y retires from the firm. X and Z agree that the capital of the new firm shall be fixed at Rs. 2,10,000 in the profit sharing ratio. The capital accounts of X and Z after all adjustments on the date of retirement showed balances of Rs. 1,45,000 and Rs. 63,000, respectively. State the amount of actual cash to be brought in or to be paid off to the partners.

3

- (b) A, Band C are partners in a firm whose books are closed- on March 31st each year. B died on 30th June 2009 and according to the agreement, the share of profits of a deceased partner up to the date of the death is to be calculated on the basis of the average profits for the last five years. The net profits for the last 5 years have been: 2005, Rs. 14,000; 2006, Rs. 18,000; 2007, Rs. 16,000; 2008, Rs. 10,000 (loss) and 2009, Rs. 16,000. Calculate B's share of the profits up to the date of death and pass necessary journal entry.

3

- 14.** Devi Ltd. on 1st April 2006 acquired assets of the value of Rs. 6,00,000 and liabilities worth Rs. 70,000 from P & Co., at an agreed value of Rs. 5,50,000. Devi Ltd. issued 12% Debentures of Rs. 100 each at a premium of 10% in full satisfaction of purchase consideration. The debentures were redeemable 3 years later at a premium of 5%. Pass journal entries to record the above including redemption of debentures.

6

15. X Ltd. issued 50,000 shares of Rs. 10 each at a premium of Rs. 2 per share payable as follows:

Rs. 3 on Application

Rs. 6 on Allotment (including premium) and

Rs. 3 on call.

Applications were received for 75,000 shares and pro-rata allotment was made as follows:

To the applicants of 40,000 shares, 30,000 shares were issued and for the rest 20,000 shares were issued. All moneys due were received except the 'allotment and call money from Ram who had applied for 1,200 shares (out of the group of 40,000 shares). All his shares were forfeited. The forfeited shares were re-issued for Rs. 8 per share fully paid-up.

Pass necessary journal entries for the above transactions.

8

OR

Janata Ltd. invited applications for issuing 2,00,000 equity shares of Rs. 10 each at a discount of 10%. The amount was payable as follows:

On Application - Rs. 2 per share

On Allotment - Rs. 3 per share

On First and Final call - balance amount

The issue was undersubscribed to the extent of 20,000 shares. Shares were allotted to all the applicants. All calls were made and were duly received. 'A' to whom 1,500 shares were allotted, failed to pay allotment and call money and 'B' to whom 1,200 shares were allotted paid the full amount due at the time of allotment. The shares on which allotment and call money was not received were forfeited. The forfeited shares were re-issued at Rs. 8 per share fully paid up.

Pass necessary journal entries in the books of Janata Ltd. for the above transactions.

16. A, Band C were partners sharing profits in the ratio of 3 : 1 : 1. Their Balance Sheet as on March '31st 2009, the date on which they dissolve their firm, was as follows:

Liabilities	Amount Rs.	Assets	Amount Rs.
Capitals:		Sundry Assets	17,000
A - 27,500		Stock	7,800
B - 10,000		Debtors 24,200	
C - 7,000	44,500	Less Provision for doubtful debts 1,200	23,000
Loan	1,500	Bills Receivables	1,000
Creditors	6,000	Cash	3,200
	52,000		52,000

It was agreed that:

- (a) A to take over Bills Receivables at Rs. 800, debtors amounting to Rs. 20,000 at 17,200 and the creditors of Rs. 6,000 were to be paid by him at this figure.
- (b) B is to take over all stock for Rs. 7,000 and some sundry assets at Rs. 7,200 (being 10% less than the book value)
- (c) C to take over remaining sundry assets at 90% of the book value and assume the responsibility of discharge of loan together with accrued interest of Rs. 300.
- (d) The expenses of realization were Rs. 270.

The remaining debtors were sold to a debt collecting agency at 50% of the Book value. Prepare Realisation A/c, Partners Capital A/cs and Cash A/c.

8

OR

On 31st March, 2009 the Balance Sheet of Ram and Shyam, who were sharing profits .in the ratio of 3:1 was as follows:

Liabilities	Rs.	Assets	Rs.
Creditors	2,800	Cash at Bank	2,000
Employees' provident fund	1,200	Debtors 6,500	
General Reserve	2,000	Less Reserve for	
Capitals:		bad debts 500	6,000
Ram 6,000		Stock	3,000
Shyam 4,000	10,000	Investments	5,000
	16,000		16,000

They decided to admit, Mohan on April 1st 2009 for 1/5th share on the following terms:

- (i) Mohan shall bring Rs. 6,000 as his share of premium.
- (ii) That unaccounted accrued income of Rs. 100 be provided for.
- (iii) The market value of investments was Rs. 4,500.
- (iv) A debtor whose dues of Rs. 500 was written off as bad debts paid Rs. 400 in full settlement.
- (v) Mohan to bring in capital to the extent of 1/5th of the total capital of the new firm.

Prepare Revaluation A/c, Partners Capital A/cs and the Balance Sheet of the new firm.

Part - B

(Financial Statements Analysis)

- | | | |
|------------|---|----------|
| 17. | State anyone limitation of Financial Statement Analysis. | 1 |
| 18. | Under which type of activity will you classify 'Proceeds from Sale of Buildings' while preparing Cash Flow Statement? | 1 |
| 19. | Redemption of debentures would result in inflow, outflow or no flow of cash? Give your answer with reason. | 1 |

20. From the following information provided prepare a comparative income statement for the period 2008 & 2009. 3

	<u>2008</u>	<u>2009</u>
Sales (Rs.)	6,00,000	8,00,000
Gross Profit	40% on sales	50% on sales
Administrative expenses	20% of Gross profit	15% of Gross profit
Income tax	50%	50%

21. (a) A business has a current ratio of 3: 1 and quick ratio of 1.2:1. If the working capital is Rs. 1,80,000/-, calculate the total Current Assets and value of Stock. 2

- (b) From the given information calculate the Stock turnover ratio. Sales Rs. 2,00,000; GP : 25% on cost; Stock at the beginning is 1/3 of the stock at the end which was 30% of sales. 2

22. Assuming that the Debt-Equity ratio is 2, State giving reasons whether this ratio would increase, decrease or remain unchanged in the following cases:
(Any *four*) 4

- (a) Purchase of fixed asset on a credit of 2 months.
- (b) Purchase of fixed asset on a long term deferred payment basis.
- (c) Issue of new shares for cash.
- (d) Issue of bonus shares.
- (e) Sale of fixed asset at a loss of Rs. 3,000.

23. From the following Balance Sheets, prepare a Cash Flow Statement as per AS-3 (revised)

Liabilities	2008 Amount Rs.	2009 Amount Rs.	Assets	2008 Amount Rs.	2009 Amount Rs.
Share capital	12,000	15,000	Furniture	5,000	8,000
P & L Account	5,000	6,000	Stock	6,000	4,000
Creditors	15,000	11,000	Debtors	10,000	8,000
			Cash	11,000	12,000
	32,000	32,000		32,000	32,000

A dividend of Rs. 3,000 was paid during the year 2008-09.

