

**Accountancy Marking Scheme  
Out Side Delhi  
67/1-2-3**

Q.Set No.			Expected Answers / Value Points	Distribution of Marks
67/1	67/2	67/3		
1	5	5	<p><b>Q. Distinguish between .....nature of items recorded therein.</b></p> <p><b>Ans.</b> Income and expenditure of A/c records incomes and expenditures of revenue nature whereas receipt and payments of both capital and revenue nature.</p>	1 mark
2	4	4	<p><b>Q. Ram &amp; Mohan ..... Whether his claim is valid or not.</b></p> <p><b>Ans.</b> His claim is not valid as there is no partnership deed and in the absence of partnership deed profits should be shared equally.</p>	1 mark
3	2	1	<p><b>Q. Define goodwill.</b></p> <p><b>Ans</b> Goodwill is the present value of a firm's anticipated profit .</p> <p><b>Note : If an examinee has given any other correct definition full marks are to be awarded</b></p>	1 mark
4	3	2	<p><b>Q. State any two reasons .....on the admission of partner.</b></p> <p><b>Ans:</b> The two reasons are:</p> <ol style="list-style-type: none"> <li>1. The value of assets and liabilities need to be brought to their correct values.</li> <li>2. No partner is at an advantage or disadvantage due to change in the value of assets and liabilities.</li> </ol> <p><b>Note: If an examinee has given the answer in a paragraph covering the above points, no marks should be deducted.</b></p>	$\frac{1}{2} \times 2 = 1$ mark
5	1	3	<p><b>Q. Give the meaning of minimum subscription.</b></p> <p><b>Ans.</b> Minimum subscription, according to SEBI guidelines is 90% of the issued capital.</p> <p>It means the amount which is necessary for purchasing fixed assets for company and paying preliminary expenses and meeting necessary working capital of company.</p>	1 mark

