FIRST PRE BOARD – 2022-23

 SUBJECT: ACCOUNTANCY(055)

Marking Scheme

---------------------------------------------------------------------------------------------------------------------

1.

|  |  |  |  |
| --- | --- | --- | --- |
| (d). | C’sCurrentA/c Dr | 20.000 |  |
|  |  ToA’sCapitalA/c |  | 15.000 |
|  |  ToB’sCapitalA/c |  | 5.000 |

 (1)

2. (c) A is true but R is false. (1)

3.(a)Rs2,000 (1)

 OR

(d) Non-Redeemable Debentures

4. (b) Rs. 1,000 (1)

 OR

 (c) 10% p.a.

5. (b)Rs20,000 (1)

6.(a) 1,50,000(1)

 OR

(a) 10%

7. (b). 1,200 Shares (1)

8. (c)Nil (1)

 OR

 (c) Rs.28,800

9. (a) Shown on Liability side of the Balance Sheet Rs. 1,50,000 (1)

10.(a) Credited to Partners Capital A/c Rs. 40,000 (1)

11. (c) Rs. 48,000 (1)

12. (b) Rs 50,000 (1)

13. (d)Rs.3,00,000 (1)

14. (c) A= Rs.11,600, B= Rs.10,500 and C= Rs.2,700 (1)

 OR

 (b). Dr.ARs.1,200;Cr.BRs.800andCr.CRs.400

15. (b) Providing for Premium payable on Redemption of Debentures. (1)

16. (b) Loss Rs. 27,000 (1)

17.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Particulars | LF | Dr Amt | Cr Amt |
| 2022July 1 | Profit and Loss Suspense A/c Dr.To Udit’s Capital A/c(Being Udit’s share of profit allowed till the death of his death) |  | 15,000 | 15,000 |

Workings: Profit % to sales turnover for the year ended 31st

March,2022=1,20,000/10,00,000 X100= 12%

Estimated sales for the year ended 31st March,2022=Rs. 10,00,000+20% of Rs. 10,00,000 = Rs.

12,00,000

Estimated sales till 01st July,2022 = Rs. 12,00,000 x 3/12 = Rs. 3,00,000

Profit percentage 12-2=10%

Profit amount till 01st July, 2022 = 10% of Rs. 3,00,000 = Rs. 30,000

Udit’s share of profit till 1st July, 2022= 30,000 X 4/8 = Rs. 15,000(1+2=3 marks)

18. Profit and Loss Appropriation Account

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Amount  | Particulars  | Amount  |
| To Net Profit to Capital a/c:Pratap 70,000 -  1,000Ravi 42,000 – 1,000Shyam 28,000 + 2,000 | 69,00041,00030,000 | By Net Profit b/d | 1,40,000 |
| 1,40,000 | 1,40,000 |

 (3)

 OR

Analytical Statement of Adjustment

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Particulars | Kashyap | Bharadwaj | Vishwamitra | Total  |
| Dr | Cr | Dr | Cr | Dr  | Cr |
| Profit wrongly given | 40,000 |  | 40,000 |  | 40,000 |  | 120,000 |
| Interest on capital |  | 10,800 |  | 9,600 |  | 8,400 | (28,800) |
| Balance profit |  | 34,200 |  | 34,200 |  | 22,800 | (91,200) |
| Total | 40,000 | 45,000 | 40,000 | 43,800 | 40,000 | 31,200 | Nil  |
| Net adjt.  |  | 5,000 |  | 3,800 | 8,800 |  |  |
| Journal Entries |
| Date | Particulars | Lf | Dr.Amt | Cr.Amt |
| 2022April 1 | Vishwamitra a/c Dr To Kashyap a/c To Bharadwaj a/c(being the rectification entry passed or the errors) |  | 8,800 | 5,0003,800 |

 (2+1=3 marks)

19.Capital reserve Rs.40,000

No.of Debentures-6,000

 Journal entries-1.5 marks each (1.5 x2 =3 marks)

 OR

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Particulars | LF | Dr Amt | Cr Amt |
|  | Plant A/c | Dr. | 4,00,000 |  |
|  | Furniture A/c | Dr. | 3,00,000 |  |
|  | Building A/c | Dr. | 4,00,000 |  |
|  | Inventory A/c | Dr. | 3,00,000 |  |
|  | To Sundry Creditors A/c |  |  | 1,00,000 |
|  |  To P Ltd. A/c |  |  | 12,00,000 |
|  |  To Capital Reserve A/c  |  |  | 1,00,000 |
|  | (Being purchased running business from P Ltd for Rs.12,00,000) |  |  |  |
|  | P Ltd A/c |  | 12,00,000 |  |
|  | To Equity Share Capital A/c |  |  | 10,00,000 |
|  | To Securities Premium A/c |  |  | 2,00,000 |
|  | (Being purchase consideration paidIssue of Equity Shares of Rs.10 atPremium of Rs.2 per share) |  |  |  |

