

**SECOND YEAR ACCOUNTANCY WITH AFS UNOFFICIAL ANSWER KEY, MARCH 2025****PART A****Answer any five. 1 mark each**

NO	ANSWER	MARK
1	a.Interest on partner's loan	1
2	c.Super Profit	1
3	c.is liable for obligations incurred before his retirement	1
4	d.On the expiry of the firm	1
5	Liability, Revaluation	1
6	d.Assertion(A) is incorrect but Reason (R ) is correct	1

**Answer any four. 2 mark each**

NO	ANSWER	MARK
7	a.No b.They are friends not partners.This purchase is not for making profit	1+1=2
8	1. Interest on capital 2. Salary to Partner 3. Commission to Partner 4. Share of Profit	$\frac{1}{2} \times 4=2$
9	a. Furniture increased by Rs.12000 b. Machinery decreased by Rs.12,000	1+1=2
10	General Reserve a/c Dr 60,000 To Aji Capital a/c 20,000 To Biji Capital a/c 20,000 To Saji Capital a/c 20,000	2
11	a. Liabilities a/c Dr To Realisation a/c ..... b. Assets realized	1+1=2

**Answer any five. 3 mark each**

NO	ANSWER	MARK
12	a. Yes b. No c. Yes	1 1 1
13	Raju Capital a/c Dr 4,500 Rahim Capital a/c Dr 1,500 To Thomas Capital a/c 6,000	3
14	Normal Profit = 12,00,000 x 10% = 1,20,000 Average Profit = 3,00,000 Super Profit = 3,00,000 – 1,20,000 = 1,80,000 Goodwill = 1,80,000 x 100/10 = 18,00,000	1 1 1
15	1. Sacrificing Ratio/Old Ratio – New Ratio/At the time of admission 2. Gaining Ratio/New Ratio – Old Ratio/ At the time of retirement or death 3. New Ratio/Old Ratio x Rest of Share/At the time of capital	1 1 1

	adjustment				
16	Average Profit = $1,44,000/4 = 36,000$ C's Share of profit = $36,000 \times 3/12 \times 1/3 = 3,000$				
17	<b>NO</b>	<b>BASIS</b>	<b>DISSOLUTION OF PARTNERSHIP</b>	<b>DISSOLUTION OF FIRM</b>	
	1	Termination of Business	Terminated	Not Terminated	1
	2	Settlement of Assets & Liabilities	Assets and liabilities are revalued	Assets are sold and liabilities are paid off	1
	3	Court's intervention	Court does not intervene	A firm can be dissolved by the courts order	1

**Answer any two. 6 mark each**

NO	ANSWER							MARK	
18	<b>Revaluation a/c</b>							3	
	PARTICULARS		AMT	PARTICULARS		AMT			
	To Building		10,000	By Vehicle		40,000			
	To Machinery		18,000	By Stock		10,000			
	To Provision on Drs		1,300						
	To Gokul Capital		12,420						
	To Gopika Capital		8,280						
			50,000			50,000			
	<b>Partner's Capital a/c</b>								
	Particulars		Gokul	Gopika	Geetha	Particulars			Gokul
Balance		246420	164280	100000	Balance		180000	120000	**
					cash		**	**	100000
					Revaluation		12420	8280	**
					Reserve		6000	4000	**
					Cash (gw)		48000	32000	**
							</		

		246420	164280	100000		246420	164280	100000	
19	A's Executer's a/c								6
	PARTICULARS		AMT	PARTICULARS		AMT			
	To Bank		104600	Balance		60000			
				B Capital(gw)		13333			
				C Capital(gw)		6667			
				Revaluation		6000			
				P&L Suspense		9000			
				Interest on capital		3600			
P&L a/c				6000					
		1,04,600			1,04,600				
20	Realisation a/c								6
	PARTICULARS		AMT	PARTICULARS		AMT			
	To Stock		12000	By Creditors		40000			
	To Debtors		25000	By Mrs. Ravi Loan		12000			
	To Furniture		30000	By Cash		126000			
	To Machinery		50000	By Ravi Cap(investment)		15000			
	To Investments		15000						
	To Cash(Crs)		37000						
	To Cash(Exp)		2000						
	To Ravi Capital(Loan)		12000						
	To Ravi Cap		6000						
	To Rahim Cap		4000						
			193000			193000			

