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Senior School Certificate Examination

March -2013-14

Marking Scheme - Accountancy (Delhi) 67/1/1, 67/1/2, 67/1/3

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. Evaluation is to be done as per instructions provided in the Marking Scheme. It should not be done according to one's own interpretation or any other consideration-Marking. Scheme should be strictly adhered to and religiously followed.

3. The Head-Examiner has to go through the first five answer scripts evaluated by each evaluator to ensure that evaluation has been carried out as per the instructions given in the Marking Scheme. The remaining answer scripts meant for evaluation shall be given only after ensuring that there is no significant variation in the marking of individual evaluators.

4. If a question has parts, please award marks on the right hand side for each part. Marks awarded for different parts of the question should then be totalled up and written in the left hand margin and encircled.

5. If a question does not have any parts, marks must be awarded in the left hand margin and encircled.

6. If a student has attempted an extra question, answer of the question deserving more marks should be retained and other answer scored out.

7. No marks to be deducted for the cumulative effect of an error. It should be penalized only once.

8. Deductions up to 25% of the marks must be made if the student has not drawn formats of the Journal and Ledger and has not given the narrations.

9. A full scale of marks 1-80 has to be used. Please do not hesitate to award full marks if the answer deserves it.

10. No marks are to be deducted or awarded for writing / not writing 'TO and BY' while preparing Journal and Ledger accounts.

11. In theory questions, credit is to be given for the content and not for the format.

12. In compliance to the judgment of the Hon'ble Supreme Court of India, Board has decided to provide photocopy of the answer book(s) to the candidates who will apply for it along with the requisite fee from 2012 examination. Therefore, it is all the more important that the evaluation is done strictly as per the value points given in the marking scheme so that the Board could be in a position to defend the evaluation at any forum.

13. In the light of the above judgment instructions have been incorporated in the guidelines for Centre Superintendents to ensure that the answer books of all the appeared candidates have been sent to the Board's office and in the Guidelines for spot evaluation for the Examiners that they have to evaluate the answer books strictly in accordance with the value points given in the marking scheme and the correct set of the question paper. The examiner(s) shall also have to certify this.

14. Every Examiner should stay up to sufficiently reasonable time normally 5-6 hours every day and evaluate 20-25 answer books.

15. In the past it has been observed that the following are the common types of errors committed by the Examiners-.
    - Leaving answer or part thereof unassessed in an answer script
    - Giving more marks for an answer than assigned to it or deviation from the marking scheme.
    - Wrong transference of marks from the inside pages of the answer book to the title page.
    - Wrong question wise totaling on the title page.
    - Wrong totaling of marks of the two columns on the title page
    - Wrong grand total
    - Marks in words and figures not tallying
    - Wrong transference to marks from the answer book to award list
    - Answers marked as correct but marks not awarded.
    - Half or a part of answer marked correct and the rest as wrong but no marks awarded.

16. While evaluating the answer scripts if the answer is found to be totally incorrect, it should be marked as (X) and awarded zero(0) Marks.

17. Any unassessed portion, non-carrying over of marks to the title page or totaling error detected by the candidate shall damage the prestige of all the personnel engaged in the evaluation work as also of the Board. Hence in order to uphold the prestige of all concerned, It is again reiterated that the instructions be followed meticulously and judiciously.

18. The Examiners should acquaint themselves with the guidelines given in the Guidelines for Spot Evaluation before starting the actual evaluation.

19. Every Examiner shall also ensure that all the answers are evaluated, marks carried over to the title page, correctly totaled and written in figures and words.

<table>
<tr><th colspan="3">Q. Set No.</th><th rowspan="2">Marking Scheme 2013-14
Accountancy (055)
<u>Delhi – 67/1/1</u>
Expected Answers / Value points</th><th rowspan="2">Distribution of marks</th></tr>
<tr><th>67/ 1/1</th><th>67/ 1/2</th><th>67/ 1/3</th></tr>
<tr><td>1</td><td>7</td><td>6</td><td>Q. What is meant ....Partnership Firm?

Ans. Reconstitution of a partnership firm means any change in existing agreement among the partners.</td><td>1 mark</td></tr>
<tr><td>2</td><td>6</td><td>4</td><td>Q. X,Y and Z .... if Z retires.

Ans. The ratio of X,Y and Z is 1/2 : 2/5 : 1/10 =5:4:1
Therefore, If Z retires, the new ratio between X and Y is 5:4</td><td>1 mark</td></tr>
<tr><td>3</td><td>5</td><td>3</td><td>Q. Distinguish between......................Closure of books.
Ans.<table><tr><th>Basis</th><th>Dissolution of Partnership</th><th>Dissolution of Partnership Firm</th></tr><tr><td>Closure of Books</td><td>It does not require closure of books because the business is not terminated.</td><td>All books of accounts are closed as the business is terminated.</td></tr></table></td><td>1 mark</td></tr>
<tr><td>4</td><td>2</td><td>2</td><td>Q. Why heirs................................... goodwill of the firm?

Ans. The retiring partner / heirs of deceased partner are entitled to his share of goodwill because the goodwill earned by the firm is the result of the efforts of all the existing partners in the past. As they will not be sharing future profits, it will be fair to compensate them for the same.</td><td>1 mark</td></tr>
<tr><td>5</td><td>4</td><td>1</td><td>Q. Give the...................................... ‘Debenture’.

Ans. Debenture is an instrument acknowledging a debt issued by a company under a common seal.
[or any other suitable meaning]</td><td>1 mark</td></tr>
<tr><td>6</td><td>3</td><td>7</td><td>Q. What is .... can be reissued?

Ans. Discount allowed must not exceed the amount received at the time of forfeiture i.e. amount credited to forfeited shares account at that time.</td><td>1 mark</td></tr>
<tr><td>7</td><td>1</td><td>5</td><td>Q. Give any one .... may be utilised.

Ans. According to the Companies Act,1956 the amount of ‘Securities premium’ may be used only for the following purposes:- (Any one)
(i) Writing off the preliminary expenses of the company.
(ii) Writing off the expenses, commission or discount allowed on issue of shares or debentures of the company.
(iii) Issuing fully paid up bonus shares to the shareholders of the company.
(iv) Providing for the premium payable on redemption of redeemable preference shares or debentures of the company.
(v) Buying back of its own shares.</td><td>1 mark</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
</table>

8	9	8	**Q. Saloni and Shrishti..................... Aditi's admission.** **Ans.** Based on Aditi's share the total capital of the new firm ought to be: ₹ 1,00,000 x 6/1 = ₹ 6,00,000 **Less:** Capital of Saloni ₹2,00,000 Capital of Shrishti ₹ 1,50,000 Capital of Aditi ₹1,00,000 ₹4,50,000 Value of Goodwill of the firm ₹ 1,50,000 Aditi's share of goodwill = 1,50,000 x 1/6 = ₹ 25,000	1
			Journal (i) Bank / Cash A/c Dr. 1,00,000; To Aditi's Capital/ Current A/c 1,00,000 (Cash brought in by Aditi as her capital) (ii) Aditi's Capital A/c Dr. 25,000; To Saloni's Capital/ Current A/c 17,500; To Shrishti's Capital/ Current A/c 7,500 (Credit given for goodwill to Saloni and Shrishti on Aditi's admission)	1 1 (1+1+1) = **3 marks**
9	8	9	**Q. B G Ltd. .... Profit to Loss.** **Ans.**	

Journal (Q. 8)

Date	Particulars	LF	Dr (₹)	Cr (₹)
	(i) Bank / Cash A/c Dr. To Aditi's Capital/ Current A/c (Cash brought in by Aditi as her capital)		1,00,000	 1,00,000
	(ii) Aditi's Capital A/c Dr. To Saloni's Capital/ Current A/c To Shrishti's Capital/ Current A/c (Credit given for goodwill to Saloni and Shrishti on Aditi's admission)		25,000	 17,500 7,500

Books of B G Ltd.
Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)
2013 March 31	Interest on Debentures A/c Dr. To Debenture holders' A/c To Income Tax Payable A/c / TDS from Debenture Interest a/c (Half Yearly Interest due on debentures and tax deducted at source)		12,000	 10,800 1,200
March 31	Debenture holders' A/c Dr. To Bank A/c (Payment of Interest)		10,800	 10,800
March 31 **	Income Tax Payable / TDS from Debenture Interest A/c Dr. To Bank A/c (TDS deposited with Income Tax authorities)		1,200	 1,200
March 31	Statement of P/L Dr. To Interest on Debentures A/c (Interest transferred to statement of P/L)		24,000	 24,000

**** NOTE: No marks to be deducted in case the examinee has not passed this entry.**

Marks: 1, 1, 1 (1+1+1) = **3 marks**

10	-	-	**Q. Pass necessary .... cases.** **(i) Z Ltd.. per share.** **Ans.**	

Books of Z Ltd.
Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)	
	12% Debentures A/c Dr. To Discount on issue of Debentures A/c To Debenture holders' A/c (Amount due to debenture holders on conversion of 1,500 Debentures)		1,50,000	 9,000 1,41,000	½
	Debenture holders' A/c Dr. To Equity Share Capital A/c To Securities Premium / Securities Premium Reserve A/c (Amount discharged by issue of 1128 equity shares of ₹100 each at 25% premium)		1,41,000	 1,12,800 28,200	1

OR

Books of Z Ltd.
Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)	
	12% Debentures A/c Dr. To Debenture holders' A/c (Amount due to debenture holders on conversion of 1,500 Debentures)		1,50,000	 1,50,000	½
	Debenture holders' A/c Dr. To Equity Share Capital A/c To Securities Premium / Securities Premium Reserve A/c (Amount discharged by issue of 1,200 equity shares of ₹100 each at 25% premium)		1,50,000	 1,20,000 30,000	1

(ii) X Ltd. .... ₹ 90 paid up.