(1.5 x 2 =3 marks)

20. Journal entry

|  |  |  |
| --- | --- | --- |
| C’s Capital Account Dr | 26,667 |  |
|  To A’s Capital Account  |  | 26,667 |

Workings:

(i) Calculation of gaining ratio and sacrificing ratio:

 A’s gain or sacrifice = 3/6-2/6= 1/6 (sacrifice)

B’s gain or sacrifice = 2/6-2/6 =0

C’s gain or sacrifice = 1/6 – 2/6 = -1/6 (gain)

(ii) Calculation of goodwill:

|  |  |  |  |
| --- | --- | --- | --- |
| Year  | Profit/Loss | Adjustments | Normal Profit |
| 31st March, 2019 | 50,000 |  | 50,000 |
| 31st March, 2020 | 1,20,000 |  | 1,20,000 |
| 31st March, 2021 | 1,80,000 |  | 1,80,000 |
| 31st March, 2022 | (70,000) | 50,000-10,000 | (30,000) |
| Total  |  |  | 3,20,000 |

Goodwill =Average Profits X No. of years Purchase

Average Profits = Total Normal Profits/Number of years

= 3,20,000/4 = 80,000

Goodwill= 80,000 X 2= Rs.1,60,000

A’s share of goodwill= 1,60,000 X 1/6= Rs.26,667

 (1 mark for Journal & 2 marks for working)

21. In the Books of Vishwas Ltd Balance sheet as at 1st April 2022

|  |  |  |
| --- | --- | --- |
| Particulars | Note no | Amt(Rs) |
| I EQUITY AND LIABILITIES |  |  |
| 1. Shareholders fund
 |  |  |
| 1. Share capital
 | 1 | 6,77,000 |

 Notes to Accounts

|  |  |  |
| --- | --- | --- |
| 1 | Share capital**Authorised share capital:**1,00,000 Equity shares of Rs 10 each**Issued share capital:**90,000 Equity shares of Rs 10 each**Subscribed share capital**85,000 shares of Rs 10 each**Subscribed but not fully paid up**84,500 shares of Rs 10 each, Rs 8 called up 6,76,000Less calls in arrears(1000x2) (2000)Add forfeited shares(500x6) 3000 | 10,00,0009,00,0008,50,0006,77,000 |

1 mk for Balance sheet , 3 mks for notes – 4 marks

22. Realisation A/c

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars  | Amount | Particulars  | Amount  |
| To Debtors | 36,000 | By Creditors | 30,000 |
| To Inventory | 35,000 | By Bills Payable | 10,000 |
| To Plant & Mach | 20,000 | By EPF | 25,000 |
| To Building | 40,000 | By Cash(Drs &Inventory) | 49,000 |
| To Goodwill | 10,000 | By Ajay Capital | 10,000 |
| To Ajay Capital | 10,000 | By Vijay Capital | 36,000 |
| To Vijay Capital | 24,000 | By Loss Transferred |  |
| To Cash (EPF) | 26,000 | Ajay Capital | 26,400 |
| To Cash (exp) | 3,000 | Bijay Capital | 17,600 |
|  | 2,04,000 |  | 2,04,000 |

 4 marks

23.

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | LF | Dr(Rs) | Cr(Rs) |
| 1. Bank a/c Dr

 To Equity share application & allotment a/c |  | 24,00,000 | 24,00,000 |
| 1. Share application & allotment a/c Dr

 To share capital a/c To Securities premium a/c To Bank a/c To share first and final call(calls in advance) |  | 24,00,000 | 10,00,0006,00,0004,00,0004,00,000 |
| 1. Share first and final call a/c Dr

 To share capital a/c |  | 10,00,000 | 10,00,000 |
| 1. Bank a/c Dr

Calls in advance a/c Dr To share first and final call |  | 594000400000 | 9,94000 |
| 1. Share capital a/c Dr

To share forfeiture a/c  To Call in arrears a/c |  | 20,000 | 14000 6000 |
| 1. Bank a/c Dr

Share forfeiture a/c Dr To share capital a/c |  | 140006000 | 20,000 |
| 1. Share forfeiture a/c Dr

 To capital reserve a/c |  | 8000 | 8000 |

 (0.5+1.5+0.5+1+1+1+0.5= 6 marks)

OR

(a)

|  |  |  |  |
| --- | --- | --- | --- |
| 1. Share capital a/c Dr

 To share forfeiture a/cTo first and final call a/c |  | 12,000 | 7,5004,500 |
| 1. Bank a/c Dr

