

XII MODEL EXAMINATION- MARCH 2021 ANSWERKEY (UNOFFICIAL)
ACOUNTANCY WITH ANALYSIS OF FINANCIAL STATEMENTS
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Qn 1 to 4 carries 1 scores each

- 1 d)All of these
- 2 a) 2
- 3 c)Sacrificing ratio
- 4 a)old ratio

Qn 5 to 7 carries 2 scores each

- 5 1, they are entities with no profit motive
2,They are organised as charitable trusts
- 6 Interest on drawings= Total drawings x rate/100 x 6.5/12
Total drawings= 2000x12= 24000
Interest on drawings= 24000x10/100 x 6.5/12 =1300
- 7 1)dissolution by notice
2) Dissolution by court

Qn 8 to 10 carries 3 scores each

- 8 1, It's a summary of cashbook
2,It's a real account
3,It records both revenue and capital items
- 9 1, admission of a new partner
2, Retirement of a partner
3,Death of a partner
- 10 New ratio = 2:2 or 1:1

Qn 11 to 15 carries 4 scores each

- 11 Interest on drawings= Total drawings x rate/100 x 5.5/12
Total drawings=3000x12= 36000
Interest on drawings= 36000x5/100 x5.5/12 =825
entry

a	Interest on drawings ac	Dr	825	
				825
	To P/L appropriation a/c			
b	Jayan capital		825	
	To Interest on drawings			825

- 12 Rajani's share=2/7 or 4/ 19
Let the total share =1
Rejani share = 1- 2/7= 5/7
New sharen of Anuja = 5/7 x 4/7 = 20/49
Maya's new share 5/7 x3/7=15/49
New ratio = 20:15:14 / 49 =20:15:14
Here Sacrificing ratio= 4:3

- 13 Goodwill = Avg profit x number ofyears purchase
avg profit =60000+75000+85000+90000 /4
=310000/4=77500
goodwill=77500x3=232500

- 14 Anitha 's capital

		Balance b/d	100000
		general res	20000
		revaluation acc	10000
		Akhila and abija	24000
Executors a/c	154000		
	154000		154000

15	BASIS	DISSOLUTION OF PARTNERSHIP	DISSOLUTION OF FIRM
	1,CONTINUITY	continues	terminated
	2,settlement of assets	Assets are revalued	assets and liabilities are paid off
	3,Court order	court order cannot dissolve it	court order can dissolve it
	4,Closure of books	Books are not closed	Books are closed

Qn 16 to 20 carries 5 scores each

16

BASIS	REC & PAY A/C	Inc & exp a/c
1, Type of a/c	Real a/c	Nominal a/c
2, Similarity	Cash book it starts with operation balance of	P& I a/c
3,Opening balance	cash or bank It record both revenue & capital	No op. Balance
4,nature of item	items Current ,previous and future	It records only revenue items
5,Period	periods are considered	Only current year are considered

17

subscription received during the year		60000
Add subscription o/s on 31/3/20		18000
		78000
Less subscription o/s on 1/4/19	12000	
Less subscription received in advance on 31/3/20	16000	28000
subscription to be credited to Income & expnt a/c		50000

18

- 1, two or more person
- 2, agreement
- 3,Sharing of profit
- 4,mutual agency
- 5,conduct of legal business

19

1	Cash a/c	Dr	80000	
	To Eppens capital			80000
2	Cash a/c	Dr	30000	
	To Anoops capital			20000
	To Jerrys capital			10000

20

Factors affecting goodwill

- 1, Nature of business
- 2, Efficiency of mgt
- 3,Location4,Market situation
- 5,Special advantage

Qn 21 to 22 carries 8 scores each

21

Income and expenditure a/c for the year ended 31/3/20

Expenditure	rs	Income	rs
gen exp	4000	Subscription	72000
Electricity	6000	Add o/s	8000
rent	9000	Donation	10000
repairs of ground	5000		
Depreciation	20000		
Surplus	66000		
	90000		90000

Revaluation a/c

22	Building		14000	Furniture	40000
	Capital a/c			investment	30000
	Aslam	32000			
	George	24000	56000		
			70000		70000

23 CAPITAL ACCOUNTS

Particulars	Aslam	george	Ravin	Particulars	Aslam	george	Ravin
				balance b/d	200000	150000	
				cash			140000
				Cash(gw)	40000	30000	
				Revaluation a/c	32000	24000	
balance c/d	272000	204000	140000				
	272000	204000	140000		272000	204000	140000