6

Part - C

(Computerised Accounting)

17. What is meant by Computerised Accounting System? 1
18. List any two specific areas of accounting that the spreadsheet lends support to. 1
19. What are Master files and index files? 2
20. Briefly explain the types of data processing. 3
21. Classify the types of database at the back end. 3
22. Explain the structure of "Computerised Accounting System". 4
23. Calculate the formula on Excel for the following:

Dearness Allowance

44% of basic pay up to Rs. 10,000, Minimum Rs. 2,000

35% on basic pay above Rs. 10,000, minimum Rs. 4,400.

House Rent Allowance

Upto basic pay of Rs. 8,000	:	Rs. 2,000
8001-15000 basic pay	:	Rs. 6,000
Above Rs. 15,000 basic pay	:	Rs. 9,000

City Compensatory Allowance:

10% of pay subject to a minimum of Rs. 1,000

3 + 3 = 6

Marking Scheme — Accountancy

General Instructions

1. The Marking scheme provides general guidelines to reduce subjectivity in the marking. The answers given in the marking scheme are suggested answers. The content is thus indicative. If a student has given any other answer which is different from the one given in the marking scheme but conveys the same meaning, such answers should be given full weightage.
2. Some of the questions may relate to higher order thinking ability. These questions have been indicated to you separately by a star mark and are to be evaluated carefully to judge the students understanding/analytical ability.
3. Evaluation is to be done as per instructions provided in the Marking Scheme. Marking Scheme should be strictly adhered to and religiously followed.
4. 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.
5. 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 circled.
6. If a question does not have any parts, marks must be awarded in the left hand margin.
7. If a student has attempted an extra question, answer of the question deserving more mark should be retained and other answer scored out.
8. No marks to be deducted for the cumulative effect of an error. It should be penalized only once.
9. 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.

10. A full scale of marks 1-80 has to be used. Please do not hesitate to award full marks if the answer deserves it.
11. No marks are to be deducted or awarded for writing / not writing 'TO and BY' while preparing journal and ledger accounts.
12. In theory questions, credit is to be given for the content and not for the format.

QUESTION PAPER CODE 67/1/1

EXPECTED ANSWERS/VALUE POINTS

PART A

	Expected Answers / Value points	Marks Dist.
Q1.	State the basis..... not for profit organization.	
Ans.	Cash Basis	1 mark
Q2.	What is liability of a partner”?	
Ans.	Unlimited liability means the liability of a partner is joint and several	1 mark
OR		
The personal assets of the partner can be utilized for paying firm’s debts.		
Q3.	State the need on the admission of a partner.	
Ans.	To compensate the old partners for their sacrifice.	1 mark
Q4.	What are expenses?	
Ans.	These are the expenses incurred prior to the incorporation of a company.	1 mark
Q5.	How doesgoodwill of a firm?	
Ans.	Location as factor enhances better business & sales.	1 mark
Q6.	From the following additional information is provided.	

	Rs.	Rs.	
Subscription received during the year(2008-09)		2,65,000	
Add received in advance for the year(2008-09)		12,000	1 mark
Less Received for the period (2007-08)	40,000		
Less Received for the year (2009-10)	30,000	70,000	1 mark
Subscription Received for the year	2,07,000		
Outstanding for the year(2008-09)		43,000	1 mark
(Total Subscription Rs. 2,50,000)			= 3 marks

OR

Subscription A/c

	Rs.		Rs.
To o/s subs	40,000	By adv. (big)	12,000
To Income & Expenditure A/c	2,50,000	By cash	2,65,000
To adv.(end)	30,000	By o/s (end)	43,000
Total	3,20,000	Total	3,20,000

Q7. S.S.S. ltd. has can be utilized. (Any 3)

Ans. U/s 78 of the Companies Act 1956 the amount of Securities Premium may be utilized for **(Any 3)**

- (a) Issue fully paid bonus share.
- (b) Write off preliminary expenses.
- (c) Write off the expenses or the commission paid or discount allowed on any issue of share or debentures of the company.
- (d) Provide for the premium payable on the redemption of any redeemable preference shares or of any debentures of the company.
- (e) For Buy Back of Shares (purchase of its own shares). **1x3 = 3 marks**

8. DN ltd. has received on allotment. 3 marks

Ans.	Application Received	70,000 shares	Allotted
	Rejected	10,000 shares	
	Mohan	20,000 (Applied)	20,000 (Allotted)
	Others	40,000 (Applied)	30,000 (4:3) (Allotted)

			Rs.	
	Allotment Money due	(50,000 x 3)	1,50,000	½ mark
	Less recd. In advance (pro rata issue)	(10,000 x 2)	20,000	1 mark
	Less Calls in arrears (Mohan)	(20,000 x 3)	60, 000	½ mark
	Add Calls in advance	(3,000 x4)	12,000	½ mark
	Money received on Allotment		82,000	½ mark

Note :- In case the candidate has arrived at the correct answer through a different presentation full credit may be given.

Q9. A, B & C were workings clearly.

Ans.	Due to partners	A	B	C	
		Rs.	Rs.	Rs.	
	Interest on capital	1,500	1,000	500	½ mark
	Salary @ 500 per month		6,000		½ mark
	Commission			1,350	½ mark
	Share of profits	7,860	7,860	3,930	1 mark
	Total	9,360	14,860	5,780	
	Actually Distributed	15,000	10,000	5,000	½ mark
	Adjustment	(5,640) Dr	4,860 Cr	780 Cr	

Adjustment Entry		Rs.	Rs.	
A' s Capital / Current Account	Dr	5,640		
	To B's Capital / Current Account		4,860	
	To C's Capital / Current Account		780	1 mark
(being Adjustment entry passed)				4 marks

Alternative Answer

	Rs.	Rs.	
A's Capital A/c Dr.	5820		
To B's Capital A/c		4930	1 Mark
To C's Capital A/c		890	
(being adjustment entry passed)			

Working Note:-

	Cr Int on Cap.	Cr. Sal.	Cr. Comm.	Dr. Profit	2:2:1 Cr Profit	Dr.	Cr.
	Rs.			Rs.	Rs.	Rs.	
A	750			15,000	8,430	5,820	
B	500	6,000		10,000	8,430		4,930
C	250		1,425	5,000	4,215		890

3 marks

	A	B	C
	Rs.	Rs.	Rs.
Closing Capital	30,000	20,000	10,000
Less Profits (3:2:1)	15,000	10,000	5,000
Opening Capital	15,000	10,000	5,000

(NOTE: Working in any form should be given full weightage)

Q10. A, B & C were partners good will on B's retirement. 1 mark

Ans. Gaining Ratio = New Ratio – old Ratio

$$A = \frac{11}{15} - \frac{6}{15} = \frac{5}{15} \text{ (Gain)}$$

$$C = \frac{4}{15} - \frac{5}{15} = \frac{1}{15} \text{ (Sacrifice)}$$

1 mark

A's share of Goodwill = $180000 \times \frac{5}{15} = 60000$

B's share of Goodwill = $180000 \times \frac{4}{15} = 48000$

C's share of Goodwill = $180000 \times \frac{1}{15} = 12000$

A's Capital A/c Dr	60,000		2 marks
To B's Capital A/c		48,000	
To C's Capital A/c		12,000	1+1+2 =
(Treatment of Good will on B's retirement)			4 marks

Q11. X ltd. had Rs. 8,00,000 time of redemption.