6	7	-	<p><b>Q. Calculate the amount ..... during the year was Rs. 19,000.</b></p> <p><b>Dr. Stock of Sports Material A/c Cr.</b></p> <table border="1" data-bbox="370 331 1339 562"> <thead> <tr> <th>Particulars</th> <th>Rs.</th> <th>Particulars</th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>To Balance b/d</td> <td>7,500</td> <td>By Income and Expenditure A/c (Consumption)</td> <td>20,700</td> </tr> <tr> <td>To Creditors (purchases)</td> <td>19,600</td> <td>By Balance c/d</td> <td>6,400</td> </tr> <tr> <td></td> <td>27,100</td> <td></td> <td>27,100</td> </tr> </tbody> </table> <p><b>Dr. Creditors for Sports Material A/c Cr.</b></p> <table border="1" data-bbox="370 743 1339 974"> <thead> <tr> <th>Particulars</th> <th>Rs.</th> <th>Particulars</th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>To Cash ( Paid)</td> <td>19,000</td> <td>By balance b/d</td> <td>2,000</td> </tr> <tr> <td>To balance c/d</td> <td>2,600</td> <td>By Purchases A/c (credit- bal. fig.)</td> <td>19,600</td> </tr> <tr> <td></td> <td>21,600</td> <td></td> <td>21,600</td> </tr> </tbody> </table> <p style="text-align: center;"><b><u>OR</u></b></p> <p><b><u>Calculation of Sports Material consumed during the year</u></b></p> <table data-bbox="370 1163 1339 1562"> <tr> <td><b>Ans.</b></td> <td>Cash paid during the year</td> <td>19,000</td> </tr> <tr> <td></td> <td>Add Opening Stock of sports Material</td> <td>7,500</td> </tr> <tr> <td></td> <td>Less Closing stock of sports Material</td> <td>6,400</td> </tr> <tr> <td></td> <td>Less Creditors in the beginning</td> <td>2,000</td> </tr> <tr> <td></td> <td>Add Creditors at the end</td> <td><u>2,600</u></td> </tr> <tr> <td></td> <td>Amount to be debited to income &amp; exp. A/c</td> <td><b><u>20,700</u></b></td> </tr> </table>	Particulars	Rs.	Particulars	Rs.	To Balance b/d	7,500	By Income and Expenditure A/c (Consumption)	20,700	To Creditors (purchases)	19,600	By Balance c/d	6,400		27,100		27,100	Particulars	Rs.	Particulars	Rs.	To Cash ( Paid)	19,000	By balance b/d	2,000	To balance c/d	2,600	By Purchases A/c (credit- bal. fig.)	19,600		21,600		21,600	<b>Ans.</b>	Cash paid during the year	19,000		Add Opening Stock of sports Material	7,500		Less Closing stock of sports Material	6,400		Less Creditors in the beginning	2,000		Add Creditors at the end	<u>2,600</u>		Amount to be debited to income & exp. A/c	<b><u>20,700</u></b>	<p><b>1 ½ marks</b></p> <p style="text-align: center;">+</p> <p><b>1 ½ marks</b></p> <p><b>(1 ½ + 1 ½ = 3marks)</b></p> <p style="text-align: center;"><b>OR</b></p> <p style="text-align: center;"><b>½ x 6 = 3marks</b></p>
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9	11	-	<p><b>Q. Kumar &amp; Raja ..... pass adjustment entry.</b></p> <p>Ans. <span style="float: right;">Journal</span></p> <table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>F</th> <th>Dr.(Rs.)</th> <th>Cr.(Rs.)</th> </tr> </thead> <tbody> <tr> <td>a)</td> <td>Kumar's Current A/c <span style="float: right;">Dr.</span> To Raja's Current A/c ( Being adjustment made which was omitted earlier )</td> <td></td> <td>11,100</td> <td>11,100</td> </tr> </tbody> </table>	Date	Particulars	F	Dr.(Rs.)	Cr.(Rs.)	a)	Kumar's Current A/c <span style="float: right;">Dr.</span> To Raja's Current A/c ( Being adjustment made which was omitted earlier )		11,100	11,100	<b>1 mark for entry</b>										
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<b>10</b>	<b>9</b>	-	<p><b>Q. P,Q &amp; R ..... P's share of profit</b></p> <p>Ans</p> <table border="0"> <tr> <td colspan="2"></td> <td colspan="3" style="text-align: center;">Journal</td> </tr> <tr> <td style="border: 1px solid black;">Date</td> <td style="border: 1px solid black;">Particulars</td> <td style="border: 1px solid black;">F</td> <td style="border: 1px solid black;">Dr.(Rs.)</td> <td style="border: 1px solid black;">Cr.(Rs.)</td> </tr> <tr> <td style="border: 1px solid black;">a)</td> <td style="border: 1px solid black;">P &amp; L Suspense A/c      Dr.     To P's Capital A/c ( Being share of profit credited )</td> <td style="border: 1px solid black;"></td> <td style="border: 1px solid black; text-align: center;">10,500</td> <td style="border: 1px solid black; text-align: center;">10,500</td> </tr> <tr> <td style="border: 1px solid black;">b)</td> <td style="border: 1px solid black;">Q's Capital A/c              Dr. R's Capital A/c              Dr.     To P's Capital A/c ( Being adjustment made in respect of goodwill )</td> <td style="border: 1px solid black;"></td> <td style="border: 1px solid black; text-align: center;">24,000 12,000</td> <td style="border: 1px solid black; text-align: center;">36,000</td> </tr> </table> <p>Working Note :</p> <p>a) P's Share of profit = Average Profit x 3/12 x 2/5  Average Profit = <math>\frac{2,00,000 + 1,80,000 + 2,10,000 - 1,70,000}{4}</math>  = Rs. 1,05,000  P's share of profit = 1,05,000 x 3/12 x 2/5 = Rs. 10,500  b) P's share in goodwill = Rs.90,000 x 2/5 = Rs. 36,000</p> <p><b>Note: If the goodwill entry is wrong but the goodwill is calculated correctly, 1 mark should be given.</b></p>			Journal			Date	Particulars	F	Dr.(Rs.)	Cr.(Rs.)	a)	P & L Suspense A/c      Dr. To P's Capital A/c ( Being share of profit credited )		10,500	10,500	b)	Q's Capital A/c              Dr. R's Capital A/c              Dr. To P's Capital A/c ( Being adjustment made in respect of goodwill )		24,000 12,000	36,000	<p><b>1 ½ marks for each journal entry</b></p> <p>+</p> <p><b>(1 ½ x 2 = 3 marks)</b></p> <p>+</p> <p><b>1 mark for the calculation of profit</b></p> <p>=</p> <p><b>(3 + 1</b></p> <p>=</p> <p><b>4 marks)</b></p>												
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<b>11</b>	<b>10</b>	-	<p><b>Q. Sagar Ltd. .... different types of share capital</b></p> <p>Ans.</p> <table border="0"> <tr> <td colspan="4" style="text-align: center;">Balance Sheet of Sagar Ltd. as at .....</td> </tr> <tr> <td style="border: 1px solid black;">Liabilities</td> <td style="border: 1px solid black;">Amount (Rs.)</td> <td style="border: 1px solid black;">Assets</td> <td style="border: 1px solid black;">Amount(Rs.)</td> </tr> </table>	Balance Sheet of Sagar Ltd. as at .....				Liabilities	Amount (Rs.)	Assets	Amount(Rs.)																									
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<b>SHARE CAPITAL</b>			
<u>Authorised Capital</u> 1,00,000 equity shares of Rs.100 each	1,00,00,000 =====		
<u>Issued Capital</u> 60,000 equity shares of Rs.100 each	60,00,000 =====		
<u>Subscribed capital</u> 56,000 Equity Shares of Rs. 100 each	56,00,000 =====		
Less calls in arrears <u>14,000</u>	14,00,000		
	55,86,000		

Ans    Balance sheet of Sagar’s Ltd. as at .....

