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Marking Scheme

PRACTICE PAPER-4

CLASS-XII

ACCOUNTANCY

(2020-2021)

Part- A (Accounting for Not for Profit organizations, Partnership firms and Companies)

- 1 (a) 7.5
- 2 (b) Sacrificing Partner's Capital A/c
- 3 (a) 10
- 4 (b) Rs. 9 per share
- 5 (b) Rs.34,000
- 6 (c) Loan from Partner A/c....Dr
To Realisation A/c
- 7 (c) Rs. 32,000
- 8 (d) 3:2
- 9 (c) Continuing (Gaining) Partner's Capital A/c
- 10 (d) 55,000
- 11 (b) 1,20,000
- 12 (a) 20,000
- 13 (c) 0
- 14 Sports material consumed
=Paid to creditors+ Cash Purchase of Sports Material- Book Value of Sports Material Sold + Opening Stock-Closing Stock-Creditors in the beginning- Creditors at the end.
=2,00,000+1,20,000-35,000+50,000-60,000-1,50,000+60,000
= 1,85,000

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Or

Subscription to be credited to income and Expenditure A/c
 =Subscription received during the year- Subscription not recoverable- Outstanding Subscription in the beginning+ Advance Subscription in the beginning -Advance Subscription at the end + Outstanding Subscription at the end
 =6,80,000-25,000-60,000+35,000-(20,000+50,000)+70,000
 =6,30,000

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Adjustment Table

	Mohan	Sanjay	Parvesh	Firm
IOC	10000	6000	8000	(24000)
IOD	(300)	(300)	(300)	900
Wrong profit	(24000)	(24000)	(24000)	72000
	(14300)	(18300)	(16300)	48900
Profit in 5:4:1	24450	19560	4890	(48900)
Net Effect	10150	1260	(11410)	----

Entry:

Parvesh's Capital A/c 11,410
 To Mohan's capital A/c 10,150
 To Sanjay's Capital A/c 1,260

OR

Calculation of Opening Capital

Particulars	Sourabh	Gaurav
Closing Capital	1,60,000	1,40,000
Add: Drawings	30,000	30,000
Less: Profits	(37,800)	(25,200)
	1,52,200	1,44,800
Less: Interest on Capital	<u>13,836</u>	<u>13,164</u>
Opening Capital	1,38,364	1,31,636

Total Closing Capital (of Sourabh and Gaurav)	= 1,60,000 + 1,40,000 = Rs. 3,00,000
Add: Total Drawings (of Sourabh and Gaurav)	= Rs. 60,000
Less: Profits (including interest on Capital)	<u>= (Rs. 90,000)</u>
Total Capital in the beginning of the year	= Rs.2,70,000

Interest on Capital	= 10% of 2,70,000 = Rs. 27,000
Divisible profits	= 90,000 - 27,000 = Rs. 63,000

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Journal

Date	Particular	L.F.	Dr. (Rs.)	Cr. (Rs.)
	Sundry assets A/c Dr. <u>(Goodwill)</u> Dr. To Sundry liabilities A/c To Shyam Ltd. <u>(Being the business of Shyam Ltd purchased)</u>		12,00,000 30,000	1,80,000 10,50,000
	<u>Shyam Ltd.</u> Dr. To Equity shares Capital A/c To Securities Premium Reserve A/c (Issue of <u>10,000</u> shares of Rs. 100 each at 5 % premium)		<u>10,50,000</u>	<u>10,00,000</u> <u>50,000</u>

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Journal

S.no.	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
(i)	X's Capital A/c Dr. To Bank A/c (Being Realisation expenses of Rs. 5,000 were to be borne by X, whereas, paid by firm.)		5,000	5,000
(ii)	Realisation A/cDr To Bank Loan A/c (Being bank loan paid)		34,000	34,000
(iii)	Bank A/cDr To Realisation A/c		8,000	8,000
(iv)	Bank A/cDr		60,000	

