

QB365 - Question Bank Software

Marking Scheme

PRACTICE PAPER-2

CLASS-XII

ACCOUNTANCY

(2020-2021)

1. No, salary will be provided. (1)
2. Revaluation A/c Dr. 7,700
 To Machinery A/c 7,700 (1)
3. 1 Mark for correct explanation. (1)
4. Because, retiring partner sacrifices his share in favour of remaining partner. (1)

OR

- In gaining ratio. (1)
5. (a) (1)
6. No, Securities Premium Reserve can not be used for paying dividend as per section 52(2) of companies Act 2013 (1)
7. No, Akshay can not be admitted as partner. (1)
8. False (1)
9. 55,000 (1)
10. gaining , sacrificing (1)
11. No entry (1)
12. B's capital A/c Dr. 6,000
 To C's Capital A/c 6,000 (1)
13. (a) (1)

14. Extract of Income and Expenditure A/c for the year ended 31st March 2020 (2+1=3)

Expenditure		Income	
		By Subscriptions	34,000
		Less: Outstanding at beginning	(5,000)
		Add: Advance at beginning	12,000
		Add: Outstanding at end	6,000
		Less: Advance at end	<u>(14,000)</u>
			33,000

Extract of Balance Sheet as at 31 st march 2020

Liabilities		Assets	
Subscriptions in Advance	14,000	Subscriptions Outstanding	6,000

OR

Balance Sheet as at 31st march 2020

Liabilities		Assets	
Building Fund	3,00,000	Building Fund Investments	3,00,000
Add Donations	2,00,000	Accrued Interest	30,000
Add: Interest	20,000		
Add Accrued Interest	<u>30,000</u>		
	5,50,000		
Capital Fund	5,40,000		

15.

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DATE	PARTICULARS	L.F.	DR.(₹)	CR.(₹)
	Machinery A/c Dr. To Modern Equipments A/c (Purchased machinery for ` 6,65,000 from Modern Equipment)-		<u>6,65,000</u>	<u>6,65,000</u>
	Modern Equipments A/C Dr. Loss on issue of 9% Debentures A/c Dr. To <u>9% Debentures</u> To <u>Equity share Capital</u> To Securities PremiumA/C To Premium on redemption of debentures A/c		<u>6,65,000</u> <u>20,000</u>	<u>1,00,000</u> <u>5,00,000</u> <u>75,000</u> <u>10,000</u>
	(Issued ` 1,00,000, 9% debentures at a discount of 10% redeemable at a premium of 10% and balance by issue of 50,000 equity shares of ` 10 each issued at a premium of 15%)			

16 i) 1,000 ii) 4,000

(2+2)

17.

Date	Particulars	L.f.	Dr.(₹)	Cr.(₹)
1.	Bank A/c Dr. B's Capital A/c Dr. To Realisation A/c		63,000 40,500	1,03,500
2,	A's Loan A/c Dr. To Realisation A/c		7,000	7,000
3.	B's Capital A/c Dr. To Cash A/c		4,000	4,000
4	Bank A/c Dr. To Realisation A/c		20,000	20,000

OR

A's Capital A/c Dr. 1,57,400
To B's Capital A/c 1,57,400

Net Adjustment to be made:

Gain on revaluation	6,44,400	
General Reserve	1,44,000	
Goodwill	1,80,000	
P/L (Debit Balance)	<u>(24,000)</u>	
	<u>9,44,000</u>	(4)

18.

Journal

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Date	Particulars	L.f.	Dr.(₹)	Cr.(₹)
	Chetanya's Current A/c Dr. Jasmine's Current A/c Dr. To Shivangi's Current A/c		5,000 11,500	1,500

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	To Shivangi's Loan A/c			3,000
	To Outstanding Rent A/c			12,000

Table showing Adjustments

Particulars	Shivangi 's capital		Chetanya's capital		Jasmine's capital		Shivangi's Loan		Outstanding rent		Firm	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Profits taken back	33,000		33,000		33,000							99,000
Int. on cap		10,000		7,500		5,000					22,500	
Int. on Dr.	600		600		600							1,800
Int. on loan								3,000			3,000	
Rent									12,000		12,000	
Profits		25,100		21,100		17,100					63,300	
Net Balance	1,500 (cr.)		5,000 (dr)		11,500 (cr.)		3,000 (cr.)		12,000 (cr.)			
	35,100	35,100	33,600	33,600	33,600	33,600	3,000	3,000	12,000	12,000	1,00,800	1,00,800

OR JOURNAL

Date	Particulars	L.f.	Dr.(₹)	Cr.(₹)
	A's Capital A/c	Dr.	3,930	
	B's Capital A/c	Dr.	3,333	
	To C's Capital A/c			7,263

TABLE SHOWING ADJUSTMENTS

Particulars	A's Capital		B' Capital		C's Capital		Firm	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Int. on capital		4,060		2,060		10,060	16,180	
Int. on Drawing	200		200		200			600
Loss(3:2:1)	7,790		5,193		2,597			15,580
Net Balance		3,930		3,333	7,263			
	7,990	7,990	5,393	5,393	10,060	10,060	16,180	16,180

