

# Unofficial Answer Key – Accountancy with Computerised Accounting - March 2020

Prepared by **Ajith Kanthi Wayanad**

## PART A ACCOUNTING

<b>Answer all Questions from 1 to 5, Each carries 1 Score</b>																																	
1	c) Legacy																																
2	d) Sundry Creditors																																
3	a) Interest on partner's loan																																
4	a) Old partners' capital account in Sacrificing ratio																																
5	Building A/c Dr To Revaluation A/c																																
<b>Answer any 4 from 6 to 10, Each carries 2 Scores</b>																																	
6	Interest on Drawings = Total Amount x Average Period x 1/12 x Rate of Interest / 100 48000 x 6 x 1/12 x 8/100 = 1920																																
7	<b>Need for valuation of Goodwill:</b> 1. Change in the profit sharing ratio amongst the existing partners; 2. Admission of new partner; 3. Retirement of a partner; 4. Death of a partner; and 5. Dissolution of a firm involving sale of business as a going concern. 6. Amalgamation of partnership firms. (any 2)																																
8	<b>Need for revaluation of assets and liabilities:</b> Yes, It is to be done, in order to find out the appropriate share of retiring partner in the firm. It can be done through revaluation account or profit and loss adjustment account and the profit or loss on revaluation is transferred to all the partner's capital accounts in their old ratio.																																
9	<table border="1" style="width: 100%; border-collapse: collapse; margin: 0 auto;"> <thead> <tr> <th colspan="4" style="text-align: center; padding: 5px;">Balance Sheet</th> </tr> <tr> <th style="width: 40%; padding: 5px;">Liabilities</th> <th style="width: 15%; padding: 5px;">Amount</th> <th style="width: 40%; padding: 5px;">Assets</th> <th style="width: 5%; padding: 5px;">Amount</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Cricket Match Fund</td> <td style="text-align: right; padding: 5px;">4000,000</td> <td></td> <td></td> </tr> <tr> <td style="padding: 5px;">Add: Donation</td> <td style="text-align: right; padding: 5px;">1200,000</td> <td></td> <td></td> </tr> <tr> <td style="padding: 5px;">Add: Sale of ticket</td> <td style="text-align: right; padding: 5px;"><u>1600,000</u></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; padding: 5px;">6800,000</td> <td></td> <td></td> </tr> <tr> <td style="padding: 5px;">Less: Match Expenses</td> <td style="text-align: right; padding: 5px;"><u>2300,000</u></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; padding: 5px;">4500,000</td> <td></td> <td></td> </tr> </tbody> </table>	Balance Sheet				Liabilities	Amount	Assets	Amount	Cricket Match Fund	4000,000			Add: Donation	1200,000			Add: Sale of ticket	<u>1600,000</u>				6800,000			Less: Match Expenses	<u>2300,000</u>				4500,000		
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10	<b>Rights of a newly admitted partner:</b> a) Right to share the assets of the firm b) Right to share future profits of the firm.																																
<b>Answer any 3 from 11 to 14, Each carries 3 Scores</b>																																	
11	Interest on Capital: 220,000 x 6% = 132,00 80000 x 6% x 6/12 = 2,400 ∴ Interest on capital = 13200 + 2400 = 15,600																																

12	<b>Differences between Dissolution of Partnership and Dissolution of Firm</b>		
	BASIS	DISSOLUTION OF PARTNERSHIP	DISSOLUTION OF FIRM
	Meaning	Economic relation between the partners change	Partnership between all the partners of a firm comes to an end.
	Termination	The business is not terminated	The business of the firm is completely closed.
	Court's intervention	No court intervention	Court may intervene and order for dissolution of firm.
	Settlement	Assets and liabilities are revalued and new balance sheet is prepared	Assets are sold, liabilities are paid off and balance utilized towards settlement of partners.
	Closure of Books	Books of accounts are not closed	All books of accounts are closed.
(any 3 differences)			

13 Calculation of Goodwill – Super Profit Method:  
 Goodwill = Super Profit x Number of year's  
 Super Profit = Average Profit – Normal Profit.  
 Normal Profit = Capital Employed x Normal Rate of Return / 100

Average Profit = 362000 / 5 = 72,400  
 Normal Profit = 500,000 x 12% = 60000  
 Super Profit = 72,400 – 60,000 = 12,400  
 ∴ Goodwill = 12,400 x 3 = 37200