Books of X Ltd.
Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)	
	12% Debentures A/c Dr. To Discount on issue of Debentures A/c To Debenture holders' A/c (Amount due to debenture holders on conversion of 1,000 Debentures)		1,00,000	 10,000 90,000	½
	Debenture holders' A/c Dr. To Equity Share Capital A/c (Amount discharged by issue of 1000 equity shares of ₹100 each ₹90 paid up)		90,000	 90,000	1

OR

Books of X Ltd.
Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)
	12% Debentures A/c Dr. To Debenture holders' A/c (Amount due to debenture holders on conversion of 1,000 Debentures)		1,00,000	 1,00,000
	Debenture holders' A/c Dr. To Equity Share Capital A/c To Bank A/c (Amount discharged by issue of 1111 equity shares of ₹100 each ₹90 paid up,fraction paid in cash)		1,00,000	 99,990 10

Marks: ½, 1, (1½ x 2) = 3 Marks

---

11 | 12 | 13

Q. Satnam and Qureshi .... 31st March 2013.

Ans.

(a) <u>Values highlighted:</u> *(Any two)*

- Adherence to law to manufacture ISI marked electronic goods.
- Sensitivity towards specially abled people.
- Providing employment opportunities to economically weaker section
- Encouragement to women entrepreneurship.

(OR any other suitable value.)

Marks: 1x2 = 2

(b)

Profit & Loss Appropriation A/c of Satnaam, Qureshi & Juliee

Dr. For the year ended 31st March 2013 Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To Interest on Capital: Satnam's Capital A/c 25,500 Qureshi's Capital's A/c 12,300 (1)	37,800	By Profit & Loss A/c	3,37,800
To profits trsfd to: Satnam's Capital A/c 1,20,000 Qureshi's Capital A/c 1,20,000 Juliee's Capital A/c <u>60,000</u> (1)	3,00,000		
	3,37,800		**3,37,800**

<u>Working notes:</u>

<u>Calculation of Interest on Capital:</u>

a) Interest on Satnam's Capital:
(4,00,000 x 6/100) + (50,000 x 6/100 x 6/12)
= 2,4000 + 1,500 = ₹ 25,500

b) Interest on Qureshi's Capital:
(2,00,000 x 6/100) + (20,000 x 6/100 x 3/12)
= 12,000 + 300 = ₹ 12,300

<u>NO MARKS FOR WORKING NOTES</u>

Marks: 2, (2+2) = 4 Marks

---

12 | 13 | 11

Q. Virad, Vishad.. October 1, 2013

Ans. Dr. Virad's Capital A/c Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To Virad's executor a/c (½)	5,70,000	By Balance b/d By Reserve fund By Vishad Capital a/c (Goodwill) By Roma's Capital A/c (Goodwill) By P/L Suspense A/c By Interest on Capital	3,00,000 30,000 1,12,500 75,000 37500 15000
	5,70,000		**5,70,000**

Marks: ½, ½, ½, 1, 1, (1/2 x2 +1x2)

<table>
<tr><td></td><td></td><td></td><td>Working notes :
<u>Valuation of Goodwill :</u>
(1) Average Profit = Rs 1,50,000
Goodwill at 2 ½ years purchase
= 1,50,000 x 2 ½ = Rs 3,75,000
Virad's share of goodwill = 3,75,000 x 5/10 = ₹ 1,87,500
(2) Share of Profit payable to Virad
(upto the October 1, 2013)
= 1,50,000 x 5/10 x 6/12 = ₹ 37,500
<u>NO MARKS FOR WORKING NOTES</u></td><td>=
4 Marks</td></tr>
<tr><td>13</td><td>--</td><td>--</td><td>Q. On 1st April .... for the same.

Ans.
Balance Sheet of Vivek Ltd.
As at ....(As per revised schedule VI)
<table>
<tr><th>Particulars</th><th>Note No.</th><th>Amount Current year</th><th>Amount Previous year</th></tr>
<tr><td>EQUITY & LIABILITIES
I Shareholder's funds :
a) Share Capital</td><td>1</td><td>63,00,000</td><td></td></tr>
</table>

Notes to Accounts :
<table>
<tr><th>Particulars</th><th>₹</th></tr>
<tr><td>(1) <u>Share Capital</u>
<u>Authorised Capital :</u>
2,00,000 equity shares of ₹ 50 each
<u>Issued Capital</u>
1,80,000 equity shares of ₹ 50 each

Subscribed but not fully paid
1,80,000 shares of Rs 50 each ₹ 35 called up</td><td><u>1,00,00,000</u>
<u>90,00,000</u>
<u>63,00,000</u></td></tr>
</table></td><td>1

1
1
1

(1 x 4) =
4 Marks</td></tr>
</table>

14	11	12	Q. Pass necessary............................ Rajan Ltd.	

Ans.

Rajan Ltd.
Journal

Date	Particulars	L.f.	Dr. Amt (₹)	Cr. Amt (₹)	
	a) Machinery A/c Dr. To Kundan Ltd. (Machinery purchased from Kundan Ltd)		7,20,000	 7,20,000	1
	Kundan Ltd Dr. Discount on Issue of Shares A/c Dr. To Equity Share Capital A/c (8,000 Equity Shares of ₹100 each issued as purchase consideration)		720,000 80,000	 8,00,000	1
	b) Plant & Machinery A/c Dr. Building A/c Dr. Sundry Debtors A/c Dr. Stock A/c Dr. Cash A/c Dr. To Sundry Creditors A/c To Vikas Ltd To Capital Reserve A/c (Business purchased)		90,000 90,000 30,000 50,000 20,000	 20,000 2,50,000 10,000	1
	Vikas Ltd Dr. To Equity Share Capital A/c To Bank A/c (Shares issued and draft given)		250,000	 2,20,000 30,000	1

(1 x 4) = 4 Marks

15	-	-	Q. Naveen & Seerat.................. society.	

Ans.

Books of Naveen, Seerat & Hina
Journal

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)	
	Seerat's Capital A/c Dr. To Naveen's Capital A/c To Hina's Capital A/c (Adjustment entry passed)	147	 5 142	2

Working notes

Particulars	**Naveen (₹)**	**Seerat(₹)**	**Hina(₹)**	**Total (₹)**	
Int on drawings (Dr.)	350	360	--	710	½
Profit (Cr.)	355	213	142	710	½
Net effect	**5 (Cr.)**	**147 (Dr.)**	**142 (Cr.)**	**---**	1

OR

Books of Naveen, Seerat & Hina
Journal

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)	
	Hina's Capital A/c Dr. To Naveen's Capital A/c To Seerat's Capital A/c (Adjustment entry passed)	2,258	 1,505 753	2

			Working notes : | | **Naveen (₹)** | **Seerat (₹)** | **Hina (₹)** | **Total (₹)** | | Int on drawings (Dr.) | 350 | 360 | 3,000 | 3,710 | | Profit (Cr.) | 1,855 | 1,113 | 742 | 3,710 | | **Net effect** | **1,505(Cr)** | **753 (Cr.)** | **2,258(Dr.)** | **---** | **Note: Full credit is to be given for working notes presented in any other form.** **Values** ***(any two)*** **:-** • Help towards needy flood victims. • Medical Aid in flood affected areas. **(OR any other suitable value.)**	**½** **½** **1** **1x2** **= 2** **(2+2+2)** **=** **6 Marks**
16	-	-	**Q. Shanti & Satya.................. realisation A/c.** **Ans.** **Realisation A/c**	

Particulars	**Amt (₹)**	**Particulars**	**Amt (₹)**	Marks
To Debtors 1/2	60,000	By Creditors	45,000	**½**
To Stock	85,000	By Shanti's Current/ Capital A/c	30,600	**1**
To furniture 1/2	1,00,000	By Bank A/c		
To Machinery	1,30,000	Stock – 40,000		
To Bank A/c 1/2		Furniture – 80,000		
Outstanding bill - 19,000		Investment - 20,000		
Creditors – <u>45,000</u>	64,000	Machinery – 70,000		
		Debtors – 55,000	2,65,000	**2**
		By loss transferred to		
		Shanti's Current /Capital A/c	78,720	
		Satya's Current / Capital A/c	19, 680	**1**
	4,39,000		**4,39,000**	**= 6 marks**

17	18	17	**Q. Mohan and Mahesh .... by Nusrat.**

Ans.

Revaluation A/c

Dr. Cr.

Particulars	₹	**Particulars**	₹
To profit transferred to		By Building A/c	1,00,000
Mohan's capital A/c 84,000		By Stock A/c	40,000
Mahesh's Capital A/c 56,000	1,40,000		
	1,40,000		1,40,000

2

Partner's Capital A/c

Dr. **Cr.**

Particulars	**Mohan** ₹	**Mahesh** ₹	**Nusrat** ₹	**Particulars**	**Mohan** ₹	**Mahesh** ₹	**Nusrat** ₹
To Balance c/d	3,92,000	2,08,000	1,20,000	By Balance b/d	1,00,000	80,000	
				By revaluation A/c	84,000	56,000	
				By General Reserve A/c	96,000	64,000	
				By Workmen Comp. Fund A/c	12,000	8,000	
				By premium for goodwill A/c	1,00,000	-	
				By Cash A/c	-	-	1,20,000
	3,92,000	**2,08,000**	**1,20,000**		**3,92,000**	**2,08,000**	**1,20,000**

1x3 = 3

Balance Sheet of the Reconstituted firm
as at 1st April 2012

Liabilities	**Amount (₹)**	**Assets**	**Amount (₹)**
Creditors	2,10,000	Cash in Hand	3,60,000
Workmen Compensation Claim	2,30,000	Debtors	1,60,000
		Stock	1,60,000
Capital:		Machinery	1,00,000
Mohan – 3,92,000		Building	3,80,000
Mahesh – 2,08,000			
Nusrat – 1,20,000	7,20,000		
	11,60,000		**11,60,000**

2

Working Notes: *Capital Adjustment*

Nusrat's Capital = (Mohan's capital + Mahesh's capital) x 20/100
= (3,92,000 + 2,08,000) x 20/100
= 6,00,000 x 20 /100 = 1,20,000

1

(2+3+2+1) = 8 Marks

17 OR	18 OR	17 OR	**Q. Kushal, Kumar…………………………… Kavita's retirement.**	

Ans.

