

SECOND YEAR HIGHER SECONDARY EXAMINATION-MARCH-2022  
(ANSWER KEY-UNOFFICIAL)  
ACCOUNTANCY WITH ANALYSIS OF FINANCIAL STATEMENTS  
MAXIMUM SCORES-80

SECTION-1 ACCOUNTANCY

PART-1

A. Answer any four questions from 1 to 6. Each carries 1 score.

1. Profit Motive
2. Agreement
3. Intangible Asset
4. 3:1
5. Partner's Loan account
6. Realisation Account

B. Answer any four questions from 7 to 9. Each carries 1 score.

7. Liabilities Side of the Balance sheet
8. Old Partners
9. His share of goodwill

PART-11

A. Answer the following question, carries 2 scores

10. BETWEEN RECEIPTS & PAYMENT A/C AND INCOME & EXP A/C

BASIS	RECEIPTS & PAMT A/C	INCOME & EXP A/C
1. Type of a/c	Real a/c	Nominal a/c
2. Similarity	Cash Book	P&L a/c

B. Answer any one questions from 11 to 12. carries 2 scores.

- 11.1. Right to share the assets of the partnership firm
2. Right to share the profits of the partnership firm.
12. The private property of any partner shall be applied first in payment of his private debts and the surplus, if any, may be utilised for payment of the firm's debts, in case the firm's liabilities exceed the firm's assets.

PART-111

A. Answer any 3 questions from 13 to 16. Each carries 3 scores

13. Balance Sheet

Tournament Fund	30000			
Add: Donation for Trnmt	15000			
	45000			
Less: Trnmt Expenses	24000	21000		

14. Goodwill = Average Profit X No of Years' Purchase  
 Average Profit =  $\frac{20000+25000+30000+25000+30000}{5} = 26000$

Goodwill = 26000 X 2 = 52000

15	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Drawings</th> <th style="width: 25%;">Period (Months)</th> <th style="width: 50%;">Product</th> </tr> </thead> <tbody> <tr> <td>15000</td> <td>11</td> <td>165000</td> </tr> <tr> <td>20000</td> <td>8</td> <td>160000</td> </tr> <tr> <td>18000</td> <td>6</td> <td>108000</td> </tr> <tr> <td>22000</td> <td>3</td> <td>66000</td> </tr> <tr> <td colspan="2" style="text-align: center;">Total</td> <td>499000</td> </tr> </tbody> </table>	Drawings	Period (Months)	Product	15000	11	165000	20000	8	160000	18000	6	108000	22000	3	66000	Total		499000	Int On Drawings – Total Products x Rate X 1/12 = 499000 x 6/100 X 1/12 = 2495
Drawings	Period (Months)	Product																		
15000	11	165000																		
20000	8	160000																		
18000	6	108000																		
22000	3	66000																		
Total		499000																		

16. DIFFERENCES BETWEEN DISSOLUTION OF PARTNERSHIP AND DISSOLUTION OF FIRM

BASIS	DISSOLUTION OF PARTNERSHIP	DISSOLUTION OF FIRM
1. Continuation of business	Business Continued	Business terminated
2. Settlement	Assets & liabilities are revalued	Assets are sold & Liabilities are paid
3. Court order	A Court order cannot dissolve a partnership	A court order can dissolve a firm
4. Closure of books	Books are not closed	Books are closed

B.17. Goodwill = Super Profit X 100/NRR. Super Profit = Average Profit – Normal Profit

Normal Profit = Capital x NRR = 400000 X 10/100 = 40000

Super Profit = 60000 – 40000 = 20000

Goodwill = 20000 X 100/10 = 200000

PART-1V

A. Answer any two questions from 18 to 20 .Each carries 4 scores.

18. BASIS	Fixed Capital Method	Fluctuating Capital Method
1.Number Of Accounts	Two Accounts,Capital a/c and Current a/c	One Account-Capital a/c
2.Adjustments	All adjustments are made in Current a/c	All adjustments are made in Capital a/c
3.Fixed Balance	The capital a/c balance remain fixed	The capital a/c balance fluctuates
4.Credit Balance	The capital a/c always show a credit balance	The capital a/c may show a debitt balance

  

19	DATE	PARTICULARS	₹	₹
	1	Cash a/c Dr Rithu's Capital a/c	60000	60000
	2	Cash a/c Dr Jithu's Capital a/c Muthu's Capital a/c	20000	8000 12000
	3	Jithu's Capital a/c Dr Muthu's Capital a/c Dr Cash a/c	8000 12000	20000

Goodwill of Rithu =  $80000 \times \frac{1}{4} = 20000$       Sacrificing ratio = OR -NR  
 OR = 3:2      NR = 2:1:1      Jithu's Sacrifice =  $\frac{3}{5} - \frac{2}{4} = \frac{2}{20}$   
 Muthu's Sacrifice =  $\frac{2}{5} - \frac{1}{4} = \frac{3}{20}$

Sacrificing Ratio = 2:3

20.