- 14 **Adjustments required on Retirement:**
1. Change in Profit sharing ratio.
  2. Calculation of gaining ratio.
  3. Adjustment regarding goodwill.
  4. Adjustment of reserves and accumulated profits/losses.
  5. Revaluation of assets and liabilities.
  6. Ascertainment of profit or loss up to the date of retirement.
  7. Calculation of total amount due to the retiring partner.
  8. Settlement of total amount due to the retiring partner.
  9. Adjustment of capitals of continuing partner. (any 6 points)

**Answer any 2 from 15 to 17, Each carries 5 Scores**

15 **Amount Payable to Lekshmi's executor on her Death:**

**Lekshmi's Capital Account**

Date	Particulars	Amount	Date	Particulars	Amount
				Balance b/d	29,200
				Reserve fund	12,000
				Goodwill	14,000
				P&L Suspense (share of profit)	3,600
	Cash / Bank (amount payable)	<b>59,092</b>		Interest on capital	292
		<u>59,092</u>			<u>59,092</u>

16	<b>Revaluation Account</b>					
	Date	Particulars	Amount	Date	Particulars	Amount
		Buildings	4,000		Investment	10,000
		Machinery	3,000		Stock	2,000
		Partners' Capital A/c: (Profit on revaluation)			Creditors	3,000
		Sathy	6000			
		Varsh	2000			
			8,000			
			15,000			15,000
17	<b>Receipts and Payments Account Vs. Income and Expenditure Account:</b>					
	No.	Basis	Receipts & Payments A/c	Income & Expenditure A/c		
	1	Opening Balance	Starts with opening balance of cash in hand and at bank.	No such opening balance.		
	2	Similarities	Similar to cash book of a business concern.	Similar to profit and loss account of a business concern.		
	3	Sides of account	Receipts on Debit side and Payments on Credit side.	Incomes on credit side and Expenditure on debit side.		
	4	Period	All receipts and payments relating to current year, succeeding or preceding year(s) are considered.	Revenue incomes and expenditure related to current year is only taken into account.		
	5	Capital items	All capital receipts and payments are included.	All capital receipts and payments are excluded.		
	6	Non-cash expenses	Non-cash expenses such as depreciation, provision for bad debt etc. not considered.	Non-cash expenses relating the current year included in the account.		
	7	Adjustments	No adjustments regarding outstanding expenses, accrued incomes, prepaid expenses and income received in advance.	All these items relating to the current year must be adjusted.		
	8	Closing balance	It represents the balance of cash in hand and at bank or bank overdraft.	It represents either surplus or deficit.		
9	System of accounting	This account is prepared on cash basis.	Based on accrual or mercantile system.			
(any 5 differences)						

Answer any 1 from 18 and 20, which carries 8 Scores

18

**Opening Balance Sheet as at 1-4-2018**

<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
Capital Fund (Balancing Figure)	1,69,700	Building	1,20,000
		Sports Equipments	18,000
		Library Books	10,000
		Cash	7,300
		Bank	14,400
	1,69,700		1,69,700

**Income & Expenditure A/c For the year ended 31-03-2019**

<b>Expenditure</b>	<b>Amount</b>	<b>Income</b>	<b>Amount</b>
Salary	88000	Subscription	353900
Add: Outstanding Salary	8000	Add: Outstanding subscription	26000
Stationery 9320-800	8520	Locker rent	8500
Sports expenses	96100		
Electricity charges	4380		
Rent	7600		
Entertainment expenses	1600		
Depreciation on Sports equipments	1800		
Surplus	172400		
	388400		388400

**Balance Sheet  
as at 31-03-2019**

<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
Capital Fund	1,69,700	Building	1,20,000
Add: Surplus	1,72,400	Sports Equipments	18,000
Entrance fee	24,200	Less: Depreciation	1,800
Donations	60,000	Library Books	10,000
Salary outstanding	8,000	Investment	2,10,000
		Stock of stationery	800
		Subscription outstanding	26,000
		Cash	9,300
		Bank	42,000
	4,34,300		4,34,300

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**Realisation A/c**

<b>Particulars</b>	<b>Amount</b>	<b>Particulars</b>	<b>Amount</b>
Stock	60,000	Sundry Creditors	48,000
Sundry Debtors	78,000	Bank (Debtors realised)	74,100
Land and Buildings	1,00,000	Bank (Stock realised)	50,000
Furniture	20,000	Bank (Land and Buildings)	1,40,000
Bank (Realisation exp)	4,000	Bank (Furniture)	18,000
Bank (Creditors)	48,000	Manu's Capital	
Partners' Capital A/c: (Realisation Profit)		(Unrecorded asset)	5,000
Manu	16,733		
Manoj	8,367		
	25,100		
	3,35,100		3,35,100