Liabilities	Amount (Rs.)	Assets	Amount(Rs.)
<u>Authorised Capital</u> 1,00,000 Equity Shares of Rs. 100 each	1,00,00,000 =====		
<u>Issued Share Capital</u> 60,000 Equity Shares of Rs.100 each	60,00,000 =====		
<u>Subscribed Share Capital</u> 56,000 Equity Shares of Rs.100 each	56,00,000 =====		
<u>Called up and Paid up Share Capital</u> 56,000 Equity Shares of Rs. 100 each    Rs. 56,00,000	56,00,000 =====		
Less calls in arrears   Rs. <u>14,000</u>	14,00,000		
	55,86,000		

**I mark for each amount**  
  
**1x4 = 4 marks**

**Note: If the Issued Capital is taken as Rs.5,60,000, full credit is to be given.**

12            -            13

**Q. Following is the Receipt and Payment .....capital fund on 31-12-2005**  
**Ans.**

Income & Expenditure Account for the year ended 31<sup>st</sup> Dec2006

Dr.			Cr.
Expenditure	Amount (Rs.)	Income	Amount (Rs.)

To Salary	15,000		By Subscription		
Add Outstanding Salary			52,000		
	<u>1,500</u>	16,500	+ Subscription		
To Office expenses		6,000	outstanding at the end		
To Excess of expenses			2,000		
over tournament fund		5,000	Less Subscription		
(31,000-26,000)			outstanding in the		
To Depreciation on			beginning	<u>3,000</u>	51,000
building		7,500			
To Depreciation on			By Entrance Fees		5,000
Furniture		1,800			
To depreciation on Sports			By Sale of old		1,000
Equipment		7,000	Newspaper		
To Surplus		16,800	By Accrued Interest		
					3,600
		60,600			60,600

4 marks

+

**Balance Sheet of .... As on 31<sup>st</sup> December 2005**

Liabilities	Amounts(Rs)	Assets	Amounts(Rs)
Capital Fund	1,66,000	Cash	10,000
(Balancing fig)		Subscription	
		Outstanding	3,000
		Building	75,000
		Furniture	18,000
		Sports	
		Equipment	30,000
		12% Investments	30,000
	1,66,000		1,66,000

2 marks  
=  
(4+2=  
6 marks)

**Note:**

1. If Billiards Table is included in furniture, then depreciation on furniture would be Rs.3,800 and the surplus would be Rs. 14,800.

2.. An examinee may have charged depreciation on Investments. The surplus would change accordingly.

13	-	14	<p><b>Q. K&amp;Y ..... in the books of the firm</b></p> <p>Ans.</p> <p>Old Ratio = 3:2 Z's share = 1/3 Z acquire his share from K = <math>1/3 \times 2/5 = 2/15</math> Z acquire his share from Y = <math>1/3 \times 3/5 = 3/15</math></p>	<p>1/2 mark 1/2 mark</p>
----	---	----	--	------------------------------

K's new share = Old share – share to Z =  $3/5 - 2/15 = 7/15$   
 Y's new share = Old share – share to Z =  $2/5 - 3/15 = 3/15$   
 Z's share =  $1/3 \times 5/5 = 5/15$   
**New profit sharing ratio = 7:3:5**

**1 mark**  
**1 mark**  
 =  $(\frac{1}{2} + \frac{1}{2} + 1 + 1 = 3 \text{ marks})$   
 +  
**1 ½ marks for each correct entry**  
 $1 \frac{1}{2} \times 2 = 3 \text{ marks}$   
 =  
**(3 + 3 = 6 marks)**

**Journal**

Date	Particulars	F	Dr.(Rs.)	Cr.(Rs.)
a)	Cash A/c Dr. To Z's Capital A/c To Premium A/c ( Being Capital and Share of premium brought by the new partner )		1,10,000	80,000 30,000
b)	Premium A/c Dr. To K's Capital A/c To Y's Capital A/c (Being the amount of premium distributed in sacrificing ratio )		30,000	12,000 18,000

**14**

**12**

**Q. (i) issued 58,000.....at a premium of 10%**

Ans. **Journal**

Date	Particulars	F	Dr.(Rs.)	Cr.(Rs.)
a)	Bank A/c Dr. To 9% Debenture Application and Allotment A/c ( Being Debenture Application money received)		6,38,00,000	6,38,00,000
b)	9% Debenture Application and Allotment A/c Dr. To 9% Debentures A/c To Securities Premium A/c ( Being issue of Debentures at Premium of 10% )		6,38,00,000	5,80,00,000 58,00,000

