

(1)

SECOND YEAR HIGHER SECONDARY EXAMINATION, JUNE 2017  
(Finalised Scheme of Valuation)

Subject: Accountancy with AFS

PART A

Code No: 7049

Qn.No	Scoring Indicators	Split Score	Total Score
1	(d) None	1	1
2	C/R = 5:2	1	1
3	(b) Depreciation	1	1
4	(b) Debit side of Income & Exp. A/c	1	1
5	Interest on capital A/c Dr A's Capital A/c	1	1
6	For calculating sacrifice of Lee - $\frac{10}{42}$ For calculating Pee's gain as - $\frac{3}{42}$	1 1	2
7	a) Realisation A/c Dr Partner's Capital A/c b) Realisation A/c Dr Cash / Bank A/c	1 1	2
8	Subscription shown in Income & Exp A/c 62500 Less: Subscription of 19500 43000 Less: Sub. received in advance 3000 Subscription received during the year <u>40,000</u>	1 1 1	3

(PTO)

(2)

## SECOND YEAR HIGHER SECONDARY EXAMINATION, JUNE 2017

Qn. No	Sub Qns	Answer Key / Value points	Score	Total																																												
9		A's share of g/w - <u>16000</u> B's capital A/c Dr 8000 D's capital A/c Dr 8000 A's Capital A/c 16000 Gaining Ratio between B & D = <u>1:1</u>	1  1 1	3																																												
10		For explaining accumulated profits and losses Journal entry:- If profit : Reserve / profit & loss A/c Dr All partner's Cap A/c If Loss : All partner's Cap A/c Dr P/L A/c	1  1 1	3																																												
11		<p style="text-align: center;"><u>P/L Appropriation A/c</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%; border-right: 1px solid black;">Interest on Capital</td> <td style="width: 20%;"></td> <td style="width: 20%; text-align: center;">N/P</td> <td style="width: 20%;"></td> </tr> <tr> <td style="border-right: 1px solid black;">Light - 50000</td> <td></td> <td></td> <td style="text-align: right;">300,000</td> </tr> <tr> <td style="border-right: 1px solid black;">Shade - 40000</td> <td></td> <td></td> <td></td> </tr> <tr> <td style="border-right: 1px solid black;">Bright - 30000</td> <td style="text-align: right;">1,20,000</td> <td></td> <td></td> </tr> <tr> <td style="border-right: 1px solid black;">Capital A/c</td> <td></td> <td></td> <td></td> </tr> <tr> <td style="border-right: 1px solid black;">Light 90000</td> <td></td> <td></td> <td></td> </tr> <tr> <td style="border-right: 1px solid black;">less: to Bright 30000</td> <td style="text-align: right;">60,000</td> <td></td> <td></td> </tr> <tr> <td style="border-right: 1px solid black;">Shade</td> <td style="text-align: right;">60,000</td> <td></td> <td></td> </tr> <tr> <td style="border-right: 1px solid black;">Bright. 30000</td> <td></td> <td></td> <td></td> </tr> <tr> <td style="border-right: 1px solid black;">Add: From 30000</td> <td style="text-align: right;">60,000</td> <td></td> <td></td> </tr> <tr> <td style="border-right: 1px solid black;">Light</td> <td style="text-align: right;"><u>300,000</u></td> <td></td> <td style="text-align: right;"><u>300,000</u></td> </tr> </table>	Interest on Capital		N/P		Light - 50000			300,000	Shade - 40000				Bright - 30000	1,20,000			Capital A/c				Light 90000				less: to Bright 30000	60,000			Shade	60,000			Bright. 30000				Add: From 30000	60,000			Light	<u>300,000</u>		<u>300,000</u>	3	3
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For Interest on capital — 1 score  
Distribution of profit — 2 score

(P70)

