

ACCOUNTANCY WITH AFS HALF YEARLY ANSWER KEY

PART A

Any Five. 1 mark each

NO	ANSWER	MARK
1	b. ii and iii	1
2	d. i and iv	1
3	c. Credited to revaluation account	1
4	b. 10,000 each	1
5	c. Debiting all partners capital in their old ratio	1
6	1,20,000	1

Any Four. 2 mark each

NO	ANSWER	MARK
7	Kamal Surrendered – $5/8 \times 1/3 = 5/24$ Kamal New Ratio – $5/8 - 5/24 = 10/24$ Manoj Surrendered – $3/8 \times 2/3 = 6/24$ Manoj New Ratio – $3/8 - 6/24 = 3/24$ Unni New Ratio – $5/24 + 6/24 = 11/24$ New Ratio – 10:3:11	2
8	General Reserve a/c Dr 50,000 To James Capital 30,000 To Jaffer Capital 20,000 ***** James Capital a/c Dr 15,000 Jaffer Capital a/c Dr 10,000 To P and L a/c 25,000	2
9	Arya Sacrifice – $5/9 - 3/6 = 1/18$ Ameya Sacrifice – $4/9 - 2/6 = 2/18$ SR = 1:2	2
10	a. Debited b. Credited c. Credited d. Debited	2
11	GR = 3:1 Anju Capital a/c Dr 9,000 Sanju Capital a/c Dr 3,000 To Manju Capital a/c 12,000	2

18. Any Two. 6 Mark Each

Profit and Loss Appropriation a/c

PARTICULARS	AMOUNT	PARTICULARS	AMOUNT
To Salary a/c (Abi - 2,000 x 12)	24,000	By P & L a/c	71,320
To Commission a/c (Baby)	10,000	By Interest on Drawings a/c	1,080
To Interest on Capital a/c	14,400	Abi – 540	
Abi – 6,000		Baby – 360	
Baby – 4,800		Chandy - 180	
Chandy – 3,600	24,000		
To Profit			
Abi – 12,000			
Baby – 8,000			
Chandy – 4,000			
	72,400		72,400

Partner's Capital A/c

PARTICULARS	ABI	BABY	CHDY	PARTICULARS	ABI	BABY	CHDY
Drawings	12,000	8,000	4,000	Balance	1,00,000	80,000	60,000
Int.Digs	540	360	180	Salary	24,000	-----	---
Balance	1,29,460	22,440	63,420	Commission	-----	10,000	---
				Int.Capital	6,000	4,800	3,600
				P&L a/c	12,000	8,000	4,000
	1,42,000	30,800	67,600		1,42,000	30,800	67,600

19. Revaluation a/c

PARTICULARS	AMOUNT	PARTICULARS	AMOUNT
To Stock a/c	5,000	By Plant a/c	5,000
To A Capital a/c	1,667	By Building a/c	7,500
To B Capital a/c	833		
	12,500		12,500

Partner's Capital a/c

PARTICULARS	A	B	C	PARTICULARS	A	B	C
To Balance	85,667	72,833	60,000	By Balance	80,000	70,000	
				By Cash a/c			60,000
				By Cash a/c	4,000	2,000	
				By Revltn	1,667	833	
	85,667	72,833	60,000		85,667	72,833	60,000

Balance Sheet

As on 31/12/2023

Liability	Amount	Assets	Amount
Bills Payable	15,000	Cash	70,000
Creditors	10,000	Debtors	20,000
A Capital	85,667	Stock	16,000
B Capital	72,833	Plant	60,000
C Capital	60,000	Buildings	82,500
	2,43,500		2,43,500

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Revaluation a/c Dr

To Building a/c

General Reserve a/c Dr

To All Partner's Capital a/c

P & L Suspense a/c Dr

To Retiring Partner's Capital a/c

Continuing Partner's Capital a/c Dr

To Retiring Partner's Capital a/c

Retiring Partner's Capital a/c Dr

Retiring Partner's Loan a/c

All Partner's Capital a/c Dr

To Revaluation a/c

PART B

Any Five. 1 mark each

NO	ANSWER	MARK
21	b. Companies Limited by Shares	1
22	c. ii and iv	1
23	a. Current Asset	1
24	Trend Analysis	1
25	b. Solvency Ratio	1
26	a. Current Ratio	1