Ans.		Rs.	Rs.	
	P & L Appropriation Account Dr	3,86,000		
	To Debenture Redemption Reserve A/c		3,86,000	1 mark
	(Being the required amount transferred to DRR)			
	9 % Debentures Account Dr	8,00,000		
	Premium on Redemption of Debenture A/c Dr	40,000		
	To Debenture holders A/c		8,40,000	1 mark
	(Being the required amount due to debenture holder on redemption)			
	Debenture Holders A/c Dr	8,40,000		
	To Bank A/c		8,40,000	1 mark
	(Being the required amount paid to debenture holder)			
	Debenture Redemption Reserve A/c Dr	8,00,000		1 mark
	To General Reserve A/c		8,00,000	
	[Being Debenture Redemption Reserve transferred to General Reserve]			
				4 marks

Q12. From the following information were no cash purchases made.

Ans. Income & Expenditure A/c for the year ending on 31st March 2009

	Rs.		Rs.
To sports Material	1,07,800		

2 marks for working & 1 mark for correct amount

Working:- Creditors for sports Material A/c

	Rs.		Rs.
Advance to supp.	15,000	By Balance b/d	7800
To Bank	1,20,000	By Advance	25000
To balance c/d	9,200	By purchases	111400
Total	144200	Total	144200

	Rs.
Opening stock	2200
Add: Purchases	<u>111400</u>
	1,13,600
Less: Cl. Stock	<u>5800</u>
Consumption of sports Material	<u>1,07,800</u>

(NOTE:- Working may be given in any form, full weightage should be allotted. 6 marks

Balance Sheet as on 31st March 2008

Liabilities	Amount	Assets	Amount
	Rs.		Rs.
Creditors for sports material	7800	Stock of material	2200
		Advance to supp	15000

1 ½ mark

Balance Sheet as on 31st March 2009

Liabilities	Amount	Assets	Amount
	Rs.		Rs.
Creditors for sports material	9200	Stock of material	5800
		Advance to supp	25000

1 ½ mark

Q13 (a). X, Y and Z are partners or to be paid to the partners.

Ans. Total Capital in the ratio of 2:1 2,10,000

Share of Y	1,40,000	
Share of Z	70,000	
Y to withdraw (1,45,000 – 1,40,000)		5,000
Z to bring in (70,000-63,000)		7,000

½ mark

½ mark

1 mark

1 mark

3 marks

Alternative Answer:

	Y	Z	
	Rs.	Rs.	
Capital of the new firm	1,40,000	70,000	½ + ½ mark
Actual Capital's	1,45,000	63,000	
Cash paid /Brought in	5,000(Paid)	7,000(brought in)	1+ 1 mark

Q13 (b). A, B and C are partners death and pass necessary journal entry.

Ans. Average profits $14,000+18,000+16,000-10,000+16,000 = 54,000/5 = 10,800$ 1 mark

(deceased) partner's share $(10800 \times 3/12 \times 1/3)$ =Rs. 900 1 mark

	Rs.	Rs.	
P & L suspense Account Dr	900		
To A's Capital's Account		900	1 mark
(Being distribution of profit to the deceased partner)			

= 3 marks

Q14. Suresh Ltd. On 1st April 2006.....including redemption of debentures.

	Rs.	Rs.	
Assets A/c Dr	6,00,000		
Goodwill A/c Dr	20,000		
To Liabilities A/c		70,000	2 marks
To P & Company's A/c		5,50,000	
(Being the purchase of assets & liabilities of P& Co.)			
P & Co. A/c Dr	5,50,000		
Loss on issue of Debentures A/c Dr	25,000		
To 12 % Debentures A/c		5,00,000	2 marks
To Securities Premium A/c		50,000	
To Premium on redemption of Debentures A/c		25,000	
(Being debentures issued)			

	Rs.	Rs.	
P/L Appropriation A/c Dr To Debenture Redemption Reserve A/C (Being debentures redemption reserve created out of profits)	2,50,000	2,50,000	½ mark
12 % debentures A/c Dr Premium on Redemption A/c Dr To P & Co. / Debenture Holders A/c (Being issue of debentures @ 12% premium due)	5,00,000 25,000	5,25,000	½ mark
P & Co. / Debenture Holders A/c Dr To Bank A/c (Being debentures holders paid)	5,25,000	5,25,000	½ mark
Debenture Redemption Reseve A/c Dr. To General Reserve A/c (Being debentures Redemption Reserve transferred to general reserve)	2,50,000	2,50,000	½ mark

Note : If an examinee had created DRR more than 50% full credit is to be given. [This DRR may be created in three instalments over a period of three year also] Due consideration is to be given if split entry had been passed by an examinee for 2nd entry

6 Marks

Q15. X Ltd. issued 50,000 shares.....for the above transactions.

Ans.		Rs.	Rs.	
	Bank Account Dr	2,25,000		
	To Share Application Account (Being application money received)		2,25,000	½ mark
	Share Application Account Dr	2,25,000		

	Rs.	Rs.	
To Share Capital A/c		1,50,000	
To Share Allotment A/c		75,000	1 mark
(Being application money transferred to share capital & excess money adjusted to allotment)			
Share Allotment Account	Dr	3,00,000	
To Share Capital A/c		2,00,000	
To Securities Premium A/c		1,00,000	1 mark
(Being allotment money due)			
Bank Account	Dr	2,20,500	
To Share Allotment A/c		2,20,500	1 mark
OR			
Bank A/c Dr		2,20,500	
Call in Arrears A/c Dr		4,500	
To share allotment A/c		2,25,000	
(Allotment money received)			
Share 1st & Final Call A/c	Dr	1,50,000	
To Share Capital A/c		1,50,000	½ mark
(1st Call due)			
Bank A/c	Dr	1,47,300	
To Share 1st & Final Call A/c		1,47,300	1 mark
OR			
Bank A/c Dr		1,47,300	
Call in Arrears A/c Dr		2,700	
To Share Capital A/c		1,50,000	
(1st call money received)			

		Rs.	Rs.	
Share Capital A/c	Dr	9,000		1 mark
Securities Premium A/c Dr		1,800		
To Forfeited Shares A/c			3,600	
To Allotment A/c			4,500	
To First & Final Call A/c			2,700	
OR				
Share Capital A/c	Dr	9,000		1 mark
Securities Premium A/c	Dr	18,00		
To Forfeited Shares A/c			3,600	
To Calls in arrears A/c			7,200	
(Shares forfeited)				
Bank A/c	Dr	6,300		1 mark
Forfeited Shares A/c	Dr	2,700		
To share capital A/c			9,000	
(Shares reissued)				
Forfeited Shares A/c	Dr	900		1 mark
To Capital Reserve A/c			900	
(Balance of forfeited shares A/c transferred to Capital Reserve A/c)				8 marks

OR

Q15 Janta Ltd.....transactions.

