(Unofficial) ANSWER KEY

ACCOUNTANCY WITH COMPUTERISED ACCOUNTING

Maximum Score: 60

Time: 2 Hours, Cool-off time: 15 Minutes

PART- A (ACCOUNTING)   (40 Scores)

I. Answer <u>any 4</u> Questions from 1 to 5 . Each Carries 1 Score (4 X 1 = 4)

1. b 50
2. c 6%
3. c Gaining Ratio
4. **a Old Ratio** (Reason: Normally, the continuing partners acquire the share of the retiring partner in their old profit sharing ratio. In that case, gaining ratio of the remaining partners will be the same of as their old profit-sharing ratio among them. (NCERT Text Book)

   d None of these (Reason: Gaining Ratio is the ratio in which the continuing partners have acquired the share from the retiring partner (NCERT Text Book), *but 'Gaining Ratio' is not given as a choice in this question, So none of these can be considered)*

   b New Ratio (Reason: In this question new ratio, remaining ratio between continuing partners and, gaining ratio will be the same (2:1).Therefore marks can be given to the choice '**new ratio**' also.)

   Note: Unfortunately, more than one choice is partially correct in this question.
5. b Hidden Goodwill

II. Answer <u>all</u> questions from 6 to 8 . Each carries 2 scores (3 X 2 =6)

6. **Interest on Capital: (2 Score)**

   For opening capital, interest on capital for full year,

   i.e. **80,000 x 9% =7,200**

   For additional capital, interest from the date of contribution (1-8-2021) to the end of the period (31-3-2022) 8 months ,i.e.**20,000 x 9% x 8/12 =1,200**

   Total Interest on capital of Priya **= 7,200+1,200   = 8,400**
7. *Calculation of New Ratio (2 Score)*

   Old ratio of Gafoor and Ganesh =3:2

   George's Share = 1/6

   Remaining portion = 1 – 1/6 =5/6   (1/1 – 1/6 or 6/6 – 1/6)

This 5/6 portion is remaining for Gafoor and Ganesh. It is to be shared by Gafoor and Ganesh in their old ratio. Hence their new share will be

Gafoor's new share = Remaining portion X Gafoor's old ratio

= 5/6 X 3/5 = 15/30

Ganesh's new share = Remaining portion X Ganes's old ratio

= 5/6 X 2/5 = 10/30

George's Share = 1/6 or 5/30

The new ratio between Gafoor, Ganesh and George = 15:10:5 or 3:2:1

8. **Factors affecting the value of goodwill (any-2)   (2 Score)**

The main factors that affect the value of goodwill of a firm are the following:

Favorable location – If the business is centrally located, it will attract more customers. It increases the profitability and also the value of goodwill.

Nature of business – A firm that produces high value added products or dealing goods having stable demand is able to earn more profits and therefore has more goodwill.

Efficiency of management – A well managed concern enjoys the advantages of high productivity and profitability. Hence; its goodwill will be more.

Market situation – The monopoly condition or limited competition enables the business to earn more profits and so the value of goodwill will be high.

Special advantages – A firm which enjoys special advantages like import licencing, low rate and assured supply of electricity, trade mark, well known collaborations, patents etc. enjoy higher value of goodwill.

Time Factor – A business concern running profitably for a long period will have more goodwill.

III Answer any 4 questions from 9 to 13. Each carries 3 Scores (4 X 3 =12)

9.   **Profit and Loss Appropriation Account   (3 Scores)**

Particulars		Amount	Particulars		Amount
To Interest on Capital			**By Profit & Loss a/c**		55,400
Rafeeque	4,500		**By Interest on Drawings**		
Roy	5,100		Rafeeque	500	
Rahul	4,800	14,400	Roy	300	
To Roy's Salary		12,000	Rahul	200	1,000
To Rafeeque's Capital	15,000				
To Roy's Capital	10,000				
To Rahul,s Capital	5,000	30,000			
		56,400			56,400

10. **Calculation of Interest on Drawings for the period ended 31-3-2023 (Product Method) (3 Score)**

Date (A)	Amount (B)	No of months to closing date (C)	Product (D) (D=B x C)
2022, June-1	10,000	10	1,00,000
2022, October-1	12,000	6	72,000
2023, January-1	14,000	3	42,000
		Sum of Product	**2,14,000**

Interest on Drawings = *Sum of product x Rate/100 x 1/12*
= *2,14,000 x 12% x 1/12* = *2,140*