Calculation of opening capitals:

Particulars	A	B	C
Closing Capitals	80,000	40,000	1,00,000
Add: Drawings	20,000	20,000	20,000
Add: Int. on Drawings	600	600	600
Less: Profits	(60,000)	40,000	(20,000)
Opening Capital	40,600	20,600	1,00,600

19. Balance of share forfeited account ` 2,500

Authorised Capital ` 5,00,000

Issued Capital ` 4,00,000

Subscribed and fully paid ` 1,15,000

Subscribed but not fully paid ` 2,24,000

Less: calls in arrear (3,000) 2,21,000

OR

(i)

Extract of balance Sheet of Y Ltd.

Particulars	Note No.	Current	Previous
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To Salaries	20,000	By Subscriptions	40,000	
To Stationery	4,500	Less: Outstanding at Beg.	(17,500)	
Add: Opening Stock	1,500	Add: Advance at Beg.	2,000	
Less: Closing Stock <u>(2,000)</u>	4,000	Less: Advance at End	(5,000)	
		Add: Outstanding at End <u>2,500</u>		25,000
To Rates and Taxes	1,500	By Profits from Sports		17,800
Add: Advance at Beg.	500	By Interest on Govt. Securities	5,000	
Less: Advance at End	<u>(500)</u>	Add: Accrued interest	<u>1,000</u>	6,000
	1,000			
To Telephone	7,500	By Deficit		2,950
Add: Outstanding at end	1,500			
Less Outstanding at beg.	<u>(3,000)</u>			
	6,000			
To Sundry Expenses	500			
Add: Outstanding at beg.	250			
Less: Outstanding at end	<u>(300)</u>			
	450			
To Courier Services	300			
To Dep on Buildings	20,000			
	51,750			51,750

21. Dr. Revaluation A/c Cr. (2+4+2=8)

Particulars	`	Particulars	`
To Fixed Assets	2,500	By Creditors	2,000
To Provision For Bad debts	5,000	By Loss Transferred to capitals A/c	
		X-	2,750
		Y-	1,650
		Z-	<u>1,100</u>
	7,500		5,500
			7,500

Dr. Partners' Capital Accounts Cr.

Particulars	X	Y	Z	Particulars	X	Y	Z
To Revaluation A/c	2,750	1,650	1,100	By Balance b/d	40,000	62,000	33,000
To X's Capital A/c		8,000	32,000	By P/L A/c	42,500	25,500	17,000
To Bank A/c	59,875			By Y's Capital A/c	8,000		
To Bills Payable A/c	29,937			By Z's Capital A/c	32,000		
To X's Loan A/c	29,938						
To balance c/d		77,850	16,900		1,22,500	87,500	50,000
	1,22,500	87,500	50,000				

Balance Sheet of Y and Z

Liabilities	`	Assets	`
Creditors	48,000	Sundry Debtors	1,00,000
Employees Provident Fund	10,000	Less: Provision:	<u>(5,000)</u>
			95,000

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Bills Payable		29,937	Fixed Assets	57,500
X's Loan		29,938	Stock	80,000
Bank overdraft		19,875		
Capitals	Y- 77,850 Z- <u>16,900</u>	94,750		
		<u>2,32,500</u>		<u>2,32,500</u>

OR

Dr.	Revaluation A/c		Cr.
Particulars	₹	Particulars	₹
To stock	750	By Buildings A/c	5,000
To provision for bad debts	100		
To furniture	500		
To profit transferred to capital A/c			
R- 2,190			
M- 1,460	3,650		
	<u>5000</u>		<u>5000</u>

Partners Capital A/c

Particulars	R	M	N	Particulars	R	M	N
By balance c/d	34,425	19,695	16,000	By Balance b/d	29,000	15,000	
				By Cash A/C			16,000
				By Revaluation A/c	2,190	1,460	
				By N's Current A/c	3,325	3,325	
	<u>34,425</u>	<u>19,695</u>	<u>16,000</u>		<u>34,425</u>	<u>19,695</u>	<u>16,000</u>

Balance Sheet of R, M and N

Liabilities	₹	Assets	₹
Creditors	37,500	Cash	17,000
Outstanding Expense	4,000	Stock	14,250
Capitals R- 34,425		Prepaid Expenses	1,500
M- 19,695		Debtors	9,400
N- 16,000	70,120	Less: Provision	<u>(500)</u>
		Machinery	19,000
		Buildings	40,000
		Furniture	4,500
		N's Current A/c	6,470
	<u>1,11,620</u>		<u>1,11,620</u>

W. notes:

Hidden Goodwill ` 32,350 (80,000-47,650)

22.

In the books of Y Ltd.