Ans.		Rs.	Rs.	
	Bank A/c	Dr	3,60,000	½ mark
	To share application A/c		3,60,000	
	(Being received application money)			

		Rs.	Rs.	
Share application A/c	Dr	3,60,000		½ mark
To share capital A/c			3,60,000	
(Application money transferred to share capital A/c)				
Share allotment A/c	Dr	5,40,000		1 mark
Discount on issue of shares A/c	Dr	1,80,000		
To share capital A/c			7,20,000	
(Allotment money due & discount allowed)				
Bank A/c	Dr	5,40,300		1 mark
Calls in arrears A/c	Dr	4,500		
To share allotment A/c			5,40,000	
To calls in advance A/c			4,800	
OR				
Bank A/c		5,40,300		1 mark
To Share Allotment A/c			5,35,500	
To Calls in advance A/c			4,800	
(Allotment money received with calls in advance)				
Share 1st & Final call A/c	Dr	7,20,000		1 mark
To share capital A/c			7,20,000	
(Share first call amount due)				
Bank A/c	Dr	7,09,200		1 mark
Calls in Advance A/c	Dr	4,800		
Calls in Arrears A/c	Dr.	6,000		
To share First and Final call A/c			7,20,000	
OR				

		Rs.	Rs.	
Bank A/c	Dr	7,09,200		
Calls in advance A/c	Dr	4800		
To Share first & Final call A/c			7,14,000	
(First & Final call amount received)				
Share Capital A/c	Dr	15,000		1 mark
To Forfeited Share A/c			3000	
To Share Allotment A/c			4500	
To Share 1st & Final call A/c			6000	
To discount on issue of shares A/c			1500	
OR				
Share Capital A/c	Dr	15,000		
To Forfeited shares A/c			3,000	
To Calls in arrears A/c			10,500	
To Discount on issue of Shares A/c			1,500	
(Being shares forfeited)				
Bank A/c	Dr	12000		
Discount on issue of shares A/c	Dr	1500		1 mark
Forfeited share A/c	Dr	1500		
To share capital A/c			15000	
(Forfeited shares reissued)				
Forfeited shares A/c	Dr.	1500		1 mark
To Capital Reserve A/c			1500	
(Being gain on re issue transfer to Capital Reserve)				8 marks

Q 16. A, B and C Partners capital A/c s and cash a/c.

Ans.

Realisation Account

	Rs.		Rs.
To Sundry Assets A/c	17,000	By Provision for bad debts A/c	1,200
To Debtors A/c	24,200	By Creditors A/c	6,000
To Stock in Trade A/c	7,800	By loan A/c	1,500
To B/R A/c	1,000	By A's Capital A/c	
To A's Capital A/c (Creditors)	6,000	(B/R 800)	
To C's Capital A/c		(Debtors 17200)	18,000
(Loan 1,500)		By B's Capital A/c	
(Acc. Int. 300)	1,800	(Stock in Trade 7000)	
To Cash A/c (Realisation Expenses)	270	(Sundry Assets 7200)	14,200
		By C's Capital A/c	
		Sundry Assets	8,100
		By Cash A/c (Debtors)	2,100
		By Capital A/c(Loss Trf)	
		A 4,182	
		B 1,394	
		C 1,394	6,970
	58,070		58,070

4 marks

4+3+1 =

8 marks

Partner's Capital Accounts

Particulars	A	B	C	Particulars	A	B	C
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
To Realisa- tion A/c	18,000	14,200	8,100	By Balance b/d	27,500	10,000	7,000
To realisa- tion A/c (loss)	4,182	1,394	1,394	By Realisa- tion A/c	6,000		1,800
To cash A/c	11,318			By Cash A/c		5,594	694
	33,500	15,594	9,494		33,500	15,594	9,494

3 marks

Cash Account

	Rs.		Rs.
To balance b/d	3,200	By realization A/c	270
To realisation A/c	2100	By A's Capital A/c	11318
To B's Capital A/c	5594		
To C's Capital A/c	694		
	11,588		11,588

1 mark

OR

Q 16. 31st Mar 2009 the balance sheetof the new firm.

Ans.

Revaluation Account

	Rs.		Rs.
To investments	500	By Accrued Interest	100
		By Cash A/c / Bad Debts Recovered A/c	400
	500		500

1 ½ mark

Partner's Capital Accounts

	Ram	Shyam	Mohan		Ram	Shyam	Mohan
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
To balance c/d	12,000	6,000	4,500	By Balance b/d	6,000	4,000	
				By Reserves	1,500	500	
				By Premium	4,500	1,500	
				By cash			4,500
	12,000	6,000	4,500		12,000	6,000	4,500

3 marks

Balance Sheet as on 1st Apr, 2009

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Creditors	2,800	Cash	12,900
Employees Provident Fund	1,200	Accrued Income	100
Capital Ram	12,000	Debtors (6500-500)	6,000
Shyam	6,000	Stock	3,000
Mohan	4,500	Investments	4,500
	26,500		26,500

3 ½ marks

1½+3+3½

= 8 marks

Part 'B'

Expected Answers / Value points

Marks Dist.

Q17 State any one analysis.

Ans. Any one objective of FSA.

- a) To know profitability.
- b) To know solvency.
- c) To know operating efficiency.
- d) To know liquidity.

1 mark

Q18 Under which Cash flow statement.

Ans. Financing Activity.

1 mark

Q19 Declaration of answer with reason.

Ans. No flow of cash as dividend is declared only, not yet paid .

1 mark

Q20 From the following 2008 & 2009.

	2008	2009	Abs Cha	%
	Rs.	Rs.	Rs.	
Sales	6,00,000	9,00,000	3,00,000	50
Cost of goods sold	3,60,000	4,50,000	90,000	25
Gross Profit	2,40,000	4,50,000	2,10,000	87.5
Less Adm Exp	48,000	67,500	19,500	40.6
Net Profit before Tax	1,92,000	3,82,500	190,500	99.2
Less Income Tax	96,000	1,91,250	95,250	99.2
Net profit after tax	96,000	1,91,250	95,250	99.2

$\frac{1}{2} \times 6 =$

3 marks

Q21 (a) A business has value of stock.

Ans. CR 3:1 QR 1.2:1 Stock = CA-QA WC = Rs.1,80,000 CA= Rs.2,70,000 CL = Rs. 90, 000

Quick Assets = $90,000 \times 1.2 = \text{Rs. } 1,08,000$

Stock = CA-QA = $\text{Rs. } 2,70,000 - \text{Rs. } 1,08,000 = \text{Rs. } 1,62,000$ OR

Stock $90,000 \times 1.8 = \text{Rs. } 1,62,000$

Note :- Current assets = $\frac{1}{2}$ mark, value of stock = $\frac{1}{2}$ mark, formula = $\frac{1}{2}$ mark,
current liabilities = $\frac{1}{2}$ mark = 2 marks

Q21 (b) From the given30% of sales.