**1x2= 2marks**

ii) Converted 350 .....at premium of 25%

Ans. **Journal**

Date	Particulars	F	Dr.(Rs.)	Cr.(Rs.)
a)	9% Debentures A/c Dr. To Debenture Holders (Being amount due to Debenture		35,000	35,000

**1x2= 2marks**

	Debit	35,000		Credit	
	Dr.				
b)	Debit	28,000		Credit	
	Dr.				
	To Equity Share Capital A/c				28,000
	To Securities Premium A/c				7,000
	(Being 2,800 Equity Shares issued at a premium )				

iii) Redeemed 450 ..... By draw of Lots

Ans. Journal

Date	Particulars	F	Dr(Rs.)	Cr.(Rs.)
a)	9% Debentures A/c Dr. To Debenture Holders (Being amount due to Debenture Holders )		45,000	45,000
b)	Debenture holders A/c Dr. To Bank A/c (Being amount paid to Debenture Holders )		45,000	45,000

1x2=  
2marks

(2+2+2  
=6marks)

15

15

16

R S and T were.....sheet on 1.4.2004.

Ans

Revaluation A/c

Dr.

Cr.

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
To Stock	4,600	By Loss transferred to Partners capital A/c	
To Furniture	1,000		
To Plant & Mach.	1,500		
To Building	8,000		
To Provision for Doubtful Debts	1,700		
		R 6,720	
		S 6,720	
		T 3,360	
			16,800
	16,800		16,800

2marks

Capital accounts

Dr.

Cr.

Particulars	R Rs.	S Rs.	T Rs.	Particulars	R Rs.	S Rs.	T Rs.
To Revaluation A/c (loss)	6,720	6,720	3,360	By Balance b/d	80,000	50,000	40,000
To S's Capital A/c	3,200		1,600	By P & L A/c	3,600	3,600	1,800
To Cash A/c		18,080		By R's Capital A/c		3,200	
To S's Loan A/c		33,600		By T's Capital A/c		1,600	
To Bal. C/d	73,680		36,840				



	83,600	58,400	41,800		83,600	58,400	41,800
--	--------	--------	--------	--	--------	--------	--------

**1x3=3marks**

**Balance Sheet as on 1.4.2004**

Liabilities	Amount	Assets	Amount
Bank Loan	12,800	Cash	33,220
Sundry Creditors	25,000	Bill Receivables	10,800
S's Loan	33,600	Debtors 35,600	
Capital:		Less Provision <u>1,700</u>	
R 73,680		Stock	33,900
T <u>36,840</u>	1,10,520	Furniture	40,000
		Plant & Machinery	6,000
		Building	18,000
			40,000
	1,81,920		1,81,920

**2 ½ mark**

**S's Loan A/c**

Dr.

Cr.

Date	Particular	Amount	Date	Particular	Amount
				By S's Capital	33,600

**OR**

**Revaluation A/c**

Dr.

Cr.

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
To Profit Transferred to Partner's Capital A/c D = 17,100 E = <u>5,700</u>	22,800	By Land and building	20,000
		By Provision for doubtful debts	800
		By Sundry Creditors	2,000
	22,800		22,800

**½ marks**

**=2+3+2 ½ + ½ = 8marks**

**Partner's Capital A/c**

Dr.

Cr.

Particulars	D Rs.	E Rs.	F Rs.	Particulars	D Rs.	E Rs.	F Rs.
To Current a/c (balance Fig)	67,100	43,700		By Balance b/d	1,00,000	70,000	
To Balance c/d (Closing Capital)	80,000	40,000	40,000	By Revaluation A/c	17,100	5,700	
				By General Reserve	24,000	8,000	
				By Cash A/c			40,000
				By F's Current A/c	6,000		
	1,47,100	83,700	46,000		1,47,100	83,700	46,000

**2 marks**

**1x3 = 3 marks**

**Balance sheet as on 1<sup>st</sup> April 2007**

Liabilities	Amount	Assets	Amount
Creditors	52,000	Building	70,000
Capital A/cs		Debtors	40,000

D 80,000		Less Provision	<u>2,200</u>	37,800
E 40,000		Machinery		60,000
F <u>40,000</u>	1,60,000	Stock		15,000
Current A/cs		Investment		50,000
D 67,100		Cash		84,000
E <u>43,700</u>		F's Current A/c		6,000
	1,10,800			
	<u>3,22,800</u>			<u>3,22,800</u>

**3marks**

Working Note:

Calculation of New Ratio

Old Ratio between D & E = 3:1

Let total share = 1

F's Share =  $\frac{1}{4}$  (Acquired from D)