Revaluation A/c

Dr **Cr**

Particulars	**Amt (₹)**	**Particulars**	**Amt (₹)**
To Building	1,00,000	By Land	1,20,000
To Furniture	20,000	By Loss transferred to Partner's Capital A/c Kushal - 3000 Kumar – 1000 Kavita – 1000	5,000
To Reserve for doubtful debts	5,000		
	1,25,000		**1,25,000**

Marks: 2

Partner's Capital A/c

Particulars	Kushal (₹)	Kumar (₹)	Kavita (₹)	Particulars	Kushal (₹)	Kumar (₹)	Kavita (₹)
To Revalution A/c	3,000	1,000	1,000	By Balance b/d	3,00,000	2,80,000	3,00,000
To Kavita's Capital A/c	6,000	2,000	---	By General Reserve A/c	72,000	24,000	24,000
To Cash A/c	---	---	33,100	By Kushal's Capital A/c	---	----	6,000
To Kavita's Loan A/c	---	---	2,97,900	By Kumar's Capital A/c			2,000
To Kumar's Current A/c		1,35,000	---	By Kushal's Current A/c	1,35,000	---	----
To Balance c/d	4,98,000	1,66,000					
	5,07,000	**3,04,000**	**3,32,000**		**5,07,000**	**3,04,000**	**3,32,000**

Marks: 1x3 = 3

Balance sheet of the Reconstituted firm
As at 1st April, 2012

Liabilities	**Amount (₹)**	**Assets**	**Amount (₹)**
Creditors	1,20,000	Cash	36,900
B/P	1,80,000	Debtors – 2,00,000	
Kavita's Loan A/c	2,97,900	Less : - Provision – 15,000	1,85,000
Capital A/c		Stock	2,20,000
Kushal – 4,98,000		Furniture	1,00,000
Kumar – 1,66,000	6,64,000	Building	2,00,000
		Land	5,20,000
Kumar's Current A/c	1,35,000	Kushal's current A/c	1,35,000
	13,96,900		**13,96,900**

Marks: 3

Working Notes

Capital of Kushal before adjustment= ₹3,63,000

Capital of Kumar before adjustment= ₹3,01,000

Total capital = ₹ 6,64,000

Kushal's adjusted capital= ¾ x ₹6,64,000= ₹4,98,000

Kumar's adjusted capital= ¼ x ₹6,64,000= ₹1,66,000

(2+3+3) = 8 Marks

<table>
<tr><td>18</td><td>17</td><td>18</td><td>Q. XYZ Ltd. .... XYZ Ltd.
OR
AB Ltd.....................................AB Ltd.

NOTE : Full marks are to be awarded for ‘ATTEMPTING’ the question. (whether correctly or wrongly) and it is applicable to both the options (Discount or Premium)</td><td>8 Marks</td></tr>
<tr><td></td><td></td><td></td><td>PART B
(Financial Statements Analysis)</td><td></td></tr>
<tr><td>19</td><td>20</td><td>21</td><td>Q. What is .... Cash Flow Statement?

Ans. Cash Equivalents mean short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in their values.</td><td>1 Mark</td></tr>
<tr><td>20</td><td>21</td><td>19</td><td>Q. State the objective................flow statement.
Ans. Objective of cash flow statement: (Any one)
1. To provide information regarding sources and uses of cash from operating, investing and financing activities separately.
2. To highlight change in cash position.</td><td>1 Mark</td></tr>
<tr><td>21</td><td>19</td><td>20</td><td>Q. State any .... financial statement.
Ans. Limitations of financial statements: (Any one)
• Affected by window dressing.
• Lack of qualitative analysis.
• Does not reflect changes in price level.
• Different accounting policies.
• Historical Analysis.
• Suffers from limitations of financial statements.
• Not free from bias.
• Identifies only symptoms.</td><td>1 Mark</td></tr>
<tr><td>22</td><td>22</td><td>22</td><td>Q. Under which .... Companies Act, 1956.
Ans.
<table>
<tr><th>S.No.</th><th>Items</th><th>Sub – Heading</th></tr>
<tr><td>1</td><td>Accrued income</td><td>Other current assets</td></tr>
<tr><td>2</td><td>Loose Tools</td><td>Inventories</td></tr>
<tr><td>3</td><td>Provision for Employee benefits</td><td>Long term provisions</td></tr>
<tr><td>4</td><td>Unpaid Dividend</td><td>Other current Liabilities</td></tr>
<tr><td>5</td><td>Short term loans</td><td>Short Term Borrowings / Short Term Loans & Advances</td></tr>
<tr><td>6</td><td>Long term loans</td><td>Long Term Borrowings / Long term loans & advances</td></tr>
</table></td><td>½ x 6
=
3 Marks</td></tr>
<tr><td>23</td><td>-</td><td>-</td><td>Q. From the following .... Services Ltd.
Ans.</td><td></td></tr>
</table>

COMPARATIVE STATEMENT OF PROFIT & LOSS
For the years ended 31st March, 2012 and 2013

Particulars	Note No.	2011-12 (₹)	2012-13 (₹)	Absolute change	Change In %age	Marks
Revenue from Operations		15,00,000	20,00,000	5,00,000	33.33%	1
Add: other income		4,00,000	10,00,000	6,00,000	150%	
Total Revenue		19,00,000	30,00,000	11,00,000	57.89%	1
Less: Expenses		15,00,000	21,00,000	6,00,000	40%	
Profit before Tax		4,00,000	9,00,000	5,00,000	125%	1
Less: Tax @ 50%		2,00,000	4,50,000	2,50,000	125%	
Profit after tax		2,00,000	4,50,000	2,50,000	125%	1

1x4 = 4 Marks

---

24 | - | - **Q. From the following .... Debt Equity ratio.**

Ans. (a) Debt Equity ratio = Debt / Equity — ½

Debt = Long term borrowings + Long term provisions = ₹ 2,00,000 +1,00,000 = 3,00,000 — ½

Equity = Current Assets + Non Current Assets -- Debt – Current Liabilities
= 90,000+3,60,000-3,00,000—50,000 = ₹ 1,00,000 — ½

Debt Equity ratio = 3,00,000/ 1,00,000 = **3:1** — ½

(b) The Current Ratio............................... change the ratio .

	CHANGE	**REASON**	Marks
(1)	Increase :	Both Current Assets and Current Liabilities are decreasing with same amount .	1
(2)	No change :	Neither Current Assets nor Current Liabilities are changing .	1

(2+2) = 4 Marks

---

25 | 25 | 25 **Q. Prepare a Cash flow Statement .... 31-3-2013 and 31-3-2012.**

Ans.

Cash flow statement of Liva Ltd.
For the year ended 31st March 2013 as per AS-3 (Revised)

Particulars	Details (₹)	Amount (₹)	
Cash Flows from Operating Activities:			
Net Profit before tax & extraordinary items	1,08,000		
Add: Non cash and non-operating charges	-		
Operating profit before working capital changes	1,08,000		
Add: Increase in Current Liabilities	48,000		
Increase in trade payables			
Less: Increase in Current Assets	(22,500)		
Increase in trade receivables	(83,000)		
Increase in inventories			2 ½
Cash generated from Operating Activities		**50,500**	
Cash flows from Investing Activities :	(42,000)		
Purchase of fixed assets	(30,000)		1 ½
Purchase of non current investments			
Cash used in investing activities		**(72,000)**	
Cash flows from Financing Activities:	30,000		
Issue of share capital			1
Cash from financing activities		**30,000**	
		8,500	
Net increase in cash & cash equivalents			
Add: Opening balance of cash & cash equivalents:	60,000		
Marketable Securities	9,500		
Cash & cash equivalents			1
		69,500	
Closing Balance of cash & cash equivalents:	54,000		
Marketable Securities	24,000		
Cash & cash equivalents			
		78,000	**6 Marks**

			PART C **(Computerized Accounting)**	
19	**21**	**20**	**Q.** What…………………………………..system? **Ans.** A series of operations in a certain order or manner to achieve desired results, the accounting procedures can be hardware oriented, software oriented or internal procedures.	**1 Mark**
20	**19**	**21**	**Q.** What is SQL? **Ans.** It is a language used to store and manipulate data or create a complex set of data base structure.	**1 Mark**
21	**20**	**19**	**Q.** What is………………Table? **Ans.** It is a data base object which is used to hold raw data. The tables are created with respective fieldnames, data types and properties.	**1 Mark**

22	**22**	**22**	**Q.** Give one……………………system. **Ans.** Advantages of Computerised Accounting System **(Any one)** 1. Timely generation of reports and information in desired format. 2. Efficient record keeping. 3. Ensures effective control over the system. 4. Economy in the processing of accounting data. Limitations **(Any two):** 1. Faster obsolesce of technology necessitates investment in short period of time. 2. Data may be lost or corrupt due to power interruptions. 3. Data are prone to hacking. 4. Un-programmed and un-specified reports cannot be generated.	**1** **2** **(1+2) = 3 Marks**
23	**24**	**23**	**Q.** Explain………………………………….codes. **Ans.** **<u>Sequential Codes:</u>** In these codes numbers and/or letters are assigned in consecutive order. These codes are applied primarily to source documents such as cheques, invoices etc. This code facilitates document searches. This process enables in either identification of missing codes (numbers) relating to a particular document or a relevant document can be traced. **<u>Mnemonic Codes:</u>** These codes consist of alphabets or abbreviations as symbols to codify a piece of information. SJ for sales Journal, HQ for Head Quarters are examples of mnemonic codes.	**2** **2** **(2+2) = 4 Marks**
24	**23**	**24**	**Q.** Explain any four………………System. **Ans.** Advantages of ‘ Database management ‘ **(Any four)** : 1. Ready availability from one central source. 2. Minimum data redundancy. 3. Reduced programming effort. 4. Facility of preparation of special purpose reports. 5. Greater consistency. 6. One transaction input updates multiple data base records leads to minimising input efforts.	**(1x4) = 4 Marks**
-	**25**	**-**	**Q.** Calculate …………………………….Pay. **Ans.** Dearness Allowance = If (B1 > 20,000, 0.2*B1, 0.15*B1) Tax Payable = If (B1 > 20,000, 0.25*B1, 0.20*B1) Net Salary = SUM (B1,C1,--D1)	**(2x3) = 6 Marks**

<table>
<tr><td colspan="3">Q.Set No.</td><td rowspan="2">Marking Scheme 2013-14
Accountancy (055)
Delhi – 67/1/2
Expected Answers /Value points</td><td rowspan="2">Distribution of marks</td></tr>
<tr><td>67/ 1/1</td><td>67/ 1/2</td><td>67/ 1/3</td></tr>
<tr><td>7</td><td>1</td><td>5</td><td>Q. Give any one .... may be utilised.