Share forfeiture a/c Dr To share capital a/c |  | 54001800 | 7200 |
| 1. Share forfeiture a/c Dr

 To capital reserve a/c |  | 2700 | 2700 |

|  |
| --- |
| Calculation of Forfeited Share Account to be transferred to Capital Reserve: |
| Forfeited Shares for 1500 shares = 7,500 |  |  |  |  |  |  |  |  |  |  |
| Forfeited shares for 900 shares = 7,500/1,500 x 900 = Rs.4,500 |  |  |  |  |
| Amount utilized towards difference in called up and received |  |  |  |  |
|  |  |  |  |  |  |  |  | = 7,200-5,400 = Rs.1,800 |  |  |  |  |
| Therefore amount to be transferred to capital reserve = 4,500 – 1,800 =Rs.2,700 |
|  (1x3=3 marks) |

(b)

|  |  |  |  |
| --- | --- | --- | --- |
| 1. Share capital a/c Dr

 To share forfeiture a/c  To Call in arrears a/c |  | 35,000 | 25,00010,000 |
| 1. Bank a/c Dr

To share capital a/c |  | 20,000 | 20.000 |
| 1. Share forfeiture a/c Dr

 To capital reserve a/c |  | 10.000 | 10,000 |

 (1x3=3 marks) 24. Revaluation account

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Rs | Particulars | Rs |
| To Claim for damages | 800 | By creditors | 500 |
| To Provision for doubtful debts | 250 | By Loss transferred to capital accounts-B- 330C-220 | 550 |
|  | 1050 |  | 1050 |

 Capital accounts

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Particulars | B | C | D | Particulars | B | C | D |
| P/L a/c | 6000 | 4000 |  | Bal b/d | 60,000 | 40,000 |  |
| Revaluation  | 330 | 220 |  | Cash a/c |  |  | 30,000 |
| Cash a/c | 7500 |  |  | Premium for goodwill a/c | 15,000 |  |  |
| To cash a/c | 1170 |  |  | By cash a/c |  | 24,220 |  |
| Bal c/d | 60,000 | 60,000 | 30,000 |  |  |  |  |
|  | 75,000 | 64,220 | 30,000 |  | 75,000 | 64,220 | 30,000 |

 OR

 Revaluation a/c

|  |  |  |  |
| --- | --- | --- | --- |
| To ProvisionTo MachineryTo Profit transferred A 4000B 2000C 2000 | 2,00010,0008,000 | By Building | 20,000 |
|  | 20,000 |  | 20,000 |

 Partners’ capital account

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Particular | A | B | C | Particular | A | B | C |
| To B’s CapTo B’s Loan a/cTo Balance c/d | 12,000-82,000 | ---65000 | 6,000-41,000 | By BalanceBy Gen Res.By A’s capBy C’s CapBy Revaluation | 80,00010,000…..…..4,000 | 40,0005,00012,0006,0002,000 | 40,0005,000……2,000 |
|  | 94,000 | 65,000 | 47,000 |  | 94,000 | 65,000 | 47,000 |

 (2+4=6 marks)

25. Akbar’s Capital A/c

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars  | Amount | Particulars  | Amount  |
| To DrawingsTo Interest on DrawingsTo Akbar’s Executor’s Ac | 12,00060085,150 | By Balance b/dBy Interest on CapitalBy General ReserveBy WCRBy Akshay CapitalBy P& L Suspense | 50,0003,7509,0003,00024,0008,000 |
| 97,750 | 97,750 |
|  Akbar’s Executor’s Account |
| To Bank A/c | 85,150 | By Akbar Cap A/c | 85,150 |
| 85,150 | 85,150 |

 (5+1=6 marks)

26.(a).

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  |  |
| a. Bank a/c Dr To debenture application and allotment a/c(Being debenture application received) |  | 55,00,000 | 55,00,000 |
| b. Debenture application and allotment a/c Dr Loss on issue of debenture a/c Dr To 9% debenture a/c To premium on redemption of debenture a/c To security premium reserve a/c(being debenture application transferred to debenture account) |  | 55,00,00010,00,000 | 50,00,00010,00,000 5,00,000 |

(b) Loss on issue of Debentures Account

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date  | Particulars | Dr. Amount | Date  | Particulars | Cr. Amount |
| 2021Oct. 1 |  To premium on redemption of debenture a/c | 10,00,000 | 2022 Mar 31 | By Securities Premium A/CBy Statement of P &L A/c | 7,80,0002,20,000 |
|  |  | 10,00,000 |  |  | 10,00,000 |

(c).