D's new share =  $\frac{3}{4} - \frac{1}{4} = \frac{2}{4}$

E's new share =  $\frac{1}{4}$

F's share =  $\frac{1}{4}$

New profit sharing ratio = 2:1:1

Adjustment of Capital

F's Capital = Rs. 40000

F's share =  $\frac{1}{4}$

Total Capital of New Firm =  $40000 \times 4 = \text{Rs. } 1,60,000$

D's New Capital =  $1,60,000 \times \frac{2}{4} = \text{Rs. } 80,000$

E's New Capital =  $1,60,000 \times \frac{1}{4} = \text{Rs. } 40,000$

F's Capital = 40,000

**2+3+3 =8  
marks**

**16**

**16**

**15**

**. Janata Ltd. .... for the above transaction**

Ans.

In the books of Janta Ltd.

Journal

Date	Particulars	LF	Debit(Rs.)	Credit (Rs.)
i)	Bank A/c To Share Application A/c ( Being application money received on 100000 shares @ Rs. 4 per share including premium)	Dr.	4,00,000	4,00,000
ii)	Share Application A/c To Share Capital A/c To Securities Premium A/c To Share Allotment A/c To Bank A/c ( Being application money adjusted to wards share capital & Share allotment & balance refunded )	Dr.	4,00,000	1,40,000 1,40,000 80,000 40,000
iii)	Share Allotment A/c	Dr.	2,10,000	

**1/2 mark**

**1 mark**

	To Share Capital A/c ( Being amount due on share allotment )			2,10,000
iv)	Bank A/c Dr. To Share Allotment A/c ( Being allotment money received )		1,30,000	1,30,000
v)	Share First & Final Call A/c Dr. To Share Capital A/c ( Being amount due on share first & final call on 70000 shares @ Rs 5 each )		3,50,000	3,50,000
vi)	Bank A/c Dr. To Share First & Final Call A/c ( Being first & final call received ) Or Bank A/c Dr. Calls in arrears A/c Dr. To Share First & Final Call A/c ( Being first & final call received )		3,46,500 3,46,500 3,500	3,46,500 3,50,000
vii)	Share Capital A/c Dr. To Share Forfeited A/c To Share First & Final Call/ Calls in Arrears A/c ( Being 700 shares forfeited due to non payment of first & final call )		7,000	3,500 3,500
viii)	Bank A/c Dr. To Share Capital A/c To Securities Premium A/c ( Being forfeited shares reissued @ Rs. 77000)		77,000	7,000 70,000
Ix)	Share Forfeited A/c Dr. To Capital Reserve A/c ( Being Capital Profit on reissued shares transferred to capital reserve A/c)		3,500	3,500

1/2 mark  
1 mark  
1/2 mark  
1 mark  
1 1/2 marks  
1 mark  
1 mark  
1 mark

1 mark  
=  
(1/2 + 1 + 1/2  
+ 1 + 1/2 + 1  
+ 1/2  
+ 1 = 8  
marks)  
OR

**OR**

Date	Particulars	LF	Debit(Rs.)	Credit ( Rs.)
i)	Bank A/c Dr. To Share Application A/c ( Being application money received on 1,10,000 shares @ Rs. 2 per share)		2,20,000	2,20,000
ii)	Share Application A/c Dr. To Share Capital A/c To Share Allotment A/c To Bank A/c ( Being application money adjusted to wards share capital & Share allotment & balance refunded )		2,20,000	1,60,000 40,000 20,000
iii)	Share Allotment A/c Dr. Discount on issue of shares A/c Dr. To Share Capital A/c ( Being amount due on share allotment )		2,40,000 80,000	3,20,000
iv)	Bank A/c Dr. To Share Allotment A/c ( Being allotment money received ) Or Bank A/c Dr. Calls in arrears A/c Dr. To Share Allotment A/c ( Being first & final call received )		1,96,000 1,96,000 4,000	1,96,000 2,00,000
v)	Share First & Final Call A/c Dr. To Share Capital A/c		3,20,000	3,20,000