11. **Journal Entries to record capital and goodwill**

Date	Particulars	LF	Debit	Credit
	Cash/Bank A/c Dr		40,000	
	To Neena's Capital			40,000
	(Capital brought in)			
	Cash/Bank A/c Dr		8,000	
	To Seena's Capital			5,000
	To Meena's Capital			3,000
	(Goodwill brought in and credited to old partners capital account in their sacrificing ratio)			
	Seena's Capital a/c Dr		5,000	
	Meena's Capital a/c Dr		3,000	
	To Cash/Bank			8,000
	(Goodwill withdrawn by old partners in their SR)			

Note: In this case Sacrificing ratio will be the old ratio, ie, 5:3

12. **Journal Entries to distribute accumulated profit and Loss**

Date	Particulars	LF	Debit	Credit
	General Reserve A/c Dr		80,000	
	To Arya's Capital			64,000
	To Surya.s Capital			16,000
	(General reserve distributed among old partners in their old ratio,4:1)			
	Arya's Capital a/c Dr		32,000	
	Sury's Capital a/c Dr		8,000	
	To Profit and Loss A/c			40,000
	(Accumulated loss distributed among old partners in their old ratio4:1)			

Difference between Gaining Ratio and Sacrificing Ratio (Any-3) (3 Score)

Basis	Gaining Ratio	Sacrificing Ratio
When to calculate	It is calculated at the time of retirement/death of a partner	It is calculated at the time of admission of a partner
Meaning	The ratio in which the continuing partners decided to acquire the outgoing partner's share is called gaining ratio.	The ratio in which the old partners sacrifice their share of profit in favour of the new partner
Objective	It is calculated to determine the amount of compensation to be paid by each of the continuing partners to the outgoing partner in the form of goodwill	It is calculated to determine the amount of compensation to be paid by the incoming partner to the sacrificing partners in the form of goodwill
Equation	New Share-Old Share	Old Share – New Share

IV. Answer all Questions from 14 to 15 . Each Carries 5 Scores   (2 X 5 = 10)

14. **Calculation of goodwill under Capitalisation Method (5 Scores)**
    a. **Average profit = (80,000+1,00,000+1,10,000+1,40,000+1,70,000)/5 = 6,00,000/5 =1,20,000**
    b. **Capitalized value of average profit**
       Average profit X100 / Normal rate of return
       1,20,000 x 100/10 =12,00,000
    c. Capital Employed = **10,00,000**
    d. **Goodwill = Capitalised value of average profit – Capital Employed**
       Goodwill = 12,00,000 – 10,00,000 = **2,00,000**

15.   **Roja's Capital Account   (5 Scores)**

Particulars	Amount	Particulars	Amount
To Drawings	5,000	By Balance B/d	75,000
To Interest on drawings	500	By Interest on capital (75,000 x 10%)	7,500
To Roja's Loan Account/ Cash (B/F)	90,000	By General reserve (15,000 x1/3)	5,000
		By revaluation (Profit) (24,000 x 1/3)	8,000
	95,500		95,500

16. **Revaluation A/c, Capital A/c, Balance sheet (8 Scores)**

Revaluation Account

Particulars	Amount	Particulars	Amount
To Stock(80000-76000)	4,000	By Plant (2,20,000-2,00,000)	20,000
To Provision for doubtful debts	3,000	By Building (3,00,000 x 5%)	15,000
To Creditors	1,000		
To Jithu's capital 18,000			
To Muthu's Capital 9,000	27,000		
	35,000		35,000

Partner's Capital Account

Particulars	Jithu	Muthu	Rithu	Particulars	Jithu	Muthu	Rithu
				By Balance b/d	3,60,000	3,00,000	
				By Cash(Capital)			2,00,000
Balance c/d	4,58,000	3,49,000	2,00,000	By Cash(Goodwill) (1,20,000)(2:1)	80,000	40,000	
				By Revaluation	18,000	9,000	
	4,58,000	3,49,000	2,00,000		4,58,000	3,49,000	2,00,000

Balance Sheet as on 31-03-2023

Liabilities	Amount	Assets	Amount
Bills Payable	20,000	Cash(20000+2,00,000+1,20,000)	3,40,000
Creditors(1,16,000+1,000)	1,17,000	Cash at bank	80,000
Bank Over draft	4,000	Debtors 1,20,000	
		Less: Provision 3,000	1,17,000
Capital:		Stock (80000-4,000)	76,000
Jithu 4,58,000		Plant (2,00,000 + 20,000)	2,20,000
Muthu 3,49,000		Building (3,00,000 + 15,000)	3,15,000
Rithu 2,00,000	10,07,000		
	11,48,000		11,48,000