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	To Realisation A/c (Being investment realized for 60,000)			60,000
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18 A's Sacrifice=3/10 , B's Gain/Sacrifice=0 C's Gain =3/10 (1Mark)

Net Amount for Adjustment=30,000 (1)

C's Capital A/c-Dr(30,000X1/30) 9,000

To A's Capital A/c

9,000 (2Marks)

19 Surplus 1,00,800 2marks

Opening Capital fund 4,87,300 1mark

Balance Sheet total 6,06100 3marks

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Journal

Date	Particulars	Dr. (Rs.)	Cr.(Rs.)
(a)	Bank A/c (2,000 x 95)..... Dr	1,90,000	
	To Debenture Application and Allotment A/c		1,90,000
	Debenture Application and Allotment A/c Dr	1,90,000	
	Loss on issue of debentures A/c Dr	40,000	
	To 9% debentures A/c		2,00,000
	To Premium on Redemption of Debentures A/c		40,000
(b)	Bank A/c (1,000 x 530) Dr	5,30,000	
	To Debenture Application and Allotment A/c		5,30,000
	Debenture Application and Allotment A/c.....Dr	5,30,000	
	Loss on issue of debentures A/c..... Dr	1,00,000	
	To 9% debentures A/c		1,00,000
	To premium on redemption of debentures A/c		30,000
	To Securities Premium Reserve A/c		

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Journal

Date	Particulars	L.f.	Dr.(Rs.)	Cr.(Rs.)
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Revaluation A/c Dr.	1,500	
To Furniture A/c (Furniture depreciated by 5%)		1,500
Stock A/c Dr	5,000	
To Revaluation A/c (Stock appreciated)		5,000
Creditors A/cDr	5,000	
To Revaluation A/c (Creditors written off)		5,000
Accrued Rent A/cDr.	2,000	
To Revaluation A/c (Rent due but not received)		2,000
Revaluation A/c Dr.	10,500	
To Rajkumar's Capital A/c		7,000
To Rajendra Kumar's Capital A/c		3,500
(Profit of revaluation distributed among existing partners in the ratio2:1)		
Cash A/c Dr.	1,05,000	
To Dhiraj kumar's Capital A/c		60,000
To Goodwill A/c		45,000
(Dhiraj Kumar brought his share of Capital and Goodwill)		
Goodwill A/c Dr.	45,000	
To Rajkumar's Capital A/c		30,000
To Rajendra Kumar's Capital A/c		15,000
(Goodwill distributed among sacrificing partner in their sacrificing ratio old profit sharing i.e. 2:1 to compensate for their sacrifice)		
Rajkumar's Capital A/c Dr.	20,000	
Rajendra Kumar's Capital A/c Dr.	10,000	
To Profit and Loss A/c		30,000
(Loss distributed among existing partners in their old profit sharing ratio 2:1)		
General Reserve A/c Dr.	60,000	
To Raj kumar's Capital A/c		40,000
To Rajendra Kumar's Capital A/c		20,000
(General Reserve distributed among existing partners in their old profit sharingratio2:1)		

OR

Profit on Revaluation Rs 26,000 3marks

Capital A/c's – A's Cr. Balance 1,89,140

B's Loan A/C 2,04,600

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C's Cr. Balance 75,660 5marks

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Date	Particulars	Dr.(Rs.)	Cr.(Rs.)
	Bank A/c	1980000	
	To Equity Share Application A/c (Being application money received)		1980000
	Equity Share Application A/c	1980000	
	To Equity Share capital A/c		1500000
	To Equity Share Allotment A/c		300000
	To Bank A/c		180000
	(Being Shares allotted and balance refunded)		
	Equity Share Allotment A/c	2500000	
	To Equity Share capital/c		2000000
	To Securities Premium Reserve A/c		500000
	(Being Share allotment money including premium)		
	Bank A/c	2199500	
	Calls in Arrears A/c	2000	
	To Equity Share Allotment A/c		2200000
	To Calls in Advance A/c		1500
	(Being allotment money received)		
	Equity Share Capital A/c	7000	
	Securities premium Reserve A/c	1000	
	To Shares Forfeited A/c		6000
	To Calls In Arrears A/c		2000
	(Being 1000 shares forfeited for non-payment of allotment including premium.)		
	Bank A/c	14000	
	To Share Capital A/c		7000
	To Securities Premium Reserve A/c		7000
	(Being forfeited shares reissued at Rs. 14 per share)		
	Shares Forfeited A/c	6000	
	To Capital Reserve A/c		6000
	(Being share forfeited money transferred to Capital Reserve account)		