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Particulars | LF | Dr Amt | Cr Amt |
| 2022 Mar 31 | Debenture Interest A/c Dr. To Debentureholders A/c |  | 2,25,000 |  2,25,000 |
| 2022 Mar 31 | Debentureholders A/c Dr. To Bank |  | 2,25,000 | 2,25,000 |
| 2022 Mar 31 | Statement of P &L A/c Dr To Debenture Interest A/c  |  | 2,25,000 |  2,25,000 |

 (2+2+2 =6 marks)

27 (c) 2 times (1)

 OR

 (c) Postulates

28.The current ratio will remain the same as there is no change in the current assets.(1)

29.(c) Cash Equivalents (1)

 OR

(a) Financing Activity

30. (a) Only D (1)

31.

|  |  |  |
| --- | --- | --- |
| Item | Major headings | Sub-head |
| (i) Loose tools | Current Assets | Inventories |
| (ii) Long term Provisions | Non – CurrentLiabilities | Long term Provisions |
| (iii) Provision for Warranties | Non – CurrentLiabilities | Long term Provisions |
| (iv) Income received in advance | CurrentLiabilities | Other CurrentLiabilities |
| (v) Capital Advances | Current Assets | Long Term Loan and Advances |
| (vi) Advances recoverable in cash within the operation cycle | Current Assets | Short Term Loan and Advances |

|  |
| --- |
| (0.5 marks for correct main and sub head)32. Variations of Accounting Practice as Limitation is highlighted in the given statementTwo Other Limitations (Any two of the following with suitable explanation)(a) Limitations of Accounting Data(b) Ignores Price-level Changes(c) Ignore Qualitative or Non-monetary Aspects(d) Forecasting (1+2=3 marks)33. Inventory Turnover Ratio =Cost of revenue from operationAverage Inventory |
| 6 = 3,00,000 |  |
|  |  |
|  |  |  |  |
| Average Inventory |  |
| Therefore, Average Inventory = 3,00,000/6 |
|  | = Rs. 50,000 |  |
| Average Inventory = Opening Inventory + Closing Inventory |
|  |  |
| Let Opening Inventory be Rs. X |  |
| Average Inventory = X + X + 15,000 |  |
|  X = 50,000 x 2 – 15,000 |  |
| 2 |  |  |
| X = Rs.42,500 = Opening Inventory |
| Therefore, Closing Inventory = Opening Inventory + 15,000 |
| = 42,500 + 15,000 |
|  |  |  |
| Opening Inventory = Rs.42,500 & Closing Inventory = Rs.57,500 (4marks) |
|  |  |  |

 OR

Return on Investment = EBIT / Capital Employed x 100

= 15,00,000/1,20,00,000 x 100 = 12.5%

Capital Employed = 12% Preference Share Capital + Equity Share Capital + Reserves and

Surplus + 15% Debentures + 10% Bank Loan = 30,00,000 + 40,00,000 + 10,00,000 +

20,00,000 + 20,00,000 = ₹ 1,20,00,000

EBIT = Profits after Tax + Tax + Interest = 6,00,000 + 4,00,000 + 5,00,000 = ₹ 15,00,000

Net Assets Turnover ratio = Revenue from Operations/Capital Employed

= 3,60,00,000/1,20,00,000 = 3 times (4marks)

34. Cash flow statement (AS-3)

|  |  |  |
| --- | --- | --- |
| Net profit | 1,00,000 |  |
| Add provision for depreciation  |  66,000 |  |
| Provision for tax |  50,000 |  |
|  |  2,16,000 |  |
| Add non operating expenses and non cash items- |  |  |
| Goodwill written off | 72,000 |  |
| Loss on sale of machinery | 2000 |  |
| Less non operating income | - |  |
| Net profit before changes in the working capital |  |  |
| Add Increase in CL | - |  |
| Decrease in CA | - |  |
| Less Decrease in CL(Trade payable) | (25000) |  |
| Increase in CA - Inventories | (8000) |  |
|  Trade receivable | (27000) |  |
| Net profit before tax | 230,000 |  |
| Less tax paid | (77000) |  |
| Cash generated from operating activities(A) |  | 1,53,000 |
| Sale of Machinery  | 6000 |  |
| Purchase of Machinery | (294000) |  |
| Cash used from Investing activities(B) |  | (2,88,000) |
| Issue of shares | 1,00,000 |  |
| Long term borrowings raised |  70,000 |  |
|  |  | 1,70,000 |
| NET CASH FLOW(A+B+C) | 35000 |  |
| Add opening balance of cash equivalent(1,50,000+3,75,000) | 525000 |  |
| Closing balance of cash equivalent(2,40,000+3,20,000) | 5,60,000 |  |

 (4+1+1= 6 mks)

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