Ans. Sales $\text{Rs. } 2,00,000$ GP @ 25% on cost = $\text{Rs. } 40,000$ CGS = $\text{Rs. } 1,60,000$
CL stock 30% of Sales = $\text{Rs. } 60,000$ OP stock $\frac{1}{3}$ of C.St. = $\text{Rs. } 20,000$ AV 1+1
Stock = $\text{Rs. } 40,000$ STR = $\text{Rs. } 1,60,000 / \text{Rs. } 40,000 = 4$ times =2marks

Note :- Formula $\frac{1}{2}$ mark, STR = $\frac{1}{2}$ mark, COGS = $\frac{1}{2}$ mark, average stock = $\frac{1}{2}$ mark

Q22 Assuming that the Debt - Equitycases. (Any four)

Effect	Reason	
a) No Change	Neither the equity nor the debts are affected.	
b) Increase	As the Debts are increasing.	
c) Decrease	As Share holders fund will increase.	
d) No Change	As both remain un effected.	$\frac{1}{2} \times 8 = 4$
e) Increase	As Equity will be decreased.	marks

Note:- $\frac{1}{2}$ mark for the answer and $\frac{1}{2}$ mark for the reason.

Q23 From the following as per AS-3 (revised).

Ans. Calculation of Profit before interest & Tax

Profit earned : $\text{Rs. } 1,000$

Add : Dividend: $\text{Rs. } 3,000$

$4,000$

Particulars	Amount (Rs.)	Amount (Rs.)
(A) Cash Flow from OP Activities		
Net Profit before Interest & tax	4,000	
Add: Decrease in stock	2000	
Add: Decrease in Debtors	2,000	
Less: Decrease in Creditors	(4,000)	
Net Cash flow from operating activities after working capital changes but before tax	4,000	
Less: Tax Paid		
Net Cash flow from operating activities after tax		4,000
(B) Cash flow from Investing Activity		
Purchase of Furniture	(3,000)	
Cash used in investing activities		(3,000)
(C) Cash flow from Financing activity		
Issue of Share Capital	3,000	
Dividend Paid	(3,000)	
Net cash generated from financing activities		NILL
Net increase in cash / cash equivalent (A+B+C)		1,000
Opening balance of Cash & cash equivalents		11,000
Closing Balance of Cash & cash equivalents		12,000

$\frac{1}{2} \times 12 = 6$

marks

PART C

COMPUTERISED ACCOUNTING

Q17. What is meant by computerized accounting system?

Ans. CAS refers to a system that consists of human and computer resources for recording, processing and reporting the accounting events of an organization.

1 mark

Q18. List any two specific areas of accounting the spreadsheet lends support to.

Ans. It lends support to payroll accounting, Depreciation Schedules and Loan repayment details. 1 mark

Q19. What are master files and index files? 2 mark

Ans. Master Files contain information to books of original entry such as suppliers, customers etc and index files are used for references.

Q20. Briefly explain the types of Data Processing.

Ans. The types of data processing are 3 marks

- (a) Batch Processing: A technique used for regular processing of large amounts of data.
- (b) Online Processing : Creates a delay between the occurrence of the transaction and the actual processing.

Q21. Classify the types of database at the backend. 3 marks

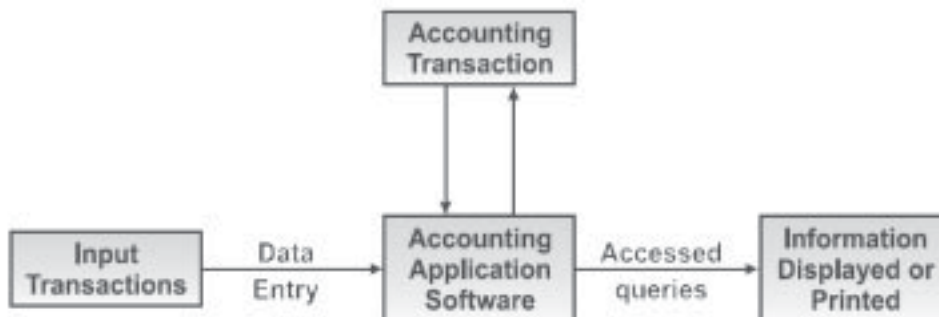
Ans. Types of data at the backend are :

- (a) Standalone
- (b) Server based client server or file sharing system
- (c) Partitioned or non partitioned distributed systems

Q22. Explain the structure of computerized accounting system?

Ans. The structure involves Accounting Framework, Operating Framework, and Front End interface, Back end interface, processing and reporting.

Basic flow of Accounting Transaction



4 marks

Q23. Calculate the formula on excel for the following :

Ans. Dearness Allowance

= if (A2<10000, MAX (44 * A2,2000), MAX (35 * A2, 4400))

House Rent Allowance

6 marks

= if (A2 <=8,000, 2,000, if (A2<=15,000, 6,000, 9,000))

OR

if (A2>15000,9000,if (A2>8,000, 6,000, 2,000)) City Compensatory Allowance

= min (10 * A2,1000)

Note:- Here A2 is cell reference which can differ, if any other narration is used full credit should be given. 3 * 2 = 6 marks

QUESTION PAPER CODE 67/1

EXPECTED ANSWERS/VALUE POINTS

PART A

	Expected Answers / Value points	Marks Dist.
Q1.	Name any..... organization. (Any Two)	
Ans.	Receipts & Payment A/c, Income & Expenditure A/c & Balance Sheet.	1 mark
Q2.	What is Partnership deed”?	
Ans.	An agreement in writing among partners.	1 mark
Q3.	Why areof the firm?	
Ans.	These belong to old Partners, so it should be distributed among them.	1 mark
Q4.	How does of a firm?	
Ans.	If the manager is capable and competent, the firm will earn high profits which will increase the value of goodwill.	1 mark
Q5.	What isReserve?	
Ans.	Capital Reserve is an accumulated Capital Profit..	1 mark

Q6. From the following additional information is provided.

Ans.

	Rs.	Rs.
Subscription received during the year (2008-09)		2,05,000
Add received in advance for the year(2008-09)		12,000
Less Received for the period (2007-08)	40,000	
Less Received for the year (2009-10)	30,000	70,000
Subscription Received for the year		1,47,000
Outstanding for the year (2008-09)		53,000

1 mark

1 mark

1 mark

(Total Subscription Rs. 2,00,000)

3 marks

OR

Subscription A/c

	Rs.		Rs.
To o/s subs	40,000	By adv. (big)	12,000
To Income & Expenditure A/c	2,00,000	By cash	2,05,000
To adv.(end)	30,000	By o/s (end)	53,000
Total	2,70,000	Total	2,70,000

Q7. X ltd. obtained sheet of the company 1x3 = 3 marks

Ans.