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12		<p style="text-align: center;"><u>Income and Expenditure A/c</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Salaries &amp; wages</td> <td style="width: 10%;">33000</td> <td style="width: 40%;">Subscription</td> <td></td> </tr> <tr> <td>Misc: expenses</td> <td>12000</td> <td style="padding-left: 20px;">64300</td> <td></td> </tr> <tr> <td>Stationery- 6400</td> <td></td> <td>Add: o/s 6,35,700</td> <td></td> </tr> <tr> <td>Add: op. o/s <u>650</u></td> <td></td> <td style="border-top: 1px solid black;">7,00,000</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">7050</td> <td></td> <td>Entrance fee } 3,100</td> <td></td> </tr> <tr> <td>Less: clo. o/s <u>570</u></td> <td>6480</td> <td>Revenue from</td> <td></td> </tr> <tr> <td>Match exps</td> <td>15,200</td> <td style="padding-left: 20px;">Matches-18000</td> <td></td> </tr> <tr> <td>Telephone 1050</td> <td></td> <td></td> <td style="text-align: center;">3</td> </tr> <tr> <td>Add: clo. o/s <u>95</u></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">1145</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Less: op. o/s <u>85</u></td> <td>1060</td> <td></td> <td></td> </tr> <tr> <td>Audit fees</td> <td>2,000</td> <td></td> <td></td> </tr> <tr> <td>Depreciation</td> <td>12,000</td> <td></td> <td></td> </tr> <tr> <td>Surplus (B/F) <u>6,39,360</u></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black;">7,21,100</td> <td></td> <td style="border-top: 1px solid black; border-bottom: 3px double black;">7,21,100</td> <td></td> </tr> </table> <p style="text-align: center;">Opening balance sheet-</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Capital fund - 2,86,565</td> <td style="width: 50%;"></td> </tr> <tr> <td style="text-align: center;">B/S</td> <td></td> </tr> <tr> <td style="border-top: 1px solid black;">Capital fund 2,86,565</td> <td>Cash 62,350</td> </tr> <tr> <td>Add: Surplus 6,39,360</td> <td>Stock of stationery } 570</td> </tr> <tr> <td style="border-top: 1px solid black;">9,25,925</td> <td style="padding-left: 20px;">750</td> </tr> <tr> <td>o/s Telephone 95</td> <td>Sub o/s 6,37,300</td> </tr> <tr> <td>Sub-received in advance } 2,200</td> <td style="padding-left: 20px;">(6,35,700 + 1600)</td> </tr> <tr> <td></td> <td>Premises and Blys 2,28,000</td> </tr> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black;">9,28,220</td> <td style="border-top: 1px solid black; border-bottom: 3px double black;">9,28,220</td> </tr> </table>	Salaries & wages	33000	Subscription		Misc: expenses	12000	64300		Stationery- 6400		Add: o/s 6,35,700		Add: op. o/s <u>650</u>		7,00,000		7050		Entrance fee } 3,100		Less: clo. o/s <u>570</u>	6480	Revenue from		Match exps	15,200	Matches-18000		Telephone 1050			3	Add: clo. o/s <u>95</u>				1145				Less: op. o/s <u>85</u>	1060			Audit fees	2,000			Depreciation	12,000			Surplus (B/F) <u>6,39,360</u>				7,21,100		7,21,100		Capital fund - 2,86,565		B/S		Capital fund 2,86,565	Cash 62,350	Add: Surplus 6,39,360	Stock of stationery } 570	9,25,925	750	o/s Telephone 95	Sub o/s 6,37,300	Sub-received in advance } 2,200	(6,35,700 + 1600)		Premises and Blys 2,28,000	9,28,220	9,28,220	3	5
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Note:-

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14 b)		<p style="text-align: center;"><u>Journal</u></p> <ol style="list-style-type: none"> <li>1) Bank A/c Dr 30,000  P's cap 22500  C/W 7500</li> <li>2) C/W A/c Dr 7500  P's cap 4500  Q's cap 3000</li> <li>3) Revaluation A/c Dr 4650  Stock 2250  Furniture 1500  Provision 900</li> <li>4) Machinery A/c Dr 4500  Investment A/c Dr 2000  Revaluation A/c 6500</li> <li>5) Revaluation A/c Dr 1850  P's cap 1110  Q's cap 740  [R. profit transferred]</li> </ol>	5	8																												
		Preparation of Revaluation A/c R. profit - 1850	3																													

Each correct entry / score

(6)

## SECOND YEAR HIGHER SECONDARY EXAMINATION, JUNE 2017

## PART B

Qn. No	Sub Qns	Answer Key / Value points	Score	Total
1		(b) General Reserve	1	1
2		(c) After one year of commencement	1	1
3		(a) Capital Reserve	1	1
4		(c) Realisation Postulate	1	1
5		Share Capital A/c Dr Share Forfeiture A/c Discount on Issue of Shares Share Allotment Share I Call Share <sup>or</sup> Calls in Arrears	2	2
6	a) No: of shares : 4000 b) Agro Machine Ltd A/c Dr 3,24,000 Discount on Issue of Shares A/c Dr 36,000 Share Cap A/c 36,000	1 2	3	
7		Any 3 limitations of ratio analysis	3	3
8		<u>B/S</u> I. Equity and Liabilities :- 1 Share holders fund a) Share Capital 5,00,000 b) Reserves & Surplus 13,000 2 Non-current Liabilities :- a) Long-term borrowings 9% debentures 1,00,000	2	3