Ans. According to the Companies Act,1956 the amount of ‘Securities premium’ may be used only for the following purposes:- (Any one)
(i) Writing off the preliminary expenses of the company.
(ii) Writing off the expenses, commission or discount allowed on issue of shares or debentures of the company.
(iii) Issuing fully paid up bonus shares to the shareholders of the company.
(iv) Providing for the premium payable on redemption of redeemable preference shares or debentures of the company.
(v) Buying back of its own shares.</td><td>1 mark</td></tr>
<tr><td>4</td><td>2</td><td>2</td><td>Q. Why heirs.................................... goodwill of the firm?
Ans. The retiring partner / heirs of deceased partner are entitled to his share of goodwill because the goodwill earned by the firm is the results of the efforts of all the existing partners in the past. As they will not be sharing future profits, it will be fair to compensate them for the same.</td><td>1 mark</td></tr>
<tr><td>6</td><td>3</td><td>7</td><td>Q. What is .... can be reissued?
Ans. Discount allowed must not exceed the amount received at the time of forfeiture i.e. amount credited to forfeited shares account at that time.</td><td>1 mark</td></tr>
<tr><td>5</td><td>4</td><td>1</td><td>Q. Give the...................................... ‘Debenture’.

Ans. Debenture is an instrument acknowledging a debt issued by a company under a common seal.
[or any other suitable meaning]</td><td>1 mark</td></tr>
<tr><td>3</td><td>5</td><td>3</td><td>Q. Distinguish between......................Closure of books.
Ans.
<table>
<tr><th>Basis</th><th>Dissolution of Partnership</th><th>Dissolution of Partnership Firm</th></tr>
<tr><td>Closure of Books</td><td>It does not require closure of books because the business is not terminated.</td><td>All books of accounts are closed as the business is terminated.</td></tr>
</table></td><td>1 mark</td></tr>
<tr><td>2</td><td>6</td><td>4</td><td>Q. X,Y and Z .... if Z retires.

Ans. The ratio of X,Y and Z is 1/2 : 2/5 : 1/10 =5:4:1
Therefore, If Z retires, the new ratio between X and Y is 5:4</td><td>1 mark</td></tr>
<tr><td>1</td><td>7</td><td>6</td><td>Q. What is meant ....Partnership Firm?

Ans. Reconstitution of a partnership firm means any change in existing agreement among the partners.</td><td>1 mark</td></tr>
<tr><td>9</td><td>8</td><td>9</td><td>Q. B G Ltd. .... Profit to Loss.</td><td></td></tr>
</table>

Ans. **Books of B G Ltd.**

Dr. **Journal** **Cr.**

Date	Particulars	LF	Dr (₹)	Cr (₹)	Marks
2013 March 31	Interest on Debentures A/c Dr. To Debenture holders' A/c To Income Tax Payable A/c / TDS from Debenture Interest a/c (Half Yearly Interest due on debentures and tax deducted at source)		12,000	 10,800 1,200	1
March 31	Debenture holders' A/c Dr. To Bank A/c (Payment of Interest)		10,800	 10,800	1
March 31 **	Income Tax Payable / TDS from Debenture Interest A/c Dr. To Bank A/c (TDS deposited with Income Tax authorities)		1,200	 1,200	
March 31	Statement of P/L Dr. To Interest on Debentures A/c (Interest transferred to statement of P/L)		24,000	 24,000	1

**** NOTE: No marks to be deducted in case the examinee has not passed this entry.**

(1+1+1) = 3 marks

---

8 | 9 | 8

Q. Saloni and Shrishti..................... Aditi's admission.

Ans. Based on Aditi's share the total capital of the new firm ought to be:

Rs. 1,00,000 x 6/1 =		₹ 6,00,000
Less: Capital of Saloni	₹ 2,00,000	
Capital of Shrishti	₹ 1,50,000	
Capital of Aditi	₹ 1,00,000	₹ 4,50,000
Value of Goodwill of the firm		₹ 1,50,000

Aditi's share of goodwill = 1,50,000 x 1/6 = Rs. 25,000 **1**

Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)	Marks
	(i) Bank / Cash A/c Dr. To Aditi's Capital A/c (Cash brought in by Aditi as her capital)		1,00,000	 1,00,000	1
	(ii) Aditi's Capital A/c Dr. To Saloni's Capital A/c To Shrishti's Capital A/c (Credit given for goodwill to Saloni and Shrishti on Aditi's admission)		25,000	 17,500 7,500	1

(1+1+1) = 3 marks

-- | 10 | --

Q. Pass necessary .... cases.

(i) Pharma Ltd... of 25%.

Ans. **Books of Pharma Ltd.**

Dr. **Journal** **Cr.**

Date	Particulars	LF	Dr (₹)	Cr (₹)	Marks
	12% Debentures A/c Dr. To Discount on issue of Debentures A/c To Debenture holders' A/c (Amount due to debenture holders on		2,50,000	 15,000 2,35,000	½

Date	Particulars	LF	Dr (₹)	Cr (₹)	Marks
	conversion of 2,500 Debentures)				
	Debenture holders' A/c Dr. To Equity Share Capital A/c To Securities Premium / Securities Premium Reserve A/c (Amount discharged by issue of 1880 equity shares at 25% premium)		2,35,000	 1,88,000 47,000	1

OR

Books of Pharma Ltd.

Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)	Marks
	12% Debentures A/c Dr. To Debenture holders' A/c (Amount due to debenture holders on conversion of 2,500 Debentures)		2,50,000	 2,50,000	½
	Debenture holders' A/c Dr. To Equity Share Capital A/c To Securities Premium / Securities Premium Reserve A/c (Amount discharged by issue of 2,000 equity shares at 25% premium)		2,50,000	 2,00,000 50,000	1

(ii) Jain Ltd. .... of 25%.

Books of Jain Ltd.

Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)	Marks
	12% Debentures A/c Dr. To Debenture holders' A/c (Amount due to debenture holders on conversion of 2,000 Debentures)		2,00,000	 2,00,000	½
	Debenture holders' A/c Dr. To Equity Share Capital A/c To Securities Premium / Securities Premium Reserve A/c (Amount discharged by issue of 1,600 equity shares at 25% premium)		2,00,000	 1,60,000 40,000	1 **(1½ x 2) = 3 Marks**

<table>
<tr><td>14</td><td>11</td><td>12</td><td>

Q. Pass necessary............................. Rajan Ltd.
Ans.

Rajan Ltd.
Journal

Date	Particulars	L.f.	Dr. Amt (₹)	Cr. Amt (₹)
	a) Machinery A/c Dr. To Kundan Ltd. (Machinery purchased from Kundan Ltd)		7,20,000	 7,20,000
	Kundan Ltd Dr. Discount on Issue of Shares A/c Dr. To Equity Share Capital A/c (8,000 Equity Shares of ₹ 100 each issued as purchase consideration)		720,000 80,000	 8,00,000
	b) Plant & Machinery A/c Dr. Building A/c Dr. Sundry Debtors A/c Dr. Stock A/c Dr. Cash A/c Dr. To Sundry Creditors A/c To Vikas Ltd To Capital Reserve A/c (Business purchased)		90,000 90,000 30,000 50,000 20,000	 20,000 2,50,000 10,000
	Vikas Ltd Dr. To Equity Share Capital A/c To Bank A/c (Shares issued and draft given)		250,000	 2,20,000 30,000

</td><td>1
1
1
1
(1 x 4)
=
4 Marks</td></tr>
<tr><td>11</td><td>12</td><td>13</td><td>

Q. Satnam and Qureshi .... 31st March 2013.
Ans.

(c) <u>Values highlighted:</u> *(Any two)*

- Adherence to law to manufacture ISI marked electronic goods.
- Sensitive towards specially abled people.
- Providing employment opportunities to economically weaker section
- Encouragement to women entrepreneurship.

(OR any other suitable value.)

(b)

P/L Appropriation A/c of Satnaam, Qureshi & Juliee
Dr. For the year ended 31st March 2013 Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To Interest on Capital: Satnam's Capital A/c 25,500 Qureshi's Capital's A/c 12,300	1 37,800	By P/L A/c	3,37,800
To profits trsfd to: Satnam's Capital A/c 1,20,000 Qureshi's Capital A/c 1,20,000 Juliee's Capital A/c 60,000	1 3,00,000		
	3,37,800		**3,37,800**

<u>Working notes:</u>
<u>Calculation of Interest on Capital:</u>

c) Interest on Satnam's Capital:
(4,00,000 x 6/100) + (50,000 x 6/100 x 6/12)
= 24,000+ 1,500 = ₹ 25,500

</td><td>1x2
=
2

2

(2+2)
=
4 Marks</td></tr>
</table>

d) Interest on Qureshi's Capital:
(2,00,000 x 6/100) + (20,000 x 6/100 x 3/12)
= 12,000 + 300 = ₹ 12,300

NO MARKS FOR WORKING NOTES

---

12 | 13 | 13

Q. Virad, Vishad.. October 1, 2013

Ans.