1/2 mark  
1 mark  
1/2 mark  
1 mark

			( Being amount due on share first & final call on 80000 shares @ Rs 4 each )				<b>1/2 mark</b>	
		vi	Bank A/c To Share First & Final Call A/c ( Being first & final call received ) Or Bank A/c Calls in arrears A/c To Share First & Final Call A/c ( Being first & final call received )	Dr.   Dr. Dr.	3,13,600  3,31,600 6,400	3,13,600  3,20,000	<b>1 mark</b>	
		vii	Share Capital A/c To Share Forfeited A/c To Share allotment A/c To Share First & Final Call A/c To Discount on issue of shares A/c ( Being 1600 shares forfeited due to non payment of allotment & first & final call ) or Share Capital A/c To Share Forfeited A/c To Calls in Arrears A/c To Discount on issue of shares A/c ( Being 1600 shares forfeited due to non payment of allotment & first & final call )	Dr.      Dr.	16,000  16,000	4,000 4,000 6,400 1,600  4,000 10,400 1,600	<b>1 1/2 marks</b>	
		viii	Bank A/c To Share Capital A/c To Securities Premium A/c ( Being forfeited shares reissued @ Rs. 24000)	Dr.	24,000	16,000 8,000	<b>1 mark</b>	
		ix	Share Forfeited A/c To Capital Reserve A/c ( Being Capital Profit on reissued shares transferred to capital reserve A/c)	Dr.	4,000	4,000	<b>1 mark</b>	
							<b>= (1/2 + 1+ 1/2 + 1 + 1/2 + 1 + 1/2 + 1=1=8 marks)</b>	
			<b><u>PART B – ANALYSIS OF FINANCIAL STATEMENTS</u></b>					
<b>17</b>	<b>-</b>	<b>18</b>	<b>Q-The Stock Turnover ----- closing Stock by Rs. 5,000.</b>  Ans;Stock turnover ratio will decline. As the amount of average stock will increase, cost of good sold remaining the same.				<b>1/2 + 1/2 = 1 mark</b>	
<b>18</b>	<b>-</b>	<b>19</b>	<b>Q-State whether the payment----- no flow of cash.</b>  Outflow of Cash				<b>1 mark</b>	
<b>19</b>	<b>-</b>	<b>17</b>	<b>Q- Dividend paid by a manufacturing -----while preparing cash flow statement?</b>  Ans ;Financing Activity				<b>1mark</b>	
<b>20</b>	<b>-</b>	<b>-</b>	<b>Q- Show the major headings on ----- of Companies Act-1956.</b>  Ans The major headings on the liability side of the balance sheet are:					

			1.Share Capital 2.Reserve & Surplus 3.Secured Loans 4. Unsecured Loans 5. Current Liabilities& Provisions	½ mark ½ mark ½ mark ½ mark <b>1 mark</b>  = (½ + ½ + ½ + ½ + 1 = <b>3 marks</b> )																																								
21	22	-	<p><b>Q-From the following prepare a Comparative Statement of Victor Ltd. -----Income Tax 50%</b></p> <p><b><u>Comparative Income Statement of Victor Ltd.</u></b></p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>2006 Rs.</th> <th>2007 Rs.</th> <th>Absolute Change Rs.</th> <th>%age Change</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>15,00,000</td> <td>18,00,000</td> <td>3,00,000</td> <td>20%</td> </tr> <tr> <td>Less:Cost of Goods Sold</td> <td>11,00,000</td> <td>14,00,000</td> <td>3,00,000</td> <td>27.27%</td> </tr> <tr> <td>Gross Profit</td> <td>4,00,000</td> <td>4,00,000</td> <td>-</td> <td>-</td> </tr> <tr> <td>Less: Indirect Expenses</td> <td>80,000</td> <td>1,00,000</td> <td>20,000</td> <td>25%</td> </tr> <tr> <td>Net Profit before Tax</td> <td>3,20,000</td> <td>3,00,000</td> <td>(20,000)</td> <td>(6.25%)</td> </tr> <tr> <td>Less: Income Tax</td> <td>1,60,000</td> <td>1,50,000</td> <td>(10,000)</td> <td>(6.25%)</td> </tr> <tr> <td>Net Profit After Tax</td> <td>1,60,000</td> <td>1,50,000</td> <td>(10,000)</td> <td>(6.25%)</td> </tr> </tbody> </table>	Particulars	2006 Rs.	2007 Rs.	Absolute Change Rs.	%age Change	Sales	15,00,000	18,00,000	3,00,000	20%	Less:Cost of Goods Sold	11,00,000	14,00,000	3,00,000	27.27%	Gross Profit	4,00,000	4,00,000	-	-	Less: Indirect Expenses	80,000	1,00,000	20,000	25%	Net Profit before Tax	3,20,000	3,00,000	(20,000)	(6.25%)	Less: Income Tax	1,60,000	1,50,000	(10,000)	(6.25%)	Net Profit After Tax	1,60,000	1,50,000	(10,000)	(6.25%)	<b>1 mark each for 2006, 2007, increase/ decrease, and percentage column 1x4=4marks</b>
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22	21	21	<p><b>Q-From the following, calculate any two of the following ratios ----- Closing Stock – 20% more than opening stock.</b></p> <p>Ans <b>Any Two</b> of the following ratios:</p> <p><b>(i)</b> Net Profit Ratio = Net Profit/Net Sales X 100        Net Profit = Gross Profit – All Operating &amp; Non Operating</p>	<b>½ mark for</b>																																								