17. Journal entries at the time of Retirement of a Partner(8 entries, 8 Score)

Date	Particulars	LF	Debit	Credit
a	Building A/c Dr		50,000	
	To Revaluation A/c			50,000
	(Value of building increased)			
b	Revaluation A/c Dr		4,000	
	To Stock			4,000
	(Value of stock decreased)			
c	General Reserve A/c Dr		60,000	
	To Khader's Capital			30,000
	To Krishnan's Capital			18,000
	To Koshi's Capital			12,000
	(General reserve distributed among all partners ,5:3:2)			
d	Investment a/c Dr		10,000	
	To revaluation			10,000
	(Unrecorded investment recorded)			
e	Creditors A/c Dr		2,000	
	To Revaluation			2,000
	(Creditors decreased)			
f	Revaluation A/c Dr		5,000	
	To Provision for Doubtful debts			5,000
	(Provision created)			
g	Revaluation a/c Dr		25,000	
	To Khader's Capital			12,500
	To Krishnan's Capital			7,500
	To Koshi's Capital			5,000
	(Revaluation profit is distributed)			
h	Koshi's Capital A/c Dr		75,000	
	To Cash/Bank			25,000
	To Koshi's Loan A/c			50,000
	(Amount due to Koshi is settled)			

PART-B

(COMPUTERISED ACCOUNTING)   (20 Scores)

VI. Answer any 3 Questions from 17 to 20. Each carries 1 Score (3 x 1 =3)

18. (b) Hardware
19. (b) Absolute
20. (c) PMT
21. (c) Indirect Expenses

VII Answer any 4 question from 22 to 26. Each Carries 2 Score (4 X2 =8)

22. Syntax   (2 scores)

(a) SUMIF (range,"criteria",sum range)

(b) AND(Logical value 1,Logigical valu 2,……….,Logical value 30)

23. **Bar Charts:** (2 Score)

Bar charts are essentially horizontal column charts. A bar chart organizes the categories along the vertical axis (Y-axis) and the values along the horizontal axis (X-axis). charts are excellent for charting multiple values over extended durations, with coloured bars representing each value. Bar Chart is oriented horizontally.

24. **Advantages of graph/chart (Any-2)**

1. It helps to avoid wastage of time.

2. Large ideas can be conveyed with a small space. It is more economic.

3. Comparison of information is easy in case of chart.

4. Chart helps to understand trends easily.

25. In GNU Khata there are only **four system generated ledger** accounts.They are**: (2 Score)**

1.Closing stock, 2.Opening stock,3.Stock at the beginning, 4. P & L Account

26. **Function KEY(2 Score)**

a. **Purchase Voucher- F7**

b. **Payment Voucher – F5**

VIII Answer any 3 questions from 27 to 30. Each Carries 3 Scores (3 X3 =9)

27. **Advantages of Computerised Accounting System(Any 3) 3 Score)**

1. Simplicity

2. Save time and money

3. Accuracy

4. Speed

5. Reliability

6.Efficiency in record keeping

7. Storage and retrieval of data is very easy

8. No difficulty in alterations

28. **Data Types used in LibreOffice Calc:(only name required) (3 Scores)**
    a. **Value**-Numerical data is called value
    b. **Label**-Text data is called label
    c. **Formula**- Some cell contains formula to perform calculations
29. **Methods of calculating Depreciation**

In LibreOffice Calc, there are two methods for calculating depreciation. They are: Straight Line Method (SLN) and Diminishing Balance (DB) method.

1. SLN()

Under Straight Line (SLN) method, a fixed amount is deducted from the value of the asset. In this method depreciation is charged every year is constant.

Syntax = SLN(Cost,Salvage,Life)

Cost= Cost of acquisition of asset

Salvage= Scrap value at the end of asset's life.

Life=Estimated life of the asset.

2.DB Function

DB Function is the inbuilt function in LibreOffice Calc to calculate depreciation under Diminishing Balancer Method/ written down value method.

Syntax=DB(cost,salvage,life,period,[month])

Cost-Cost is the acquisition cost

Salvage-Scrap value

Life-Life is the useful period for which the asset is available for use.

Period-Period is the year (1st, 2nd, 3rd….) for which depreciation is calculated.

Month-Number of months in the first year. (It is applicable only when asset is put to use during part of an year in the first year)

30. **Identify Account Group, Sub Group and Voucher Type (3 Score)**

Transaction	Dr/Cr (Account)	Group	Sub Group	Voucher Type
a. Started business with cash	Cash	Current Asset	Cash	Receipt
	Capital	Capital	None	
b. Purchased goods from ABC Ltd	Purchase	Direct Exp	None	Purchase
	ABC LTD	Current Liability	Sundry Creditors for purchase	
c. Sold goods to Shaju	Shaju	Current Asset	Sundry Debtors	Sales
	Sales	Direct Income	None	