Any Four. 2 Mark Each

NO	ANSWER	MARK
27	Minimum 2 persons to start No issue of prospectus Restriction on transfer of shares	2
28	Secured Debentures create a charge on the assets of the business. Its payment is secured	2
29	Equity & Liability – Shareholder fund – Reserves and Surplus Asset-Non current asset-fixed asset-capital work in progress Equity & Liability-current liability-trade payable Asset-Current asset-inventory	2
30	LR = QA/CL, 50,000/50,000 = 1:1	2
31	a. Liquidity Ratio b. Activity/Turn Over Ratio	2

Any Five. 3 Mark Each

No	ANSWER	MARK
32	a. Improve b. Improve c. Improve	3

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Particulars	2021	2022	Absolute +/-	% of +/-
Revenue from Operations	4,00,000	5,00,000	1,00,000	25
(-) Expenses				
Employee Benefit Expenses	2,00,000	2,50,000	50,000	25
Other Expenses	50,000	25,000	25,000	50
Profit Before Tax	1,50,000	2,25,000	75,000	50
Less Tax @ 40%	60,000	90,000	30,000	50
Profit After Tax	90,000	1,35,000	45,000	50

34**Balance Sheet**

Particulars	Note No.	Amount
Equity and Liabilities		
1. Share holders Fund		
a. Reserves and Surplus	1	1,00,000

Notes to Account:-

1. Reserves and Surplus		
General Reserve	2,50,000	
Statement of P & L	(1,50,000)	1,00,000

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Bank a/c Dr	5,70,000	
To 12% Debenture Application a/c		5,70,000
.....		
12% Debenture Application a/c Dr	5,70,000	
To 12% Debentures a/c		5,70,000
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12% Debenture Allotment a/c Dr	13,30,000	
To 12% Debentures a/c		13,30,000
.....		
Bank a/c Dr	13,30,000	
To 12% Debenture Allotment a/c		13,30,000
.....		

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Asset a/c Dr	4,40,000	
To Brother's Co a/c		4,40,000
.....		
Brother's Co a/c Dr	4,40,000	
To 10% Debentures a/c		4,00,000
To Securities Premium a/c		40,000
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Machine a/c Dr	7,60,000	
To Cash a/c		40,000
To Safe Life Machine Ltd. a/c		7,20,000
.....		
Safe Life Machine Ltd a/c	7,20,000	
To Equity Share Capital a/c		6,00,000
To Securities Premium a/c		1,20,000
.....		

Any Two. 6 Mark Each

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a. Share Capital a/c	Dr (400 x 80)	32,000
Security Premium a/c	Dr (400 x 10)	4,000
To Share Forfeited a/c (400 x 20)		8,000
To Calls in Arrears a/c (400 x 70)		28,000
.....		
Bank a/c	Dr (400 x 70)	28,000
Share Forfeited a/c	Dr (400 x 10)	4,000
To Share Capital a/c (400 x 80)		32,000
.....		
Share Forfeited a/c	Dr (400 x 10)	4,000
To Capital Reserve a/c		4,000
.....		
b. Share Capital a/c	Dr (800 x 50)	40,000
To Calls in Arrears a/c (800 x 10)		8,000
To Share Forfeited a/c (800 x 40)		32,000
.....		
Bank a/c	Dr (800 x 45)	36,000
Share Forfeited a/c	Dr (800 x 5)	4,000
To Share Capital a/c (800 x 50)		40,000
.....		
Share Forfeited a/c	Dr	28,000
To Capital Reserve a/c		28,000
.....		

39. Common Size Statement

Particulars	19-20	20-21	19-20	20-21
Revenue from operations	12,50,000	9,00,000	100	100
Less – Cost of goods sold	6,00,000	5,00,000	48	55.55
Gross Profit	6,50,000	4,00,000	52	44.44
Less Operating Expenses	60,000	40,000	48	4.4
	5,90,000	3,60,000	47.2	40
Less Non operating Expenses	7,500	6,000	.6	.6
Net Profit	5,82,500	3,54,000	46.6	39.33

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- $CR = 3,20,000/2,00,000 = 1.6:1$
- $LR = 1,20,000/2,00,000 = .6:1$
- $DE \text{ Ratio} = 6,00,000/8,00,000 = .75:1$
- $\text{Interest Coverage Ratio} = 7,80,000/78,000 = 10 \text{ times}$
- $\text{Inventory Turn Over Ratio} = 10,00,000/2,00,000 = 5 \text{ times}$