Balance Sheet of X ltd.

	Rs.		Rs.
Secured Loan:		Debenture Suspense A/c	5,00,000
Bank Loan	4,00,000		
9 % Debentures(issued as collateral security)	5,00,000		

1 mark for Bank loan+2 marks for collateral security = 3 marks

OR

Balance Sheet of X ltd.

	Rs.		
Secured Loan:			
Bank Loan	4,00,000		
(5000, 9 % Debentures of Rs.100 each issued as collateral security)			

8. DN Ltd. has received on allotment. 3 marks

Ans.	Applications Received	70,000 shares	Allotted	
	Rejected	10,000 shares	-	
	Mohan	10,000 (Applied)	10,000 (Allotted)	
	Others	50,000 (Applied)	40,000 (5:4) (Allotted)	
				Rs.
	Allotment Money due	(50,000 x 3)	1,50,000	½ mark
	Less recd. In advance (pro rata issue)	(10,000 x 2)	20,000	1 mark
	Less Calls in arrears (Mohan)	(10,000 x 3)	30,000	½ mark
	Add Calls in advance	(3,000 x 4)	12,000	½ mark
	Money received on allotment		1,12,000	½ mark

Note :- In case the candidate has arrived at the correct answer through a different presentation full credit may be given.

Q9. A, B & C were workings clearly.

Due to partners	A	B	C	
	Rs.	Rs.	Rs.	
Interest on capital	1,500	1,000	500	½ mark
Salary @ 500 per month		6,000		½ mark
Commission			1,350	½ mark
Share of profits	7,860	3,930	7,860	1 mark
Total	9,360	10,930	9,710	
Actually Distributed	15,000	10,000	5,000	½ mark
Adjustment	(5,640) Dr	930 Cr	4,710 Cr	

Adjustment Entry		Rs.	Rs.	
A' s Capital / Current Account	Dr	5,640		
	To B's Capital / Current Account		930	
	To C's Capital / Current Account		4,710	1 mark
(being Adjustment entry passed)				4 marks

Alternative Answer

	Rs.	Rs.	
A's Capital A/c Dr.	5820		
To B's Capital A/c		715	1 Mark
To C's Capital A/c		5,105	

(being adjustment entry passed)

Working Note:-

	Cr Int on Cap.	Cr. Sal.	Cr. Comm.	Dr. Profit	2:2:1 Cr Profit	Dr.	Cr.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
A	750			15,000	8,430	5,820	
B	500	6,000		10,000	4,215		715
C	250		1,425	5,000	8,430		5,105

3 marks

	A	B	C
	Rs.	Rs.	Rs.
Closing Capital	30,000	20,000	10,000
Less Profits (3:2:1)	15,000	10,000	5,000
Opening Capital	15,000	10,000	5,000

(NOTE: Working in any form should be given full weightage)

Q10. A, B & C were partners good will on B's retirement.

Ans. Gaining Ratio = New Ratio – old Ratio

$$A = \frac{11}{15} - \frac{6}{15} = \frac{5}{15} \text{ (Gain)}$$

$$B = \frac{4}{15} - \frac{5}{15} = \frac{1}{15} \text{ (Sacrifice)}$$

1 mark

A's share of Goodwill = $90000 \times \frac{5}{15} = 30,000$

B's share of Goodwill = $90000 \times \frac{1}{15} = 6,000$

C's share of Goodwill = $90000 \times \frac{4}{15} = 24,000$

1 mark

	Rs.	Rs.	
A's Capital A/c Dr	30,000		2 marks
To B's Capital A/c		6,000	
To C's Capital A/c		24,000	1+1+2 =
(Treatment of Good will on B's retirement)			4 marks

Q11. X ltd. had Rs. 8,00,000 time of redemption.

Ans.		Rs.	Rs.	
	P & L Appropriation Account Dr	5,86,000		
	To Debenture Redemption Reserve A/c		5,86,000	1 mark
	(Being the required amount transferred to DRR)			
	9 % Debentures Account Dr	10,00,000		
	Premium on Redemption of Debenture A/c Dr	50,000		
	To Debenture holders A/c		10,50,000	1 mark
	(Being the required amount due to debenture holder on redemption)			
	Debenture Holders A/c Dr	10,50,000		
	To Bank A/c		10,50,000	1 mark
	(Being the required amount paid to debenture holder)			
	Debenture Redemption Reserve A/c Dr	10,00,000		1 mark
	To General Reserve A/c		10,00,000	
	[Being Debenture Redemption Reserve transferred to General Reserve]			
				4 marks

Q12 From the following information were no cash purchases made.

Ans. Income & Expenditure A/c for the year ending on 31st March 2009

	Rs.		Rs.
To sports Material	1,07,800		

2 marks for working & 1 mark for correct amount

Working:- Creditors for sports Material A/c

	Rs.		Rs.
Advance to supp.	12,000	By Balance b/d	5,800
To Bank	1,00,000	By Advance	21,000
To balance c/d	9,200	By purchases	94,400
Total	1,21,200	Total	1,21,200

Opening stock	7,200
Add: Purchases	<u>94,400</u>
	1,01,600
Less: Cl. Stock	<u>5,800</u>
Consumption of sports Material	<u>95,800</u>

(NOTE:- Working may be given in any form, full weightage should be allotted. 6 marks

Balance Sheet as on 31st March 2008

Liabilities	Amount	Assets	Amount
	Rs.		Rs.
Creditors for sports material	5,800	Stock of material	7,200
		Advance to supp	12,000

1 ½ mark

Balance Sheet as on 31st March 2009

Liabilities	Amount	Assets	Amount
	Rs.		Rs.
Creditors for sports material	9,200	Stock of material	5,800
		Advance to supp	21,000

1 ½ mark

Q13 (a). X, Y and Z are partners or to be paid to the partners.

	Rs.	Rs.
Ans. Total Capital in the ratio of 3:1		2,10,000
Share of Y	1,57,500	
Share of Z	52,500	
Y to withdraw (1,57,500 – 1,45,000)		12,500
Z to bring in (63,000-52,500)		10,500

½ mark

½ mark

1 mark

1 mark

3 marks

Alternative Answer:

	Y	Z	
	Rs.	Rs.	
Capital of the new firm	1,57,500	52,500	½ + ½ mark
Actual Capital's	1,45,000	63,000	
Cash paid /Brought in	12,500(brought in)	10,500(Paid)	1+ 1 mark

Q13 (b). A, B and C are partners death and pass necessary journal entry.

Ans. Average profits $14,000+18,000+16,000-10,000+16,000 = 54,000/5 = 10,800$ 1 mark

Decreased partner's share $(10800 \times 3/12 \times 1/3) = \text{Rs. } 900$ 1 mark

	Rs.	Rs.	
P & L suspense account Dr	900		
To A's Capital's account		900	1 mark
(Being distribution of profit to the deceased partner)			

= 3 marks

Q14. Suresh Ltd. On 1st April 2006.....including redemption of debentures.