			<p style="text-align: center;">Expenses+ All Operating &amp; Non Operating Incomes</p> <p>Net Profit = 8,00,000 – 2,00,000  Net Profit = 8,00,000 – 2,00,000  Net Profit = Rs. 6,00,000  Net Profit Ratio = 6,00,000 / 14,00,000 X 100 = <b>42.86 %</b></p> <p><b>(ii)</b> Debt –Equity Ratio = Debt / Equity</p> <p>Debt = Debentures = Rs. 8,00,000  Equity = Equity Share Capital + Capital Reserve  Equity = 20,00,000 + 2,00,000 = Rs.22,00,000</p> <p>Debt – Equity Ratio = Debt / Equity  Debt – Equity Ratio = 8,00,000 / 22,00,000 = <b>4:11</b></p> <p><b>(iii)</b> Quick Ratio = Liquid Assets / Current Liabilities  Liquid Assets = Current Assets – Closing Stock  Liquid Assets = 4,00,000 - 60,000  Liquid Assets = Rs. 3,40,000  Current Liabilities = Rs. 3,00,000  Quick Ratio = 3,40,000 / 3,00,000 = <b>17: 15 or 1.13 :1</b></p>	<p><b>formula</b> + <b>1 mark</b> <b>for</b> <b>calculation</b> + <b>½ mark</b> <b>for</b> <b>=</b></p> <p><b>2 x 2</b> <b>= 4 marks</b></p>																																															
23	23	23	<p><b>Q- From the following Balance Sheets of Som Ltd. As -----  --- Dividend Paid Rs.24,000.</b></p> <p>Ans: Calculation of Net Profit/ loss before Tax:</p> <table style="margin-left: 40px;"> <tr> <td>Profit for the year</td> <td style="text-align: right;">(1,00,000)</td> </tr> <tr> <td>Add transferred to reserve</td> <td style="text-align: right;">70,000</td> </tr> <tr> <td>Add dividend</td> <td style="text-align: right;"><u>24,000</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>(6,000)</u></td> </tr> </table> <p>Cash Flow Statement as on 31<sup>st</sup> March,2007</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Particulars</th> <th style="width: 20%;">Rs.</th> <th style="width: 20%;">Rs.</th> </tr> </thead> <tbody> <tr> <td>A. Cash Flow from Operating Activities :</td> <td></td> <td></td> </tr> <tr> <td>Net Loss as per Profit &amp; Loss A/c</td> <td></td> <td style="text-align: right;">(6,000)</td> </tr> <tr> <td>Adjustments :</td> <td></td> <td></td> </tr> <tr> <td>Add : Debenture Interest</td> <td style="text-align: right;">10,000</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Loss on sale of machinery</td> <td style="text-align: right;"><u>55,000</u></td> <td style="text-align: right;"><u>65,000</u></td> </tr> <tr> <td>Operating Profit before Working Capital Changes</td> <td></td> <td style="text-align: right;">59,000</td> </tr> <tr> <td>Adjustments for Working Capital Changes</td> <td></td> <td></td> </tr> <tr> <td>Less : Increase in Current Assets –</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Stock</td> <td style="text-align: right;">(50,000)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Debtors</td> <td style="text-align: right;"><u>(50,000)</u></td> <td style="text-align: right;"><u>(1,00,000)</u></td> </tr> <tr> <td><b>Net Cash used in Operating Activities</b></td> <td></td> <td style="text-align: right;"><b>(41,000)</b></td> </tr> <tr> <td>B. Cash Flow from Investing</td> <td></td> <td></td> </tr> </tbody> </table>	Profit for the year	(1,00,000)	Add transferred to reserve	70,000	Add dividend	<u>24,000</u>		<u>(6,000)</u>	Particulars	Rs.	Rs.	A. Cash Flow from Operating Activities :			Net Loss as per Profit & Loss A/c		(6,000)	Adjustments :			Add : Debenture Interest	10,000		Loss on sale of machinery	<u>55,000</u>	<u>65,000</u>	Operating Profit before Working Capital Changes		59,000	Adjustments for Working Capital Changes			Less : Increase in Current Assets –			Stock	(50,000)		Debtors	<u>(50,000)</u>	<u>(1,00,000)</u>	<b>Net Cash used in Operating Activities</b>		<b>(41,000)</b>	B. Cash Flow from Investing			<p><b>1 mark</b></p> <p><b>1 mark</b></p> <p><b>2 marks</b></p>
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			<p>Activities : Sale of Fixed Assets 15,000</p> <p>Purchase of Fixed Assets <u>(2,20,000)</u></p> <p><b>Net Cash used in Investing Activities (2,05,000)</b></p> <p>C. Cash Flow from Financing Activities :</p> <p>Issue of Equity Share capital 3,00,000</p> <p>Issue of {Preference Share Capital 25,000</p> <p>Redemption of Debentures (25,000)</p> <p>Dividend Paid (24,000)</p> <p>Interest on Debentures paid <u>(10,000)</u></p> <p>Net Cash Flow from Financing Activities <b><u>2,66,000</u></b></p> <p>Net Increase / Decrease in Cash &amp; Cash Equivalents 20,000</p> <p>Add : Opening Cash and Cash Equivalents <u>45,000</u></p> <p>Closing Cash and Cash Equivalents <u>65,000</u></p>		<p><b>2 marks</b></p> <p>=</p> <p><b>(1+ 1+ 2+ 2</b></p> <p><b>=</b></p> <p><b>6 marks)</b></p>
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**Part C**  
**Computerised Accounting**