Sunil's Capital Account

Drawings	10000	Balance b/d	75000
		Goodwill	18750
		Interest on Capital	6000
Balance c/d	89750		
	99750		99750

B. Answer any one question from 21 to 22 .Carries 4 scores

21.Stainery Purchased during the year	25000	
Add:Stock of stationery (1 <sup>st</sup> April -2020)	14000	
	39000	
Less:Stock of sationery (31st March 2021)	12000	27000

  

22	DATE	PARTICULARS	₹	₹
	1	Cash a/c Dr sanju's Capital a/c	20000	20000
	2	Sanju's Capital a/c Dr Anju's Capital a/c Manju's Capital a/c	24000	12000 12000

Goodwill of Sanju =  $60000 \times \frac{2}{5} = 24000$

OR = 3:2

NR = 2:1:2

Anju's Sacrifice =  $\frac{3}{5} - \frac{2}{5} = \frac{1}{5}$

Manju's Sacrifice =  $\frac{2}{5} - \frac{1}{5} = \frac{1}{5}$

1Sacrificing Ratio = 1:1

PART-1V

A. Answer any one question from 23 to 24 .Carries 5 scores

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INCOME AND EXPENDITURE ACCOUNT OF JANONI CLUB FOR THE YEAR ENDED 31/12/2020

EXPENDITURE	₹	INCOME	₹
Postage	1800	Subscription	42000
Salaries	7000	Add:O/s – 31/03/20	2500
Add:Outstanding	1000		44500
Rent	4000	Less:O/s – 1/4/2019	1200
Less:Prepaid	500	Donation	13000
Printing	3600	Sale of Old News paper	2400
Advertisement	5000	Interest	3000
		Entrance fee	2100
Surplus (transferred to Cap Fund)	41900		
	63800		63800

## Revaluation Account

Stock	2000	Machinery	2000
Provision for Doubtful debts	800	Building	10000
Furniture	800		
Capital a/c- Anu 5600			
Bindu 2800	8400		
	12000		12000

## SECTION-11 A-F-S

## PART-V1

A Answer any four questions from 25 to 30 .Each carries 1 score

25.Unlimited Liability

26.Over Subscription

27.Freely transferable

28.Secured Debentures

29.Vertical analysis

30.At a point of time

B. Answer all questions from 31 to 33 .Each carries 1 score

31.Long-Term debt

32.Operating Ratio

33.Cash payment to acquire fixed assets

## PART-V11

A Answer the following question, carries 2 scores

34.Unlimited Companies: When there is no limit on the liability of its members, the company is called an unlimited company.

B. Answer any one questions from 35 to 36. carries 2 scores.

35.Authorised Capital ₹100000

Subscribed Capital ₹85000

36.Reserves and Surplus

## PART-V111

A Answer any three questions from 37 to 40 .Each carries 3 scores

37 Private Company: A private company is one which by its articles:

(a)Restricts the right to transfer its shares;

(b)A private company must have at least 2 persons, except in case of one person company;

(c)Limits the number of its members to 200 (excluding its employees);

38

DATE	PARTICULARS	₹	₹
1	Share Capital a/c(500 x 10) Dr	5000	
	Security Premium a/c (500 x 1) Dr	1000	
	Share Allotment ( 500 x 4)		2000
	Share First &Final Call (500 x 3)		1500
	Share Forfieted a/c (500 x5)		2500

39

1.Ownership:. A share is a part of the owned capital

Whereas a debenture is a part of borrowed capital

2.Return: The return on shares is known as dividend

While the return on debentures is called interest.

3.Repayment: Normally, the amount of shares is

Not returned during the life of the company,

Whereas generally,the debentures are issued for a

Specified period and repayable on the expiry of that period.