	Rs.	Rs.	
Assets A/c Dr	6,00,000		
Goodwill A/c Dr	20,000		
To Liabilities A/c		70,000	2 marks
To P & Company. A/c		5,50,000	
(Being the purchase of assets & liabilities of P& Co.)			
P & Co. A/c Dr	5,50,000		
Loss on issue of Debentures A/c Dr	25,000		
To 12 % Debentures A/c		5,00,000	2 marks
To Securities Premium A/c		50,000	
To Premium on redemption of Debentures A/c		25,000	

		Rs.	Rs.	
To Share Capital			1,50,000	
To Share Allotment			75,000	1 mark
(Being application money transferred to share capital & excess money adjusted to allotment)				
Share Allotment Account	Dr	3,00,000		
To Share Capital			2,00,000	
To Securities Premium			1,00,000	1 mark
(Being allotment money due)				
Bank Account	Dr	2,20,500		
To Share Allotment			2,20,500	1 mark
OR				
Bank A/c Dr		2,20,500		
Call in Arrears Dr		4,500		
To share allotment			2,25,000	
(Being Allotment money received)				
Share 1st & Final Call A/c	Dr	1,50,000		
To Share Capital A/c			1,50,000	½ mark
(Being 1st & final Call money due)				
Bank A/c	Dr	1,47,300		
To Share 1st & Final Call A/c			1,47,300	1 mark
OR				
Bank A/c	Dr	1,47,300		
Call in Arrears	Dr	2,700		
To Share 1st & Final call A/c			1,50,000	
(Being 1st & final Call money received)				

		Rs.	Rs.	
Share Capital A/c	Dr	9,000		1 mark
Securities Premium A/c	Dr	1,800		
To forfeited Share A/c			3,600	
To Share Allotment A/c			4,500	
To Share First & Final Call			2,700	
OR				
Share Capital A/c	Dr	9,000		
Securities Premium A/c	Dr	1,800		
To Forfeiture Share A/c			3,600	
To Calls in arrears A/c			7,200	
(Being Shares forfeited)				
Bank A/c	Dr	7,200		1 mark
Forfeiture Share A/c	Dr	1,800		
To share capital A/c			9,000	
(Being Shares reissued)				
Forfeited Share A/c	Dr	1,800		1 mark
To Capital Reserve			1,800	
(Being Profit on share Forfeiture P/F to Capital Reserve A/c)				
(Balance of forfeited transferred to Capital Reserve)				

8 marks

OR

Q15 Janta Ltd.....transactions.

Ans.		Rs.	Rs.	
	Bank A/c	Dr	3,60,000	½ mark
	To share application		3,60,000	
	(Being application money received)			

		Rs.	Rs.	
Share application A/c	Dr	3,60,000		½ mark
To share capital			3,60,000	
(Application money transferred to share capital A/c)				
Share allotment A/c	Dr	5,40,000		1 mark
Discount on issue of shares A/c	Dr	1,80,000		
To share capital A/c			7,20,000	
(Being Allotment money due)				
Bank A/c	Dr	5,40,300		1 mark
Calls in arrears A/c	Dr	4,500		
To share allotment A/c			5,40,000	
To calls in advance A/c			4,800	
OR				
Bank A/c		5,40,300		1 mark
To Share Allotment A/c			5,35,500	
To Calls in advance A/c			4,800	
(Being Allotment money received with calls in advance)				
Share 1st & Final call A/c	Dr	7,20,000		1 mark
To share capital			7,20,000	
(Share Share first and Final call amount due)				
Bank A/c	Dr	7,09,200		1 mark
Calls in Advance A/c	Dr	4,800		
Calls in Arrears A/c	Dr.	6,000		
To share First and Final Call A/c			7,20,000	
OR				

		Rs.	Rs.	
Bank A/c	Dr	7,09,200		
Calls in advance A/c	Dr	4800		
To Share first & Final Call A/c			7,14,000	
(Being First call amount received)				
Share Capital A/c	Dr	15,000		1 mark
To Forfeiture Share A/c			3,000	
To Share Allotment A/c			4,500	
To Share 1st & Final call A/c			6,000	
To discount on issue of shares A/c			1,500	
OR				
Share Capital A/c		15,000		
To Forfeiture Share A/c			3,000	
To Calls in arrears A/c			10,500	
To Discount on issue of Shares A/c			1,500	
(Being shares forfeiture)				
Bank A/c	Dr	12,000		
Discount on issue of shares A/c	Dr	1,500		1 mark
Forfeiture Share A/c	Dr	1,500		
To share capital A/c			15,000	
(Being Forfeiture shares reissued)				
Forfeiture Share A/c	Dr.	1,500		1 mark
To Capital Reserve A/c			1,500	
(Being gain on re issue transfer to Capital Reserve)				
				8 marks

Q 16. A, B and C Partners capital A/c s and cash a/c.

Ans.

Realisation Account

	Rs.		Rs.
To Sundry Assets A/c	17,000	By Provision for bad debts A/c	1,200
To Debtors A/c	24,200	By Creditors A/c	6,000
To Stock in Trade A/c	7,800	By loan A/c	1,500
To B/R A/c	1,000	By A's Capital A/c;	
To A's Capital A/c (Creditors)	6,000	(B/R 800)	
To C's Capital A/c		(Debtors 17,200)	18,000
(Loan 1,500)		By B's Capital A/c:	
(Acc. Int. 300)	1,800	(Stock in Trade 7,000)	
To Cash A/c (Realisation Expenses)	270	(Sundry Assets 7,200)	14,200
		By C's Capital A/c:	
		(Sundry Assets)	8,100
		By Cash A/c (Debtors)	2,100
		By Capital A/c(Loss Trf)	
		A 4182	
		B 1394	
		C 1394	6,970
	58,070		58,070

4 marks

4+3+1 =

8 marks

Partner's Capital Account

	A	B	C		A	B	C
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
To Realisa- tion A/c	18,000	14,200	8,100	By Balance b/d	27,500	10,000	7,000
To Realisation (loss) A/c	4,182	1,394	1,394	By Realisa- tion A/c	6,000	-	1,800
To cash A/c	11,318	-	-	By Cash A/c	-	5,594	694
	33,500	15,594	9,494		33,500	15,594	9,494

3 marks

Cash Account

	Rs.		Rs.
To balance b/d	3,200	By Realization A/c	270
To Realisation A/c	2,100	By A's Capital A/c	11,318
To B's Capital A/c	5,594		
To C's Capital A/c	694		
	11,588		11,588

1 mark

OR

Q 16. 31st Mar 2009 the balance sheetof the new firm.

Ans.