Dr. Virad's Capital A/c Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)	Marks
To Virad's executor a/c ½	5,70,000	By Balance b/d	3,00,000	
		By Reserve fund	30,000	½
		By Vishad Capital a/c(Goodwill)	1,12,500	½
		By Roma's Capital A/c(Goodwill)	75,000	½
		By P/L Suspense A/c	37500	1
		By Interest on Capital	15000	1
	<u>5,70,000</u>		<u>5,70,000</u>	4 Marks

Working notes :

<u>Valuation of Goodwill :</u>

(3) Average Profit = ₹ 1,50,000
Goodwill at 2 ½ years purchase
= 1,50,000 x 2 ½ = ₹ 3,75,000
Virad's share of goodwill = 3,75,000 x 5/10 = ₹ 1,87,500

(4) Share of Profit payable to Virad
(upto the October 1, 2013)
= 1,50,000 x 5/10 x 6/12 = ₹ 37,500

NO MARKS FOR WORKING NOTES

-- | 14 | --

Q. On 1st April .... for the same.

Ans. **Balance Sheet of Janta Ltd.**
As at ....(As per revised schedule VI)

Particulars	Note No.	Amount Current year	Amount Previous year	Marks
EQUITY & LIABILITIES				
I Shareholder's funds :				
b) Share Capital	1	31,50,000		1

Notes to Accounts :

Particulars	Rs.	Marks
(2) <u>Share Capital</u>		
<u>Authorised Capital :</u>		
1,00,000 equity shares of ₹ 50 each	<u>50,00,000</u>	1
<u>Issued Capital</u>		
90,000 equity shares of ₹ 50 each	<u>45,00,000</u>	1
<u>Subscribed Capital</u>		
Subscribed but not fully paid		
90,000 shares of ₹ 50 each ₹ 35 called up	<u>31,50,000</u>	1

(1 x 4) = 4 Marks

--	15	--	Q. Abdul,Kadir..society.	

Ans. **Books of Abdul, Kadir & Kasim**

Dr. **Journal** **Cr.**

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)
	Kadir's Capital A/c Dr. To Abdul Capital A/c To Kasim's Capital A/c (Being adjustment entry passed)	294	 10 284

2

Working notes:

Particulars	Abdul (₹)	Kadir (₹)	Kasim (₹)	Total (₹)
Omission of Interest on drawings (Dr.)	700	720	--	1,420
Profit (Cr.)	710	426	284	1,420
Net effect	**10(Cr.)**	**294 (Dr.)**	**284 (Cr.)**	**---**

½
½
1

[alternate solution]

Books of Abdul, Kadir & Kasim

Dr. **Journal** **Cr.**

Date	Particulars	Dr. Amount (₹)	Cr. Amount (₹)
	Kasim's Capital A/c Dr. To Abdul Capital A/c To Kadir's Capital A/c (Being adjustment entry passed)	916	 760 156

2

Working notes:

Particulars	Abdul (₹)	Kadir (₹)	Kasim (₹)	Total (₹)
Omission of Interest on drawings (Dr.)	700	720	1,500	2,920
Profit (Cr.)	1460	876	584	2,920
Net effect	**760(Cr.)**	**156(Cr.)**	**916 (Dr.)**	---

½
½
1

Note: Full credit is to be given for working notes presented in any other form.

(1 x 2) = 2

Values (any two) :-

- Help towards needy flood victims.
- Medical Aid in flood affected areas.

(OR any other suitable value.)

(2+2+2) = 6 Marks

--	16	--	**Q. Jayant and...account.** **Ans.**	

Realisation A/c

Particulars	Amt (₹)	Particulars	Amt (₹)
To Debtors A/c ½	2,00,000	By Creditors	75,000
To Stock A/c	20,000	By Jayant's Current /Capital A/c	6,400
To Machinery A/c	3,12,000	By Bank A/c	
To Furniture A/c ½	20,000	Stock – 15,000	
To Bank A/c		Debtors – 1,90,000	
Creditors – 75,000		Unrecorded Asset - 3,000	
O/s Bill for -- 38,000	½ 1,13,000	Machinery – 2,37,000	
		Furniture - 20,000	4,65,000
		By loss transferred to	
		Jayant's Current / Capital A/c	59,300
		Ramakant's Current/ Capital A/c	59,300
	6,65,000		**6,65,000**

Marks: ½, 1, 2, 1 = 6 marks

18	17	18	**Q. XYZ Ltd. .... XYZ Ltd.** **OR** **AB Ltd......................................AB Ltd.** **NOTE : Full marks are to be awarded for 'ATTEMPTING' the question. (whether correctly or wrongly) and it is applicable to both the options (Discount or Premium)**	**8 Marks**
17	18	17	**Q. Mohan and Mahesh .... by Nusrat.** **Ans.**	

Dr. Revaluation A/c Cr.

Particulars	₹	Particulars	₹
To profit transferred to		By Building A/c	1,00,000
Mohan's capital A/c 84,000		By Stock A/c	40,000
Mahesh's Capital A/c 56,000	1,40,000		
	1,40,000		1,40,000

Marks: 2

Dr. Partners' Capital A/c Cr.

Particulars	Mohan ₹	Mahesh ₹	Nusrat ₹	Particulars	Mohan ₹	Mahesh ₹	Nusrat ₹
To Balance c/d	3,92,000	2,08,000	1,20,000	By Balance b/d	1,00,000	80,000	-
				By revaluation A/c	84,000	56,000	
				By General Reserve A/c	96,000	64,000	-
				By Workmen Comp. Fund A/c	12,000	8,000	-
				By premium for goodwill A/c	1,00,000	-	-
				By Cash A/c	-	-	1,20,000

Marks: 1x3 = 3

	3,92,000	2,08,000	1,20,000		3,92,000	2,08,000	1,20,000

Balance Sheet of the Reconstituted firm
as at 1st April 2012

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	2,10,000	Cash in Hand	3,60,000
Claim for Workmen Comp.	2,30,000	Debtors	1,60,000
Capital:		Stock	1,60,000
Mohan – 3,92,000		Machinery	1,00,000
Mahesh – 2,08,000		Building	3,80,000
Nusrat – 1,20,000			
	7,20,000		
	11,60,000		11,60,000

2

Working Notes: *Capital Adjustment*

Nusrat's Capital = (Mohan's capital + Mahesh's capital) x 20/100
= (3,92,000 + 2,08,000) x 20/100
= 6,00,000 x 20 /100 = 1,20,000

1
(2+3+2+1)
=
8 Marks

18 OR

Q. Kushal, Kumar……………………………… Kavita's retirement.

Ans. Revaluation A/c

Dr **Cr**

Particulars	Amt (₹)	Particulars	Amt (₹)
To Building	1,00,000	By Land	1,20,000
To Furniture	20,000	By Loss transferred to Partner's Capital A/c	
To Reserve for doubtful debts	5,000	Kushal - 3000	
		Kumar – 1000	
		Kavita – 1000	5,000
	1,25,000		1,25,000

2

Partners' Capital A/c

Particulars	Kushal (₹)	Kumar (₹)	Kavita (₹)	Particulars	Kushal (₹)	Kumar (₹)	Kavita (₹)
To Revalution A/c	3,000	1,000	1,000	By Balance b/d	3,00,000	2,80,000	3,00,000
To Kavita's Capital A/c	6,000	2,000	---	By General Reserve A/c	72,000	24,000	24,000
To Cash A/c	---	---	33,100	By Kushal's Capital A/c	---	----	6,000
To Kavita's Loan A/c	---	---	2,97,900	By Kumar's Capital A/c			2,000
To Kumar's Current A/c		1,35,000	---	By Kushal's Current A/c	1,35,000	---	----
To Balance c/d	4,98,000	1,66,000					
	5,07,000	3,04,000	3,32,000		5,07,000	3,04,000	3,32,000

1x3
=
3

Balance sheet of the Reconstituted firm
As at 1st April, 2012

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	1,20,000	Cash	36,900
B/P	1,80,000	Debtors – 2,00,000	
Kavita's Loan A/c	2,97,900	Less : - Provision – 15,000	1,85,000
Capital A/c		Stock	2,20,000
Kushal – 4,98,000		Furniture	1,00,000
Kumar – 1,66,000	6,64,000	Building	2,00,000
		Land	5,20,000
Kumar's Current A/c	1,35,000	Kushal's current A/c	1,35,000
	13,96,900		**13,96,900**

3

Working Notes

Capital of Kushal before adjustment= ₹3,63,000

Capital of Kumar before adjustment= ₹3,01,000

Total capital = ₹ 6,64,000

Kushal's adjusted capital= ¾ x ₹6,64,000= ₹4,98,000

Kumar's adjusted capital= ¼ x ₹6,64,000= ₹1,66,000

(2+3+3) = 8 Marks

---

21 | 19 | 20

Q. State any .... financial statement. **1 Mark**

Ans. Limitations of financial statements: **(Any one)**

- Affected by window dressing.
- Lack of qualitative analysis.
- Does not reflect changes in price level.
- Different accounting policies.
- Historical Analysis.
- Suffers from limitations of financial statements.
- Not free from bias.
- Identifies only symptoms.

---

19 | 20 | 21

Q. What is .... Cash Flow Statement? **1 Mark**

Ans. Cash Equivalents mean short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in their values.

---

20 | 21 | 19

Q. State the objective................flow statement. **1 Mark**

Ans. Objective of cash flow statement: **(Any one)**

(a)To provide information regarding sources and uses of cash from operating, investing and financing activities separately.

(b)To highlight change in cash position.

---

22 | 22 | 22

Q. Under which .... Companies Act, 1956.

Ans.

S.No.	Items	Sub – Heading
1	Accrued income	Other current assets
2	Loose Tools	Inventories

3	Provision for Employee benefits	Long term provisions		½ x 6 = 3 Marks
4	Unpaid Dividend	Other current Liabilities		
5	Short term loans	Short Term Borrowings / Short Term Loans & Advances		
6	Long term loans	Long Term Borrowings / Long term loans & advances		

--	23	--	**Q. From the following .... Vidya Ltd.**	

Ans.

COMPARATIVE STATEMENT OF PROFIT & LOSS of Vidya Ltd.
For the years ended 31st March'2012 and 2013

Particulars	Note No.	2011-12 (₹)	2012-13 (₹)	Absolute Change	Change In %age	
Revenue from Operations		1100,000	14,00,000	3,00,000	27.27%	1
Add: other income		3,00,000	4,00,000	1,00,000	33.33%	
Total Revenue (I + II)		14,00,000	18,00,000	4,00,000	28.57%	1
Less: Expenses		12,00,000	11,00,000	(100,000)	(8.33%)	
Profit before Tax (III – IV)		2,00,000	7,00,000	5,00,000	250%	1
Less: Tax @ 50%		1,00,000	3,50,000	2,50,000	250%	
Profit after tax		1,00,000	3,50,000	2,50,000	250%	1

(1 x 4) = 4 Marks

--	24	--	**Q. (a) From the following .... DEBT Equity Ratio.**	

Ans.