Liabilities	rs	assets	rs
Creditors	40000	Cash in hand	260000
B/P	10000	Debtors	80000
Capitals		Stock	20000
Aslam	272000	Furniture	150000
George	204000	Buildings	126000
Ravin	140000	Investments	30000
	666000		666000

PART B

Qn 23 to 26 carries 1 scores each

- 23 C) Redeemable
 24 a) Shareholders fund
 25 d) All of these
 26 d) Current ratio

Qn 27 to 29 carries 2 scores each

- 27 Preference shares are those shares which have preferential right in getting dividend and repayment of capital in the event of winding up of the company.
 28 a) P?L a/c or Income statement b) Balance sheet or Position statement
 29 Comparative statement , common size statement, ratio analysis, cash flow analysis

Qn 30 to 32 carries 3 scores each

- 30 a) limited liability
 b) common seal
 c) Perpetual succession

31 Payment in Lump sum, Payment in Instalments , Purchase in Open Market or Conversion into Shares/New Debentures

- 32 1. To provide information about economic resources and obligations of a business:
 2. To provide information about the earning capacity of the business:
 3. To provide information about cash flows:
 4. To judge effectiveness of management:
 5. Information about activities of business affecting the society:

Qn 33 to 37 carries 4 scores each

33

When any shareholder fails to pay the amount due on allotment or on any of the calls, such amount is known as 'Calls in Arrears'/'Unpaid Calls'. Amal holding 100 shares failed to pay first call money Rs 2 per share. Sometimes shareholders pay a part or the whole of the amount of the calls not yet made. The amount so received from the shareholders is known as "Calls in Advance". Rajan holding 100 shares paid the entire amount of call with allotment.

34

(a) Only a natural person being an Indian citizen and resident in India can form one person company, (b) It cannot carry out non-banking financial investment activities. (c) Its paid up share capital is not more than Rs. 50 Lakhs (d) Its average annual turnover of three years does not exceed Rs. 2 Crores.

35

1. Financial analysis does not consider price level changes. 2. Financial analysis may be misleading without the knowledge of the changes in accounting procedure followed by a firm. 3. Financial analysis is just a study of reports of the company. 4. Monetary information alone is considered in financial analysis while non-monetary aspects are ignored. 5. The financial statements are prepared on the basis of accounting concept, as such, it does not reflect the current position.

36 Inventory turn over ratio = cost of revenue from operation/ average inventory
= 400000/40000 = 10 times

37

a) It provides information that enables users to evaluate changes in net assets of an enterprise b) Cash flow information is useful in assessing the ability of the enterprise to generate cash and cash equivalents c) It also enhances the comparability of the reporting of operating performance by different enterprises d). It also helps in balancing its cash inflow and cash outflow, keeping in response to changing condition.

Qn 38 to 42 carries 5 scores each

38 Over subscription

(1) they can accept some applications in full and totally reject the others; (2) they can make a pro-rata allotment to all; and (3) they can adopt a combination of the above two alternatives which happens to be the most common course adopted in practice

39 The amount collected by the issue of shares is called share capital

Categories of share capital

- a) Authorised capital
- b) issued capital
- c) Subscribed capital
- d) called up capital
- e) Paid up capital
- f) Reserve capital

40

1	Share capital a/c	Dr	10000	
	to shares forfeited a/c			3000
	To share allotment			3000
	To share first and final call			4000
2	Bank a/c	Dr	8000	
	Share Forfeited	Dr	2000	
	To share capital			10000
3	share forfeited a/c	Dr	1000	
	To capital reserve			1000

41

Particulars	Note no	2018-19	2019-20	Absolute change	% change
Revenue from operation		2000000	3000000	1000000	50%
Less Expenses		1200000	1800000	600000	50%
Profit before tax		800000	1200000	400000	50%
Less income tax		240000	480000	240000	100%

42 1, Current ratio = Current assets / current liabilities

$$= 300000 / 150000 = 2:1$$

2, Liquid ratio = Liquid asset / current liability

$$= 225000 / 150000 = 1.5:1$$

Qn 43 to 44 carries 8 scores each

43					
	bank a/c	Dr	300000		
	To Equity share application				300000
	Equity share application		300000		
	To Equity share capital				300000
	Equity share allotment		400000		
	To Equity share capital				400000
	bank a/c		400000		
	To Equity share allotment				400000
	Equity share first and final call		300000		
	To Equity share capital				300000
	bank a/c		300000		
	To Equity share first and final call				300000

44 Debenture is a written instrument acknowledging a debt under the common seal of the company.

- a) Secured and Unsecured debentures
- b) Redeemable and irredeemable debentures
- c) Bearer and registered debentures
- d) convertible and non convertible
- e) zero coupon bond and specific rate debentures