### PART B

**Answer any five. 1 mark each**

NO	ANSWER	MARK
21	b.Demand for the shares exceeds than the number of shares issued	1
22	a.Both Assertion(A) and Reason(R) are correct	1
23	a.Secured Debentures	1
24	b.1,00,000	1
25	c.B and D	1
26	Profitability Ratios	1

**Answer any four. 2 mark each**

NO	ANSWER	MARK
27	A company which has only one person as a member	2
28	Machinery a/c Dr                      2,00,000 To Raj Ltd a/c                                      2,00,000 ..... Raj Ltd a/c Dr                      2,00,000 To 10% Debenture a/c                      2,00,000	1    1
29	1. Will get regular return as interest 2. Low risk. Will get invested amount after a stipulated time	1+1=2

30	1. To assess the current profitability and operational efficiency of the firm 2. To judge the ability of the firm to repay its debts	1 1
31	a. Dividend Received - Investing b. Interest Paid - Financing c. Purchase of Machinery - Investing d. Redemption of Debentures - Financing	$\frac{1}{2} \times 4 = 2$

**Answer any five. 3 mark each**

NO	ANSWER	MARK
32	Share Capital a/c Dr      20000 To Share Forfeited a/c      14000 To Calls in Arrears a/c      6000 ..... Bank a/c Dr      9000 Share forfeited a/c Dr      6000 To Share Capital a/c      15000 ..... Share forfeited a/c    Dr    4500 To Capital Reserve a/c      4500	1     1   1
33	1. Call – Demand by the company 2. Call in Advance – Liability 3. Calls in arrears - Asset	1 1 1
34	Land and Building a/c Dr      10,00,000 To Megha Ltd      10,00,000 ..... Megha Ltd a/c    Dr      10,00,000 To Share Capital a/c      10,00,000 ..... Megha Ltd a/c    Dr      10,00,000 To Share Capital a/c      8,00,000 To Securities Premium a/c      2,00,000	1     1   1
35	1. To provide information about assets and liabilities 2. To provide information about earning capacity of the business 3. To provide information about cash flows	
36	Current Ratio = CA/CL = 3.5/1 CA – CL = 90,000 3.5x – x = 90,000 2.5x = 90,000 CL = x = 90000/2.5 = 36000 CA = 3.5x = 36000 x 3.5 = 126000	3
37	Net Profit      5,00,000 + Depreciation      2,00,000 ----- 700000 - Profit on sale of asset      50000 ----- 650000 +increase in trade payable      60000 ----- 710000 - Increase in trade receivable      40000 ----- Cash flow from operating      6,70,000	3

**Answer any two. 6 mark each**

NO	ANSWER				MARK	
38	Bank a/c Dr 9000				1	
	To Share Application a/c 90000					
	Share Application a/c Dr 9000				1	
	To Share Capital a/c 7500					
	To Bank a/c 1500					
	Share Allotment a/c Dr 12500				1	
	To Share Capital a/c 10000					
	To Securities Premium a/c 2500					
	Bank a/c Dr 12500				1	
	To Share Allotment a/c 12500					
	Share First and Final Call a/c Dr 7500				1	
	To Share Capital a/c 7500					
Bank a/c Dr 7500				1		
To Share First and Final Call a/c 7500						
39	Current Ratio = 35,000/17,500 = 2:1				2	
	Acid Test Ratio = 35,000 – 15,000/ 17,500 = 1.14:1				2	
	GP Ratio = 30,000/60,000 x 100 = 50%				2	
40	PARTICULARS	ABSOLUTE		PERCENTAGE		1 1 1  1 1 1
		31/03/2020	31/03/2021	31/03/2020	31/03/2021	
	Share Capital	20,00,000	22,00,000	50	44	
	Reserves and Surplus	8,00,000	10,00,000	20	20	
	Current Liabilities	12,00,000	18,00,000	30	36	
	Total	40,00,000	50,00,000	100	100	
	Fixed Asset	28,00,000	31,00,000	70	62	
	Current Asset	12,00,000	19,00,000	30	38	
	Total	40,00,000	50,00,000	100	100	