<b>24</b>	<b>24</b>	<b>24</b>	<p><b>Q. What are the.....Accounting System?</b></p> <p>Ans :The subsystems are, Sales, purchases, inventory, Fixed assets, payroll, Revenues and expenses accounting</p>	<b>2marks</b>
<b>25</b>	-	-	<p><b>Explain .....D D L.(Data Definition language)</b></p> <p>Ans; The commands which are used to create and maintain a database is called Data Definition language (DDL). They represent the CREATE, ALTER &amp; DROP.</p>	<b>2 marks</b>
<b>26</b>	<b>26</b>	<b>26</b>	<p><b>Q. Differentiate..... File?</b></p> <p>Ans: Database is a collection of information available to many users. Files are used for storing, accessing &amp; manipulating data.</p>	<b>2 marks</b>
<b>27</b>	<b>27</b>	<b>27</b>	<p><b>Q. What are .....accounting system?</b></p> <p>Ans: The limitations of a Computerised accounting system are: Cost of implementation, opposition by the staff, system failures, disruptions, breach of security, Ill health of employees' Etc.</p>	<b>3 marks</b>
<b>28</b>			<p><b>Q.What..... DBMS?</b></p> <p>Ans: Lack of Flexibility, Cost, no back up in systems, Expensive hardware &amp; soft ware, centralised control &amp; security breach.</p>	<b>4 marks</b>

29	29	29	<p><b>Q Write the.....</b></p> <p><b>Ans;</b></p> <p><b>Round off calculations to the nearest Rupee</b></p> <table border="1" data-bbox="370 245 1341 546"> <thead> <tr> <th data-bbox="370 245 610 319">Asset</th> <th data-bbox="610 245 837 319">Opening values</th> <th data-bbox="837 245 1097 319">Depreciation</th> <th data-bbox="1097 245 1341 319">Written down value</th> </tr> </thead> <tbody> <tr> <td data-bbox="370 319 610 392">Plant &amp; machinery</td> <td data-bbox="610 319 837 392">6,25,000</td> <td data-bbox="837 319 1097 392">=Round(B2*0.20,0)</td> <td data-bbox="1097 319 1341 392">=SUM(B2-C2)</td> </tr> <tr> <td data-bbox="370 392 610 432">Computers</td> <td data-bbox="610 392 837 432">7,24,000</td> <td data-bbox="837 392 1097 432">=Round(B3*0.35,0)</td> <td data-bbox="1097 392 1341 432">=SUM(B3-C3)</td> </tr> <tr> <td data-bbox="370 432 610 506">Furniture &amp; fittings</td> <td data-bbox="610 432 837 506">99,000</td> <td data-bbox="837 432 1097 506">=Round(B4*0.25,0)</td> <td data-bbox="1097 432 1341 506">=SUM(B4-C4)</td> </tr> <tr> <td data-bbox="370 506 610 546">Motor vehicles</td> <td data-bbox="610 506 837 546">3,89,000</td> <td data-bbox="837 506 1097 546">=Round(B5*0.20,0)</td> <td data-bbox="1097 506 1341 546">=SUM(B5-C5)</td> </tr> </tbody> </table>	Asset	Opening values	Depreciation	Written down value	Plant & machinery	6,25,000	=Round(B2*0.20,0)	=SUM(B2-C2)	Computers	7,24,000	=Round(B3*0.35,0)	=SUM(B3-C3)	Furniture & fittings	99,000	=Round(B4*0.25,0)	=SUM(B4-C4)	Motor vehicles	3,89,000	=Round(B5*0.20,0)	=SUM(B5-C5)	(4+3) = 7 mark
Asset	Opening values	Depreciation	Written down value																					
Plant & machinery	6,25,000	=Round(B2*0.20,0)	=SUM(B2-C2)																					
Computers	7,24,000	=Round(B3*0.35,0)	=SUM(B3-C3)																					
Furniture & fittings	99,000	=Round(B4*0.25,0)	=SUM(B4-C4)																					
Motor vehicles	3,89,000	=Round(B5*0.20,0)	=SUM(B5-C5)																					