### Partners' Capital A/c

Particulars	Manu	Manoj	Particulars	Manu	Manoj
Realisation A/c	5000		Balance b/d	140000	80,000
			General Reserve	20000	10,000
Bank	171733	98,367	Realisation A/c (Profit on realisation)	16733	8,367
	<u>1,76,733</u>	<u>98,367</u>		<u>1,76,733</u>	<u>98,367</u>

### Bank A/c

Particulars	Amount	Particulars	Amount
Balance b/d	40,000	Realisation A/c	4,000
Realisation A/c	74,100	Realisation A/c	48,000
Realisation A/c	50,000	Manu's Capital A/c	1,71,733
Realisation A/c	1,40,000	Manoj's Capital A/c	98,367
Realisation A/c	18,000		
	<u>3,22,100</u>		<u>3,22,100</u>

### PART B      COMPUTERISED ACCOUNTING

**Answer all Questions from 20 to 22, Each carries 1 Score**

20	b) Sequential
21	b) D.B
22	d) Relationship

**Answer any 3 Questions from 23 to 26, Each carries 2 Scores**

23	<b>Security Features of Computerised Accounting System:</b> a) Password Security b) Data Audit c) Data Vault    (any 2 with brief explanation)
24	a) =SUM(C2:C4) b) =C2*10%
25	<b>System Generated Ledger Accounts in GNUKhata:</b> 1. Closing Stock 2. Opening Stock 3. Profit & Loss A/c or Income & Expenditure A/c 4. Stock at the Beginning
26	<b>Data Types in LibreOffice Base:</b> a) Number b) Text c) Date d) Time    (or any other four)

**Answer any 2 Questions from 27 to 29, Each carries 3 Scores**

27	<p>a) PMT functionally b) =PMT(Rate,NPER,PV,FV,Type) Rate: Interest Rate NPER: Number of payments PV: Present Value of Loan FV: Future Value of Loan Type: 0 or 1 (0 = the payment is made at the end of the period and 1 = payment at the beginning of the period)</p>
28	<p>a) Column Chart. b) <b>Advantages of Charts:</b> i. Visually appealing ii. Easy to read the data iii. Quick analysis and interpretation of data with a little time iv. To know the trends easily v. To grasp the data quickly vi. A large volume of information can be exhibited through charts easily (ANY 2)</p>
29	<p><b>Steps to create Table in LibreOffice Base:</b> a) <u>Open LibreOffice Base:</u> Applications – Office – LibreOffice Base b) <u>Creating Tables in LibreOffice Base:</u> Click on Tables – Create table in design view – Enter the field Name - Field Type – Description (optional) – Set the Primary Key – Save.</p>

**Answer any 1 Question from 30 to 31, Which carries 5 Scores**

30	<p><b>Use and Syntax of Calc Functions:</b> a) <b>Now</b> - It shows the current time along with date Syntax: =Now( ) b) <b>COUNT</b> – This function will count cells that contain numbers or count the numbers given in the arguments separated by commas. Syntax: =Count (Value1, Value2, Value3.....) c) <b>IF</b> returns one value if the condition is true, and another value if the condition is false. Syntax: =IF(logical_test, value_if true, value_if false) d) <b>Rate</b> – Calculates the constant interest rate of an investment with regular payments. Syntax: =RATE(NPER,PMT,PV,FV) e) <b>CONCATENATE</b> – This function allows to join 2 or more strings together. The item can be a text value, number, or cell reference Syntax: =Concatenate (text1, [text2], ...)</p>
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31 **Procedure for Ledger Creation in GNUKhata:**

Master – Create Account – Select Group Name – Sub-group Name – Account Name – Opening Balance (if any) – Save.

**Groups and Sub-groups of the following Ledger Accounts:**

No.	Ledger Account	Group	Sub-group
1.	Capital	Capital	None
2.	Furniture	Fixed Assets	Furniture
3.	Cash	Current Assets	Cash
4.	Debtors	Current Assets	Sundry Debtors
5.	Creditors	Current Liabilities	Sundry Creditors for Purchase
6.	Purchases	Direct Expense	None
7.	Sales	Direct Income	None
8.	Salary	Indirect Expense	None

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