Journal

(8)

Date	Particulars	L.f.	Dr.(₹)	Cr.(₹)
1	Bank A/c To Share Application A/c	Dr.	44,250	44,250

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	(Application money received)			
2	Share application A/c To Share Capital A/c To Bank A/c To Share Allotment A/c To Calls In Advance A/c (Application money transferred to share capital)	Dr.	44,250	25,000 7,500 4,250 7,500
3	Share Allotment A/c To Share Capital A/c (Allotment money due)	Dr.	75,000	75,000
4	Bank A/c To Share Allotment A/c (Allotment money received)	Dr.	70750	70750
5	Share First Call A/c To Share Capital A/c (First call due)	Dr.	75,000	75,000
6	Bank A/c Calls in Arrears A/c Calls in Advance A/c To Share First Call A/c (final call received)	Dr. Dr. Dr.	65,750 5,500 3,750	75,000
7	Share Final call A/c To Share Capital A/c	Dr.	75,000	75,000
8	Bank A/c Calls in Arrears A/c Calls in Advance A/c To Share Final Call A/c	Dr. Dr. Dr.	63,750 7,500 3,750	75,000
9	Share Capital A/c To Share Forfeited A/c To Calls in Arrears A/c (Shares forfeited)	Dr.	25,000	12,000 13,000
10	Bank A/c Forfeited Shares A/c To Share Capital A/c (Shares reissued)	Dr. Dr.	9,000 1,000	10,000
11	Shares forfeited A/c To Capital Reserve A/c	Dr.	5,000	5,000

OR

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Date	Particulars	L.f.	Dr.(₹)	Cr.(₹)
A.	Share Capital A/c To Share Forfeited A/c To Calls in Arrears A/c (Shares Forfeited)	Dr.	1,400	1,000 400
	Bank A/c To Share Capital A/c To Securities Premium Reserve A/c (Shares Reissued)	Dr.	1,200	1,050 150
	Share Forfeited A/c To Capital Reserve A/c	Dr.	750	750
B.	Share Capital A/c Securities Premium Reserve A/c To Share Forfeited A/c To Calls in Arrears A/c (Shares Forfeited)	Dr.	7,200 1,800	4,500 4,500
	Bank A/c To Share Capital A/c To Securities Premium Reserve A/c (Shares Reissued)	Dr.	8,000	6,400 1,600
	Share Forfeited A/c To Capital Reserve A/c	Dr.	4,000	4,000
C.	Share Capital A/c To Share Forfeited A/c To Calls in Arrears A/c (Shares Forfeited)	Dr.	30,000	21,000 9,000
	Bank A/c Shares Forfeited A/c To Share Capital A/c (Shares Reissued)	Dr. Dr.	6,000 14,000	20,000

23. Payment of dividend or any other activity (1)
24. Correct explanation (1)
25. Financial Position is very strong but it is not ideal since funds are being kept idle. (1)
26. For increase in wages and demand for bonus. (1)
27. Increase (1)
28. 1-B, 2-D, 3-C (1)
29. 2:1 (1)
30. (3)

S.No.	Item	Major Head	Sub Head
1	Share Option Outstanding	Shareholders' Funds	Reserves and Surplus
2	Unclaimed Dividend	Current Liabilities	Other Current Liabilities
3	Securities Deposit with bsnl	Non-Current Assets	Long Term Loans and Advances

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OR
150%

31.

Common Size Statement of Profit and Loss

Particulars	31 st March 2020(₹)	% of Revenue from operation
Revenue from operations	10,00,000	100
Other Incomes	1,00,000	10
Total Revenue	11,00,000	110
Expenses		
Purchase of Stock	7,50,000	75
Change in inventories	20,000	2
Other Expenses	10,000	1
	7,80,000	78
Profit before tax	3,20,000	32
Rate of Income Tax 50%	1,60,000	16
Profit after Tax	1,60,000	16

OR Comparative Balance Sheet

Particulars	31 st march 2019	31 st march 2020	Absolute Change	% Change
<u>EQUITY AND LIABILITIES</u>				
1. <u>Shareholders' Funds</u>				
a) Share Capital	10,00,000	11,00,000	1,00,000	10
b) Reserves and Surplus	1,00,000	90,000	(10,000)	(10)
2. <u>Non-Current Liabilities</u>				
a) Long-Term Borrowings (10% Debentures)	2,00,000	2,50,000	50,000	25
	13,00,000	14,40,000	1,40,000	10.69
<u>ASSETS</u>				
1. <u>Non-Current Assets</u>				
a) Tangible Assets	10,00,000	10,00,000	--	----
2. <u>Current Assets</u>				
a) Cash and Cash Equivalent	3,00,000	4,40,000	1,40,000	46.67
	13,00,000	14,40,000	1,40,000	10.69

32. Net Profit before Tax and Extraordinary items ` 1,95,000	1	
Cash generated from operations ` 2,50,000		
Cash Flow from Operating Activities ` 3,25,000	2	
Cash Used in Investing Activities ` 6,55,000	1 1/2	
Cash flow from Financing Activities ` 3,10,000	1 1/2	(6)