(PTO)

		Notes :- 1. Reserves & Surplus Securities premium      2000 P/L A/c <u>15000</u> 17000 Less: Prel. exps <u>4000</u> <u>13000</u>			1
9	(a)	1) Bank A/c      Dr      1,90,000 8% Deb. Appl & Allot              1,90,000 1,90,000      1			1
		2) 8% Deb. Appl. & Allot A/c Dr 1,90,000 Discount on issue of deb. 10,000 8% Debentures                      2,00,000 2,00,000      1			1
	(b)	1) Bank A/c      Dr      1,90,000 8% Deb. Appln & Allot.              1,90,000 1,90,000      1			1
		2) Deb. Appln & Allot A/c Dr 1,90,000 Less on issue of Deb.      20,000 8% Debentures                      2,00,000 Premium on redemption } of deb                                  10,000 2,00,000      1			1
10		<u>Trend Percentage</u> <u>Years</u> <u>Sales</u> <u>Stock</u> <u>Profit</u> 2010      100%      100%      100% 2011      124%      110%      136% 2012      141%      115%      143% 2013      161%      133%      164% 2014      200%      163%      195%			4
		Note: Interpretation is not needed			4

11	1 score for each correct entry (4x1)	4	4
12	<p>T. R. T. R = <math>\frac{\text{Net Credit Revenue from operations}}{\text{Average Trade Receivables}}</math></p> <p>Credit Revenue from Operations        = Total Revenue from operations —        Cash Revenue from operations</p> <p>Cash Revenue } 20% of 6,00,000 = <u>1,20,000</u></p> <p>Credit Revenue from operations =        6,00,000 — 1,20,000 = <u>4,80,000</u></p> <p>Average T. R = <math>\frac{\text{Op. T. Receivables} + \text{clos. T. R}}{2}</math>        = <math>\frac{60,000 + 1,80,000}{2} = \frac{2,40,000}{2} = \underline{1,20,000}</math></p> <p>T. R. T. R = <math>\frac{4,80,000}{1,20,000} = \underline{4 \text{ times}}</math></p>	1 1 1 2	5
13	<p>(a) <u>Cash Flow Statement</u></p> <p>I Cash flow from operating activities :-</p> <p>Net profit before tax &amp; extra ordinary items } 1,35,000</p> <p>Add: Provision for depn. on</p> <p>Equipments - 7500</p> <p>Furniture - 1500</p> <p>Patents 2500</p> <p>Loss on sale of equip <u>2500</u> 14000</p> <p>GP. Profit before w.c. changes 1,49,000</p> <p>Less: Decrease in Trade payable (2500)</p> <p>Increase in Trade Receivables (20000)</p> <p>Increase in Inventories (40,000)</p> <p>Add: Increase in o/s rent (1000)</p> <p>Less: Tax paid (15000)</p> <p>Cash flow from operating activities <u>72500</u></p>	3	



(9)

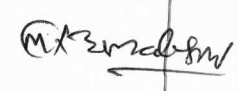
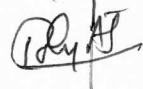

II Cash flow from Investing activities:-		
Proceeds from sale of equipments	15000	
Purchase of new equipment	(40000)	
Purchase of Investment	(50000)	
Cash used in investing activities	<u>(75000)</u>	2
III Cash flow from financing activities:-		
Issue of share capital	1,00,000	
Repayment of bank loan	(25,000)	
Payment of dividend	(25000)	
Cash flow from financing activities	<u>50,000</u>	2
Net increase in cash and cash equivalents (I + II + III)	47500	
Add: Cash & Cash equivalents at the beginning	1,02,500	
Cash & Cash equivalents at the end	<u>1,50,000</u>	1

13	(b) Cash flow from operating activities:-	
	Net profit before tax and extra ordinary items	10,500
	Add: Adjustments for	
	Depn	7500
	loss on sale of equip	4500
	Amortization of g/w	3000
	less: Profit on sale of Machinery	<u>(3000)</u>
	Net profit before w.c. changes	22,500
	less: Increase in T.R	(9000)
	Add: Decrease in Inventory	4500

(P 10)

(10)

Add: Increase in T.P	6000	
Add: Increase in Rent o/s	<u>750</u>	
Cash generated from operations	24,750	5
less: Income tax paid	(7500)	8
Add: Tax refund	<u>4500</u>	
Net cash flow from operating activities	<u><u>21750</u></u>	3

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