Debt Equity ratio = Debt / Equity ½

Debt = Long term borrowings + Long Term Provisions = ₹ 4,00,000 + Rs.2,00,000 ½
= ₹ 6,00,000

Equity = Current Assets + Non Current Assets – Debt -Current Liabilities
= 1,80,000 +7,20,000 -600,000 -1,00,000 = ₹ 2,00,000 ½

Debt Equity ratio = 6,00,000/ 2,00,000 = **3:1** ½

(a) The Current Ratio.............................. change the ratio .

	CHANGE		**REASON**	
(1)	No change	:	Neither Current Assets nor Current Liabilities are changing .	1
(2)	No change	:	Neither Current Assets nor Current Liabilities are changing .	1

(2+2) = 4 Marks

25	25	25	**Q. Prepare a Cash flow Statement .... 31-3-2013 and 31-3-2012.**	

Ans.

Cash flow statement of Liva Ltd.
For the year ended 31st March 2013 as per AS-3 (Revised)

Particulars	Details (₹)	Amount (₹)	
Cash Flows from Operating Activities:			
Net Profit before tax & extraordinary items	1,08,000		
Add: Non cash and non-operating charges	-		
Operating profit before working capital changes	1,08,000		
Add: Increase in Current Liabilities	48,000		
Increase in trade payables			
Less: Increase in Current Assets	(22,500)		
Increase in trade receivables	(83,000)		
Increase in inventories			
Cash generated from Operating Activities		**50,500**	**2 ½**
Cash flows from Investing Activities :	(42,000)		
Purchase of fixed assets	(30,000)		
Purchase of non current investments			
Cash used in investing activities		**(72,000)**	
Cash flows from Financing Activities:	30,000		**1 ½**
Issue of share capital			
Cash from financing activities		**30,000**	**1**
Net increase in cash & cash equivalents		**8,500**	
Add: Opening balance of cash & cash equivalents:	60,000		
Marketable Securities	9,500		
Cash & cash equivalents		**69,500**	**1**
Closing Balance of cash & cash equivalents:	54,000		
Marketable Securities	24,000		
Cash & cash equivalents		**78,000**	

6 Marks

			PART C **(Computerized Accounting)**	
20	**19**	**21**	**Q.** What is……………..Table? **Ans.** It is a data base object which is used to hold raw data. The tables are created with respective fieldnames, data types and properties.	**1 Mark**
21	**20**	**19**	**Q.** What…………………………………..system? **Ans.** A series of operations in a certain order or manner to achieve desired results, the accounting procedures can be hardware oriented, software oriented or internal procedures.	**1 Mark**
19	**21**	**20**	**Q.** What is SQL? **Ans.** It is a language used to store and manipulate data or create a complex set of data base structure.	**1 Mark**
22	**22**	**22**	**Q.** Give one……………………system. **Ans.** Advantages of Computerised Accounting System **(Any one)** 1. Timely generation of reports and information in desired format. 2. Efficient record keeping. 3. Ensures effective control over the system. 4. Economy in the processing of accounting data. Limitations **(Any two):** 5. Faster obsolesce of technology necessitates investment in short period of time. 6. Data may be lost or corrupt due to power interruptions. 7. Data are prone to hacking. Un-programmed and un-specified reports cannot be generated.	**1** **2** **(1+2) = 3 Marks**
24	**23**	**24**	**Q.** Explain any four………………System. **Ans.** Advantages of ' Database management ' **(Any four)** : 7. Ready availability from one central source. 8. Minimum data redundancy. 9. Reduced programming effort. 10. Facility of preparation of special purpose reports. 11. Greater consistency. One transaction input updates multiple data base records leads to minimising input efforts.	**(1x4) = 4 Marks**
23	**24**	**23**	**Q.** Explain…………………………………..codes. **Ans.** **<u>Sequential Codes:</u>** In these codes numbers and/or letters are assigned in consecutive order. These codes are applied primarily to source documents such as cheques, invoices etc. This code facilitates document searches. This process enables in either identification of missing codes (numbers) relating to a particular document or a relevant document can be traced. **<u>Mnemonic Codes:</u>** These codes consist of alphabets or abbreviations as symbols to codify a piece of information. SJ for sales Journal, HQ for Head Quarters are examples of mnemonic codes.	**2** **2** **(2+2) = 4 Marks**

-	**25**	**--**	**Q.** Calculate…………………………….. Basic pay. **Ans.** **i.** Dearness Allowance =IF(B1>25,000, 0.25*B1, 0.2*B1) **ii.** Tax Payable =IF(B1>25,000, 0.2*B1, 0.15*B1) **iii.** Net Salary =SUM(B1,C1--D1)	**(2x3) = 6 Marks**

<table>
<tr><th colspan="3">Q. Set No.</th><th rowspan="2">Marking Scheme 2013-14
Accountancy (055)
<u>Delhi – 67/1/3</u>
Expected Answers / Value points</th><th rowspan="2">Distribution of marks</th></tr>
<tr><th>67/ 1/1</th><th>67/ 1/2</th><th>67/ 1/3</th></tr>
<tr><td>5</td><td>4</td><td>1</td><td>Q. Give the...................................... 'Debenture'.

Ans. Debenture is an instrument acknowledging a debt issued by a company under a common seal.
[or any other suitable meaning]</td><td>1 mark</td></tr>
<tr><td>4</td><td>2</td><td>2</td><td>Q. Why heirs.................................... goodwill of the firm?

Ans. The retiring partner / heirs of deceased partner are entitled to his share of goodwill because the goodwill earned by the firm is the results of the efforts of all the existing partners in the past. As they will not be sharing future profits, it will be fair to compensate them for the same.</td><td>1 mark</td></tr>
<tr><td>3</td><td>5</td><td>3</td><td>Q. Distinguish between......................Closure of books.
Ans.
<table>
<tr><th>Basis</th><th>Dissolution of Partnership</th><th>Dissolution of Partnership Firm</th></tr>
<tr><td>Closure of Books</td><td>It does not require closure of books because the business is not terminated.</td><td>All books of accounts are closed as the business is terminated.</td></tr>
</table></td><td>1 mark</td></tr>
<tr><td>2</td><td>6</td><td>4</td><td>Q. X,Y and Z .... if Z retires.

Ans. The ratio of X,Y and Z is 1/2 : 2/5 : 1/10 =5:4:1
Therefore, If Z retires, the new ratio between X and Y is 5:4</td><td>1 mark</td></tr>
<tr><td>7</td><td>1</td><td>5</td><td>Q. Give any one .... may be utilised.
Ans. According to the Companies Act,1956 the amount of 'Securities premium' may be used only for the following purposes:- (Any one)

In writing off the preliminary expenses of the company.
For writing off the expenses, commission or discount allowed on issue of shares or debentures of the company.
For issuing fully paid bonus shares to the shareholders of the company.
For providing for the premium payable on redemption of redeemable preference shares or debentures of the company.
For buy back of its own shares
</td><td>1 mark</td></tr>
<tr><td>1</td><td>7</td><td>6</td><td>Q. What is meant ....Partnership Firm?

Ans. Reconstitution of a partnership firm means any change in existing agreement among the partners.</td><td>1 mark</td></tr>
<tr><td>6</td><td>3</td><td>7</td><td>Q. What is .... can be reissued?
Ans. Discount allowed must not exceed the amount received at the time of forfeiture i.e. amount credited to forfeited shares account at that time.</td><td>1 mark</td></tr>
<tr><td>8</td><td>9</td><td>8</td><td>Q. Saloni and Shrishti...................... Aditi's admission.
Ans. Based on Aditi's share the total capital of the new firm ought to be:
₹ 1,00,000 x 6/1 = ₹ 6,00,000
Less: Capital of Saloni ₹ 2,00,000
Capital of Shrishti ₹ 1,50,000
Capital of Aditi <u>₹ 1,00,000</u> <u>₹4,50,000</u>
Value of Goodwill of the firm <u>₹ 1,50,000</u>
Aditi's share of goodwill = 1,50,000 x 1/6 = ₹25,000</td><td>1</td></tr>
</table>

Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)	Marks
	(i) Bank / Cash A/c Dr. To Aditi's Capital A/c (Cash brought in by Aditi as her capital)		1,00,000	 1,00,000	1
	(ii) Aditi's Capital A/c Dr. To Saloni's Capital A/c To Shrishti's Capital A/c (Credit given for goodwill to Saloni and Shrishti on Aditi's admission)		25,000	 17,500 7,500	1

(1+1+1) = 3 marks

9	8	9	**Q. B G Ltd. .... Profit to Loss.**

Ans.

Books of B G Ltd.
Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)	Marks
2013 March 31	Interest on Debentures A/c Dr. To Debenture holders' A/c To Income Tax Payable A/c / TDS from Debenture Interest a/c (Half Yearly Interest due on debentures and tax deducted at source)		12,000	 10,800 1,200	1
March 31	Debenture holders' A/c Dr. To Bank A/c (Payment of Interest)		10,800	 10,800	1
March 31 **	Income Tax Payable / TDS from Debenture Interest A/c Dr. To Bank A/c (TDS deposited with Income Tax authorities)		1,200	 1,200	
March 31	Statement of P/L Dr. To Interest on Debentures A/c (Interest transferred to statement of P/L)		24,000	 24,000	1

**** NOTE: No marks to be deducted in case the examinee has not passed this entry.**

(1+1+1) = 3 marks

--	--	10	**Q. Pass necessary .... cases.** **(i) Kay Ltd.. of 25%.**

Ans.

Books of Kay Ltd.
Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)	Marks
	12% Debentures A/c Dr. To Debenture holders' A/c (Amount due to debenture holders on conversion of 3,000 Debentures)		3,00,000	 3,00,000	½
	Debenture holders' A/c Dr. To Equity Share Capital A/c To Securities Premium / Securities		3,00,000	 2,40,000 60,000	1

Date	Particulars	LF	Dr (₹)	Cr (₹)
	Premium Reserve A/c (Amount discharged by issue of Issue of 2,400 equity shares of ₹ 100 each at 25% premium)			

(ii) Jay Ltd. .... issued at par.