40

Limitations of Cash flow Statement

1.Fails to present Net Profit

2.Industry Comparison not possible

3.Does not properly assess liquidity position

B. Answer the following questions carries 3 scores

41

DATE	PARTICULARS	₹	₹
1	Machinery a/c Dr	440000	
	XYZ Ltd Ltd a/c		440000
	XYZ Ltd Ltd a/c Dr	440000	
2	9% Debentures a/c (4000 x 100)		400000
	Security Premium a/c (4000 x 0)		40000

PART-IX

C. Answer any two questions from 42 to 44. Each carries 4 scores

DATE	PARTICULARS	₹	₹
1	Bank a/c Dr 7% Debenture Application a/c	720000	720000
2	7% Debenture Application a/c Dr 7% Debentures a/c	720000	720000
3	7% Debenture allotment a/c Dr 7% Debenture a/c	1080000	1080000
4	Bank a/c Dr 7% Debenture allotment a/c	1080000	1080000

43 Objectives of Financial Statements

1. To provide information about resources and obligations of the business
2. To provide information about earning capacity of the business
3. To provide information about cash flows.
4. To Judge effectiveness of management

44 COMMON SIZE STATEMENT OF PROFIT AND LOSS

Particulars	Note No	Absolute amount		Percentage of Balance Sheet Total	
		2019-20	2020-21	2019-20(%)	2020-21(%)
<b>1. Revenue From Operations</b>		1250000	900000	100	100
Less: Cost of Goods sold		600000	500000	48	55.56
Gross Profit		650000	400000	52	44.44
Less: Operating Expenses		60000	40000	4.8	4.44
Operating Profit		590000	360000	47.2	40
Less: Non Operating Expenses		7500	6000	0.6	0.67
Profit		582500	354000	46.6	39.33

\* Wages is the part of cost of goods sold;

\*\* Depreciation is the part of operating expenses.

B. Answer any one question from 45 to 46 ,carries 4scores

DATE	PARTICULARS	₹	₹
1	Bank a/c (20000 x 30) Dr Share Application a/c	600000	600000
2	Share Application a/c Dr Share Capital	600000	600000
3	Share Allotment a/c (20000 x 40) Dr Share Capital	800000	800000
3	Bank a/c Dr Share Allotment Calls in Advance (100 x 30)	803000	800000 3000

46 Significance of financial statement analysis

- (a) Finance manager: Financial analysis focusses on the facts and relationships related to managerial performance, corporate efficiency, financial strengths and weaknesses and creditworthiness of the company.
- (b) Top management: It is the overall responsibility of Top Management to see that the resources of the firm are used most efficiently and that the firm's financial condition is sound. Financial analysis helps the management for this.
- (d) Trade payables: Trade payables are particularly interested in the firm's ability to meet their claims over a very short period of time. Their analysis will, therefore, evaluate the firm's liquidity position.
- (e) Lenders: Suppliers of long-term debt are concerned with the firm's long-term solvency and survival. They analyse the firm's profitability over a period of time, its ability to generate cash, to be able to pay interest and repay the principal

PART-X

A Answer any one question from 47 to 48. Carries 5 scores.

47

DATE	PARTICULARS	₹	₹
1	Bank a/c Dr Equity share Application a/c	20000	20000
2	Equity share application a/c Dr Equity share capital a/c	20000	20000
3	Equity share allotment a/c Dr Equity share capital a/c	20000	20000
4	Bank a/c Dr Equity share allotment a/c	20000	20000
5	Equityshare First Call a/c Dr Equity share Capital	20000	20000
6	Bank a/c Dr Equityshare First Call a/c	20000	20000
7	Equity share Second Call a/c Dr Equity share Capital	20000	20000
8	Bank a/c Dr Equityshare Second Call a/c	20000	20000
9	Equity share Final Call a/c Dr Equity share Capital	20000	20000
10	Bank a/c Dr Equityshare Final Call a/c	20000	20000

48

$$(a) \text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}} = \frac{67000}{52000} = 1.29:1$$

$$(b) \text{Quick Ratio} = \frac{\text{Quick Assets}}{\text{Current Liabilities}} = \frac{40000}{52000} = 0.77:1$$

Quick Assets = Current Assets - ( Inventory + Advance Tax)

$$67000 - (25000 + 2000)$$

$$40000$$