Or

Date	Particulars	Dr.(Rs.)	Cr.(Rs.)
	Bank A/c..... Dr.	50,000	
	To Eq. Share App. A/c		50,000
	Eq. Share App .A/cDr.	50,000	
	To Eq. Share Capital A/c		50,000
	Eq. Share Allotment A/c.....Dr	50,000	
	To Eq. Share Capital A/c		50,000

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Banka/c Dr. To Eq. Share Allotment A/c	50,000	
Eq. share first call A/c Dr. To Eq. Share Capital A/c	40,000	50,000
Bank A/c Dr. Calls in Arrears a/c..... Dr. To Eq. Share First Call A/c To Calls-in-Advance a/c	44,000 2,000	40,000 6,000

EXTRACT OF BALANCE SHEET

Particulars	Note No.	Amount(Rs.)
I Equity and Liabilities Shareholders' Funds Share capital	1	1,38,000

Notes to Accounts:

Particulars	Rs
Share Capital	
Authorized Capital:	
4,000 Eq. shares of Rs.100 each	<u>4,00,000</u>
Issued Capital:	
2,000 Eq. shares of Rs.100 each	<u>2,00,000</u>
Subscribed Capital:	
Subscribed but not fully paid up	
2,000 Eq. shares of Rs.100 each, Rs.70 called-up 1,40,000	
Less: <u>Calls in Arrears 2,000</u>	1,38,000

Marking Scheme

Part-B

(Analysis of financial statements)

23. Ans.(b) Current Profitability and Operational efficiency (1)
24. Ans.:(d) Depreciation and Amortisation (1)
- 25.. Ans. (a) Inventory Turnover and Current Ratio (1)
26. Ans.(b) Rs.30,00,000 (1)
27. Ans. (a) Rs.40,000; Financing (1)
28. Ans. Turnover Ratios (1)
29. Ans. (b) Window dressing (1)

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30. Ans.

Item	Major Head	Sub Head
Outstanding salary	Current Liabilities	Other Current Liabilities
Work-in-progress	Current Assets	Inventories
Unpaid Dividend	Current Liabilities	Other Current Liabilities

OR

Trade Payables Turnover Ratio= Net Credit Purchase/ Avg. Trade Payables

$$= 3,29,000/47,000 = 7 \text{ Times}$$

Where Closing Creditors = Opening Creditors + Credit Purchases + Dishonour of endorsed bill

- Cash and cheques paid during the year

$$= 44,000 + 3,29,000 + 25,000 - 3,48,000 = \text{Rs.}50,000$$

$$\text{Average Creditors} = 44,000 + 50,000/2 = \text{Rs.}47,000 \quad (3)$$

31 Ans.

Common Size Balance Sheet

for the year ended 31st March,2018 and 2019

Particulars	Note No.	31-3-2018	31-3-2019	31-3-2018	31-3-2019
		Rs.	Rs.	% of total	% of total
I. EQUITY AND LIABILITY					
1. Shareholder's Fund:					
(a) Share Capital		1,50,000	2,00,000	50.00	57.14
(b) Reserves and Surplus		1,25,000	1,00,000	41.67	28.57
2. Current Liabilities:					
Trade Payables		25,000	50,000	8.33	14.29
		3,00,000	3,50,000	100.00	100.00