Books of Jay Ltd.
Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)
	12% Debentures A/c Dr. To Discount on issue of Debentures A/c To Debenture holders' A/c (Amount due to debenture holders on conversion of 1,500 Debentures)		15,00,000	 1,50,000 13,50,000
	Debenture holders' A/c Dr. To Equity Share Capital A/c (Amount discharged by issue of 27,000 equity shares of ₹ 50 each at par)		13,50,000	 13,50,000

Marks: 1, ½

OR

Books of X Ltd.
Journal

Date	Particulars	LF	Dr (₹)	Cr (₹)
	12% Debentures A/c Dr. To Debenture holders' A/c (Amount due to debenture holders on conversion of 1,500 Debentures)		15,00,000	 15,00,000
	Debenture holders' A/c Dr. To Equity Share Capital A/c (Amount discharged by issue of 30,000 equity shares at par)		15,00,000	 15,00,000

Marks: ½, 1

(1½ x 2) = 3 Marks

---

12 | 13 | 11

Q. Virad, Vishad... October 1, 2013

Ans.

Dr. Virad's Capital A/c Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To Virad's executors' a/c ½	5,70,000	By Balance b/d By Reserve fund By Vishad Capital a/c(Goodwill) By Roma's Capital A/c(Goodwill) By P/L Suspense A/c By Interest on Capital	3,00,000 30,000 1,12,500 75,000 37500 15000
	5,70,000		**5,70,000**

Marks: ½, ½, ½, 1, 1

4 Marks

Working notes :

<u>Valuation of Goodwill :</u>

(5) Average Profit = ₹ 1,50,000
Goodwill at 2 ½ years purchase
= 1,50,000 x 2 ½ = ₹ 3,75,000
Virad's share of goodwill = 3,75,000 x 5/10 = ₹ 1,87,500

(6) Share of Profit payable to Virad
(upto the October 1, 2013)
= 1,50,000 x 5/10 x 6/12 = ₹ 37,500

<u>NO MARKS FOR WORKING NOTES</u>

14	**11**	**12**	**Q. Pass necessary.............................. Rajan Ltd.** **Ans.**	

Rajan Ltd.
Journal

Date	Particulars	L.f.	Dr. Amt (₹)	Cr. Amt (₹)	
	a) Machinery A/c Dr.		7,20,000		
	To Kundan Ltd.			7,20,000	**1**
	(Machinery purchased from Kundan Ltd)				
	Kundan Ltd Dr.		720,000		
	Discount on Issue of Shares A/c Dr.		80,000		
	To Equity Share Capital A/c			8,00,000	**1**
	(8,000 Equity Shares of ₹ 100 each issued as purchase consideration)				
	b) Plant & Machinery A/c Dr.		90,000		
	Building A/c Dr.		90,000		**1**
	Sundry Debtors A/c Dr.		30,000		
	Stock A/c Dr.		50,000		
	Cash A/c Dr.		20,000		
	To Sundry Creditors A/c			20,000	
	To Vikas Ltd			2,50,000	
	To Capital Reserve A/c			10,000	
	(Business purchased)				
	Vikas Ltd Dr.		250,000		**1**
	To Equity Share Capital A/c			2,20,000	
	To Bank A/c			30,000	
	(Shares issued and draft given)				

(1 x 4) = 4 Marks

11	**12**	**13**	**Q. Satnam and Qureshi .... 31st March 2013.** **Ans.**	

(d) Values highlighted: ***(Any two)***

- Adherence to law to manufacture ISI marked electronic goods.
- Sensitive towards specially abled people.
- Providing employment opportunities to economically weaker section
- Encouragement to women entrepreneurship.

(OR any other suitable value.)

1x2 = 2

(b)

P/L Appropriation A/c of Satnaam, Qureshi & Juliee
Dr. For the year ended 31st March 2013 Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To Interest on Capital:		By P/L A/c	3,37,800
Satnam's Capital A/c 25,500			
Qureshi's Capital's A/c 12,300 (1)	37,800		
To profits trsfd to:			
Satnam's Capital A/c 1,20,000			
Qureshi's Capital A/c 1,20,000 (1)			
Juliee's Capital A/c 60,000	3,00,000		
	3,37,800		**3,37,800**

2

Working notes:
Calculation of Interest on Capital:

e) Interest on Satnam's Capital:
(4,00,000 x 6/100) + (50,000 x 6/100 x 6/12)
= 2,4000 + 1,500 = ₹ 25,500

(2+2) = 4 Marks

f) Interest on Qureshi's Capital:
(2,00,000 x 6/100) + (20,000 x 6/100 x 3/12)
= 12,000 + 300 = ₹ 12,300

NO MARKS FOR WORKING NOTES

-- -- **14** **Q. On 1st April .... for the same.**

Ans. **Balance Sheet of Vivek Ltd.**
As at ....(As per revised schedule VI)

Particulars	**Note No.**	**Amount Current year**	**Amount Previous year**
EQUITY & LIABILITIES I Shareholder's funds : c) Share Capital	1	15,75,000	

1

Notes to Accounts :

Particulars	(₹)
(3) Share Capital	
Authorised Capital :	
50,000 equity shares of ₹ 50 each	25,00,000
Issued Capital	
45,000 equity shares of ₹ 50 each	22,50,000
Subscribed Capital	
Subscribed but not fully paid	
45,000 shares of ₹ 50 each ₹ 35 called up	15,75,000

1
1
1

(1 x 4) = 4 Marks

-- -- **15** **Q. Amar, Karan.................. society.**

Ans. **Books of Amar, Karan & Varun**
Journal

Date	**Particulars**	**Dr. Amount (₹)**	**Cr. Amount (₹)**
	Karan's Capital A/c Dr.	441	
	To Amar's Capital A/c		15
	To Varun's Capital A/c		426
	(Adjustment entry passed)		

2

Working notes

Particulars	**Amar (₹)**	**Karan (₹)**	**Varun (₹)**	**Total (₹)**
Int. on drawings (Dr.)	1,050	1,080	--	2,130
Profit (Cr.)	1,065	639	426	2,130
Net effect	15 (Cr.)	441 (Dr.)	426(Cr.)	---

½
½
1

OR

Books of Amar, Karan & Varun
Journal

Date	**Particulars**	**Dr. Amount (₹)**	**Cr. Amount (₹)**
	Varun's Capital A/c Dr.	1,374	
	To Amar's Capital A/c		1,140
	To Karan's Capital A/c		234
	(Adjustment entry passed)		

2

			Working notes	½ ½ 1

Particulars	Amar (₹)	Karan (₹)	Varun (₹)	Total (₹)
Int on drawings (Dr.)	1,050	1,080	2,250	4,380
Profit (Cr.)	2,190	1,314	876	4,380
Net effect	1,140 (Cr.)	234(Cr.)	1,374 (Dr.)	---

Note: Full credit is to be given for working notes presented in any other form.

1x2 = 2

Values ***(any two)*** **:-**

- Help towards needy flood victims.
- Medical Aid in flood affected areas.

(OR any other suitable value.)

(2+2+2) = 6 Marks

--	--	16	**Q. Kumar & Gaurav................... realisation A/c.**

Ans.

Realisation A/c

Particulars	Amt (₹)	Particulars	Amt (₹)	
To Debtors	1,70,000	By Creditors	80,000	½
To Stock 1	34,000	By Kumar's Current/ Capital A/c	15,300	1
To Machinery	79,000			
To Bank A/c 1/2		By Bank A/c		
Outstanding bill - 12,000		Stock – 10,000		
Creditors – 80,000	92,000	Debtors – 1,61,500		
		Unsecured Asset - 9,000		
		Machinery – 18,000	1,98,500	2
		By loss transferred to		
		Kumar's Current /Capital A/c	48,720	
		Gaurav's Current / Capital A/c	32,480	1
	3,75,000		**3,75,000**	**= 6 marks**

17 | 18 | 17

Q. Mohan and Mahesh .... by Nusrat.

Ans.

Revaluation A/c

Dr. Cr.

Particulars	₹	**Particulars**	₹
To profit transferred to Mohan's capital A/c 84,000 Mahesh's Capital A/c 56,000	1,40,000	By Building A/c By Stock A/c	1,00,000 40,000
	1,40,000		1,40,000

2

Partner's Capital A/c

Dr. **Cr.**

Particulars	**Mohan** ₹	**Mahesh** ₹	**Nusrat** ₹	**Particulars**	**Mohan** ₹	**Mahesh** ₹	**Nusrat** ₹
To Balance c/d	3,92,000	2,08,000	1,20,000	By Balance b/d	1,00,000	80,000	
				By revaluation A/c	84,000	56,000	
				By General Reserve A/c	96,000	64,000	
				By Workmen Comp. Fund A/c	12,000	8,000	
				By premium for goodwill A/c	1,00,000	-	
				By Cash A/c	-	-	1,20,000
	3,92,000	**2,08,000**	**1,20,000**		**3,92,000**	**2,08,000**	**1,20,000**

1x3 = 3

Balance Sheet of the Reconstituted firm
as at 1st April 2012

Liabilities	**Amount (₹)**	**Assets**	**Amount (₹)**
Creditors	2,10,000	Cash in Hand	3,60,000
Claim for Workmen Comp.	2,30,000	Debtors	1,60,000
Capital:		Stock	1,60,000
Mohan – 3,92,000		Machinery	1,00,000
Mahesh – 2,08,000		Building	3,80,000
Nusrat – 1,20,000			
	7,20,000		
	11,60,000		**11,60,000**

2

Working Notes: *Capital Adjustment*

Nusrat's Capital = (Mohan's capital + Mahesh's capital) x 20/100

= (3,92,000 + 2,08,000) x 20/100

= 6,00,000 x 20 /100 = 1,20,000

1

(2+3+2+1) = 8 Marks

17 OR | 18 OR | 17 OR

Q. Kushal, Kumar…………………………… Kavita's retirement.

Ans.