Revaluation Account

To investments A/c	500	By Accrued Interest A/c	100
		By Cash A/c / Bad Debts Recovered A/c	400
	500		500

1 ½ mark

Partner's Capital Accounts

	Ram	Shyam	Mohan		Ram	Shyam	Mohan
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
To balance c/d	12,000	6,000	4,500	By Balance b/d	6,000	4,000	
				By Reserves A/c	1,500	500	
				By Premium A/c	4,500	1,500	
				By cash			4,500
	12,000	6,000	4,500		12,000	6,000	4,500

3 marks

Balance Sheet as on 1st Apr, 2009

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Creditors	2,800	Cash	12,900
Employees Provident Fund	1,200	Accrued Income	100
Capital Ram	12,000	Debtors (6500-500)	6,000
Shyam	6,000	Stock	3,000
Mohan	4,500	Investments	4,500
	26,500		26,500

3 ½ marks

1½+3+3½

= 8 marks

Part 'B'

Expected Answers / Value points

Marks Dist.

Q17 State any one analysis.

Ans. Any one of the following:-

- a) Ignores price level changes.
- b) They are historical in nature.

1 mark

Q18 Under which Cash flow statement.

Ans. Investing Activity.

1 mark

Q19 Redemption of answer with reason.

Ans. Cash outflow because cash goes out.

1 mark

Q20 From the following 2008 & 2009.

Ans.

	2008	2009	Abs Cha	%
	Rs.	Rs.	Rs.	
Sales	6,00,000	8,00,000	2,00,000	33.33
Cost of goods sold	3,60,000	4,00,000	40,000	11.11
Gross Profit	2,40,000	4,00,000	1,60,000	66.67
Less Adm Exp	48,000	60,000	12,000	25
Net Profit before Tax	1,92,000	3,40,000	148,000	77.08
Less Income Tax	96,000	1,70,000	74,000	77.08
Net profit after tax	96,000	1,70,000	74,000	77.08

$\frac{1}{2} \times 6 =$

3 marks

Q21 (a) A business has value of stock.

Ans. **Current Ratio** = $\frac{\text{Current Assets}}{\text{Current Liabilities}} = \frac{3}{1}$

Or Current Assets = 3 Current Liabilities

Working Capital = Current Assets – Current Liabilities

1,80,000 = 3 Current Liabilities – Current Liabilities

or = Current Liabilities

or 90,000 = Current Liabilities

2 marks

Note : 2 marks is to be awarded Only for calculating correct Current Liabilities] No Marks for Value of Stock.

Q21 (b) From the given30% of sales.

Ans. Sales 2,00,000 GP @ 25% on cost = 40,000 CGS = 1,60,000

CL stock 30% of Sales = 60,000, OP stock 1/3 of C.St. = 20,000, AV

1+1

Stock = 40,000, STR = 1,60,000 / 40,000 = 4 times

=2marks

Note :- Formula ½ mark, STR = ½ mark, COGS = ½ mark, average stock = ½ mark

Q22 Assuming that the Debt - Equitycases. (Any four)

Effect	Reason $\frac{1,80,000}{2}$
a) No Change	Neither the equity nor the debts are affected.
b) Increase	As the Debts are increasing.
c) Decrease	As Share holders fund will increase.
d) No Change	As both remain unaffected.
e) Increase	As Equity will be decreased.

½ x 8 = 4

marks

Note:- ½ marks for the answer and ½ mark for the reason.

Q23 From the following as per AS-3 (revised).

Ans. Calculation of Profit before interest & Tax

Profit earned : Rs. 1,000

Add : Dividend: Rs. 3,000

4,000

Particulars	Amount (Rs.)	Amount (Rs.)
(A) Cash Flow from OP Activities		
Net Profit before Interest & tax	4,000	
Add: Decrease in stock	2,000	
Add: Decrease in Debtors	2,000	
Less: Decrease in Creditors	(4,000)	
Net Cash flow from operating activities after working capital changes but before tax	4,000	
Less: Tax Paid	–	–
Net Cash flow from operating activities after tax		4,000
(B) Cash flow from Investing Activity		
Purchase of Furniture	(3,000)	
Cash used in investing activities		(3,000)
(C) Cash flow from Financing activity		
Issue of Share Capital	3,000	
Dividend Paid	(3,000)	
Net cash generated from financing activities		NILL
Net increase in cash / cash equivalent (A+B+C)		1,000
Opening balance of Cash & cash equivalents		11,000
Closing Balance of Cash & cash equivalents		12,000

$\frac{1}{2} \times 12 = 6$

marks

PART C

COMPUTERISED ACCOUNTING

Q17. What is meant by computerized accounting system?

Ans. CAS refers to a system that consists of human and computer resources for recording, processing and reporting the accounting events of an organization.

1 mark

Q18. List any two specific areas of accounting the spreadsheet lends support to.

Ans. It lends support to payroll accounting, Depreciation Schedules and Loan repayment details. 1 mark

Q19. What are master files and index files? 2 mark

Ans. Master Files contain information to books of original entry such as suppliers, customers etc and index files are used for references.

Q20. Briefly explain the types of Data Processing.

Ans. The types of data processing are 3 marks

- (a) Batch Processing: A technique used for regular processing of large amounts of data.
- (b) Online Processing : Creates a delay between the occurrence of the transaction and the actual processing.

Q21. Classify the types of database at the backend. 3 marks

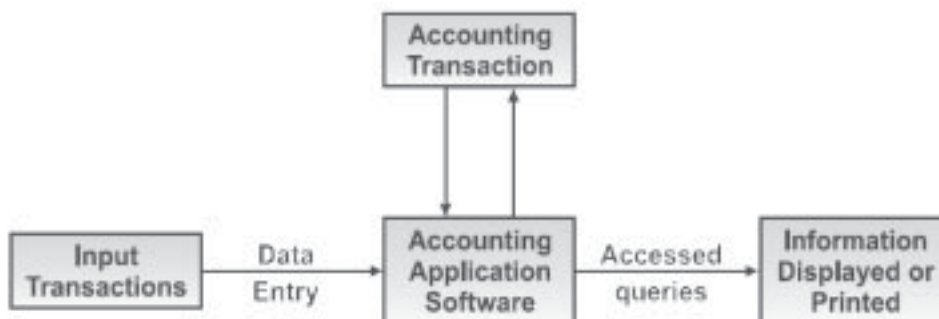
Ans. Types of data at the backend are :

- (a) Standalone
- (b) Server based client server or file sharing system
- (c) Partitioned or non partitioned distributed systems

Q22. Explain the structure of computerized accounting system?

Ans. The structure involves Accounting Framework, Operating Framework, and Front End interface, Back end interface, processing and reporting.

Basic flow of Accounting Transaction



4 marks

Q23. Calculate the formula on excel for the following

Ans. Dearness Allowance

= if (A2<10000, MAX (44 * A2,2000), MAX (35 * A2, 4400))

House Rent Allowance

6 marks

= if (A2 <=8000,2000,if (A2<=15000,6000,9000))

OR

if (A2>15000,9000,if (A2>8000,6000,2000))

City Compensatory Allowance

= min (10 * A2,1000)

Note:- Here A2 is cell reference which can differ, if any other narration is used full credit should be given.

3 * 2 = 6
marks