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Particulars	Note No.	31-3-2018 Rs.	31-3-2019 Rs.	31-3-2018 % of total	31-3-2019 % of total
II. Assets:					
1. Non-Current Assets:					
Fixed Assets:					
(i) Tangible Assets		99,000	87,500	33	25
(ii) Intangible Assets		30,000	35,000	10	10
2. Current Assets:					
(a) Inventory		60,000	52,500	20	15
(b) Cash and Cash Equivalentts		36,000	42,000	12	12
(c) Other Current Assets		75,000	1,33,000	25	38
		3,00,000	3,50,000	100	100

OR

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Comparative Statement of Profit and Loss

For the year ended 31st March 2018 and 2019

Particulars	Note No.	Absolute _____	Amount _____	Change Base _____	Year _____
		2017-18 (Rs.)	2018-19 (Rs.)	Absolute Change (Increase or Decrease) (Rs.)	Percentage Change (Increase or Decrease) (%)
		A	B	B - C = C	C/A x 100= D
I. Revenue from Operation		25,00,000	20,00,000	(5,00,000)	(20)
II. Other Income		-	-	-	-
III. Total Revenue (I + II)		25,00,000	20,00,000	(5,00,000)	(20)
IV. Less Expenses:					
(a) Employees' Benefit Expenses		6,00,000	5,00,000	(1,00,000)	(16.67)
(b) Other Expenses		1,50,000	1,00,000	(50,000)	(33.33)
Total Expenses (a + b)		7,50,000	6,00,000	1,50,000	(20)
V. Profit before Tax (III - IV)		17,50,000	14,00,000	(3,50,000)	(20)
VI. Tax Expenses @ 40%		7,00,000	5,00,000	1,40,000	20
VII. Profit after Tax		10,50,000	8,00,000	2,10,000	20

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32. Ans. **Cash Flow Statement of Grima Industries Ltd.**

for the year ended 31st March, 2019

	Particulars	(Rs.)	(Rs.)
A	Cash Flows from Operating Activities:		
	Net Profit before tax and Extraordinary items	(20,000)	
	Adjustments for non-cash and non-operating items		
	Add: Loss on sale of Fixed Assets	3,000	
	Depreciation on Fixed Tangible Assets	12,000	
	Operating profit before change in working capital	(5,000)	
	Add: Increase in current liabilities and Decrease in current assets	15,000	
	Inventory		
	Less: Decrease in current liabilities and Increase in current assets		
	Prepaid Expenses	(5,000)	

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	Trade Payables	(45,000)	
	Cash used in Operating Activities	(40,000)	(40,000)
B	Cash Flow from Investing Activities:		
	Sale of Fixed Tangible Assets	10,000	
	Purchase of Intangible Assets	(50,000)	
	Sale of Intangible Assets	60,000	
		20,000	20,000
C	Cash Flow from Financing Activities:		
	Proceeds from Issue of Share Capital	50,000	
	Net Cash from Financing Activities	50,000	50,000
D	Net increase in cash and cash equivalents (A + B + C)		30,000
E	Add: Cash And Cash Equivalents in the beginning		10,000
F	Cash and Cash Equivalents at the end		40,000

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Working Notes:

Net Profit before tax and extraordinary items:

- Net profit for the current year = (50,000) - (30,000) = (20,000)

Intangible Assets A/C

Dr.

Cr.

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
To Balance b/d	70,000	By Bank A/C (Sales) (Balancing Figure)	60,000
To Bank A/C (Purchases)	50,000	By Balance c/d	60,000
	_____		_____
	1,20,000		1,20,000
	_____		_____
	_____		_____

Dr.

Fixed Tangible Assets A/C

Cr.

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
To Balance b/d	1,10,000	By Accumulated Depreciation A/C	7,000
		By Bank A/C (sales)	10,000

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		By Statement of Profit and loss	3,000
		By Balance c/d	90,000
	_____		_____
	1,10,000		1,10,000
	_____		_____
	_____		_____

Dr.

Accumulated Depreciation A/C

Cr.

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
To Fixed Assets	7,000	By Balance b/d	5,000
To Balance c/d	10,000	By Statement of Profit and Loss	12,000
	_____		_____
	17,000		17,000
	_____		_____
	_____		_____