Revaluation A/c

Dr **Cr**

Particulars	Amount (₹)	Particulars	Amount (₹)
To Building To Furniture To Reserve for doubtful debts	1,00,000 20,000 5,000	By Land By Loss transferred to Partner's Capital A/c Kushal - 3000 Kumar – 1000 Kavita – 1000	1,20,000 5,000
	1,25,000		**1,25,000**

2

Partners' Capital A/c

Particulars	Kushal (₹)	Kumar (₹)	Kavita (₹)	Particulars	Kushal (₹)	Kumar (₹)	Kavita (₹)
To Revalution A/c	3,000	1,000	1,000	By Balance b/d	3,00,000	2,80,000	3,00,000
To Kavita's Capital A/c	6,000	2,000	---	By General Reserve A/c	72,000	24,000	24,000
To Cash A/c	---	---	33,100	By Kushal's Capital A/c	---	----	6,000
To Kavita's Loan A/c	---	---	2,97,900	By Kumar's Capital A/c			2,000
To Kumar's Current A/c		1,35,000	---	By Kushal's Current A/c	1,35,000	---	----
To Balance c/d	4,98,000	1,66,000					
	5,07,000	**3,04,000**	**3,32,000**		**5,07,000**	**3,04,000**	**3,32,000**

1x3 = 3

Balance sheet of the Reconstituted firm
As at 1st April, 2012

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	1,20,000	Cash	36,900
B/P	1,80,000	Debtors – 2,00,000	
Kavita's Loan A/c	2,97,900	Less : - Provision – 15,000	1,85,000
Capital A/c		Stock	2,20,000
Kushal – 4,98,000		Furniture	1,00,000
Kumar – 1,66,000	6,64,000	Building	2,00,000
		Land	5,20,000
Kumar's Current A/c	1,35,000	Kushal's current A/c	1,35,000
	13,96,900		**13,96,900**

3

Working Notes

Capital of Kushal before adjustment= ₹3,63,000

Capital of Kumar before adjustment= ₹3,01,000

Total capital = ₹ 6,64,000

Kushal's adjusted capital= ¾ x ₹6,64,000= ₹4,98,000

Kumar's adjusted capital= ¼ x ₹6,64,000= ₹1,66,000

(2+3+3) = 8 Marks

<table>
<tr><td>18</td><td>17</td><td>18</td><td>Q. XYZ Ltd. .... XYZ Ltd.
OR
AB Ltd.....................................AB Ltd.

NOTE : Full marks are to be awarded for ‘ATTEMPTING’ the question. (whether correctly or wrongly) and it is applicable to both the options (Discount or Premium)</td><td>8 Marks</td></tr>
<tr><td></td><td></td><td></td><td>PART B
(Financial Statements Analysis)</td><td></td></tr>
<tr><td>20</td><td>21</td><td>19</td><td>Q. State the objective................flow statement.
Ans. Objective of cash flow statement: (Any one)
(a)To provide information regarding sources and uses of cash from operating, investing and financing activities separately.
(b)To highlight change in cash position.</td><td>1 Mark</td></tr>
<tr><td>21</td><td>19</td><td>20</td><td>Q. State any .... financial statement.

Ans. Limitations of financial statements: (Any one)
Affected by window dressing.
Lack of qualitative analysis.
Does not reflect changes in price level.
Different accounting policies.
Historical Analysis.
Suffers from limitations of financial statements.
Not free from bias.
Identifies only symptoms.</td><td>1 Mark</td></tr>
<tr><td>19</td><td>20</td><td>21</td><td>Q. What is .... Cash Flow Statement?

Ans. Cash Equivalents mean short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in their values.</td><td>1 Mark</td></tr>
<tr><td>22</td><td>22</td><td>22</td><td>Q. Under which .... Companies Act, 1956.
Ans.
<table>
<tr><th>S.No.</th><th>Items</th><th>Sub – Heading</th></tr>
<tr><td>1</td><td>Accrued income</td><td>Other current assets</td></tr>
<tr><td>2</td><td>Loose Tools</td><td>Inventories</td></tr>
<tr><td>3</td><td>Provision for Employee benefits</td><td>Long term provisions</td></tr>
<tr><td>4</td><td>Unpaid Dividend</td><td>Other current Liabilities</td></tr>
<tr><td>5</td><td>Short term loans</td><td>Short Term Borrowings / Short Term Loans & Advances</td></tr>
<tr><td>6</td><td>Long term loans</td><td>Long Term Borrowings / Long term loans & advances</td></tr>
</table></td><td>½ x 6
=
3 Marks</td></tr>
<tr><td>--</td><td>--</td><td>23</td><td>Q. From the following .... Better SalesLtd.
Ans.
COMPARATIVE STATEMENT OF PROFIT & LOSS of Better Sales Ltd.</td><td></td></tr>
</table>

				Marks
			For the years ended 31st March, 2012 and 2013	

Particulars	**Note No.**	**2011-12 (₹)**	**2012-13 (₹)**	**Absolute change**	**Change In %age**	
Revenue from Operations		5,00,000	7,00,000	2,00,000	40%	1
Add: other income		1,00,000	75,000	(25,000)	(25%)	
Total Revenue		6,00,000	7,75,000	1,75,000	29.17%	1
Less: Expenses		3,75,000	4,50,000	75,000	20%	
Profit before Tax		2,25,000	3,25,000	1,00,000	44.44%	1
Less: Tax @ 50%		1,12,500	1,62,500	50,000	44.44%	
Profit after tax		1,12,500	1,62,500	50,000	44.44%	1

1x4 = 4 Marks

-- -- 24 **Q. From the following .... Debt Equity ratio.**

Ans. (a) Debt Equity ratio = Debt / Equity ½

Debt = Long term borrowings + Long term provisions = ₹ 8,00,000 +4,00,000 = 12,00,000 ½

Equity = Current Assets + Non Current Assets -- Debt – Current Liabilities
= 3,60,000 +14,40,000 -12,00,000—2,00,000 = ₹ 4,00,000 ½

Debt Equity ratio = 12,00,000/ 4,00,000 = **3:1** ½

½ x4 = 2

(b)The Quick Ratio............................... change the ratio .

CHANGE	**REASON**	
(1) No Change :	Both Current Assets and Current Liabilities are decreasing with same amount .	1
(2) No change:	Neither Current Assets nor Current Liabilities are changing .	1

(2+2) = 4 Marks

25 25 25 Q. Prepare a Cash flow Statement .... 31-3-2013 and 31-3-2012.

Ans.

Cash flow statement of Liva Ltd.
For the year ended 31st March 2013 as per AS-3 (Revised)

Particulars	Details (₹)	Amount (₹)	
Cash Flows from Operating Activities:			
Net Profit before tax & extraordinary items	1,08,000		
Add: Non cash and non-operating charges	-		
Operating profit before working capital changes	1,08,000		
Add: Increase in Current Liabilities			
Increase in trade payables	48,000		
Less: Increase in Current Assets			
Increase in trade receivables	(22,500)		
Increase in inventories	(83,000)		
Cash generated from Operating Activities		**50,500**	**2 ½**
Cash flows from Investing Activities :			
Purchase of fixed assets	(42,000)		
Purchase of non current investments	(30,000)		
Cash used in investing activities		**(72,000)**	**1 ½**
Cash flows from Financing Activities:			
Issue of share capital	30,000		
Cash from financing activities		**30,000**	**1**
Net increase in cash & cash equivalents		**8,500**	
Add: Opening balance of cash & cash equivalents:			
Marketable Securities	60,000		
Cash & cash equivalents	9,500	**69,500**	**1**
Closing Balance of cash & cash equivalents:			
Marketable Securities	54,000		
Cash & cash equivalents	24,000	**78,000**	

6 Marks

			PART C **(Computerized Accounting)**	
21	**20**	**19**	**Q.** What is SQL? **Ans.** It is a language used to store and manipulate data or create a complex set of data base structure.	**1 Mark**
19	**21**	**20**	**Q.** What is……………..Table? **Ans.** It is a data base object which is used to hold raw data. The tables are created with respective fieldnames, data types and properties.	**1 Mark**
20	**19**	**21**	**Q.** What…………………………………..system? **Ans.** A series of operations in a certain order or manner to achieve desired results, the accounting procedures can be hardware oriented, software oriented or internal procedures.	**1 Mark**
22	**22**	**22**	**Q.** Give one……………………system. **Ans.** Advantages of Computerised Accounting System **(Any one)** 5. Timely generation of reports and information in desired format. 6. Efficient record keeping. 7. Ensures effective control over the system. 8. Economy in the processing of accounting data. Limitations **(Any two):** 8. Faster obsolesce of technology necessitates investment in short period of time. 9. Data may be lost or corrupt due to power interruptions. 10. Data are prone to hacking. Un-programmed and un-specified reports cannot be generated.	**1** **2** **(1+2) = 3 Marks**
23	**24**	**23**	**Q.** Explain…………………………………codes. **Ans.** **<u>Sequential Codes:</u>** In these codes numbers and/or letters are assigned in consecutive order. These codes are applied primarily to source documents such as cheques, invoices etc. This code facilitates document searches. This process enables in either identification of missing codes (numbers) relating to a particular document or a relevant document can be traced. **<u>Mnemonic Codes:</u>** These codes consist of alphabets or abbreviations as symbols to codify a piece of information. SJ for sales Journal, HQ for Head Quarters are examples of mnemonic codes.	**2** **2** **(2+2) = 4 Marks**
24	**23**	**24**	**Q.** Explain any four………………System. **Ans.** Advantages of ‘ Database management ‘ **(Any four)** : 12. Ready availability from one central source. 13. Minimum data redundancy. 14. Reduced programming effort. 15. Facility of preparation of special purpose reports. **16.** Greater consistency. **17.** One transaction input updates multiple data base records leads to minimising input efforts.	**(1x4) = 4 Marks**

--	**25**	**--**	**Q.** Calculate ……………………………..Pay. **Ans.** **i.** Dearness Allowance =IF(B1>18,000, 0.3*B1, 0.25*B1) **ii.** Tax Payable =IF(B1>18,000, 0.3*B1, 0.25*B1) **iii.** Net Salary =SUM(B1,C1--D1)	**(2x3) = 6 Marks**