



COMMON PRE-BOARD EXAMINATION 2022-23

Subject: ACCOUNTANCY (055)

MARKING SCHEME

Date:



MARKING SCHEME

Q N	PARTICULARS	M M
1	b) ₹ 20,000	
2	(c) A is true but R is false.	
3	C=75000 OR d) Interest on partner's capital	
4	C	
5	C	
6	B: Section 48	
7	D.(a)-3, (b)-1, (c)-4, (d)-2	
8	(c) 44,00,000 Explanation: Company has to refund Rs.44,00,000. Excess money received from 40000 applicants will be refunded. Total application received = 20000 + 20000 × 3 (oversubscribed) = 80000 So application refunded = 80000 - 4000 - 36000 = 40000 Total amount refunded = 40000 × 110 = 44,00,000 OR (a) ₹20000	
9	(a) Shown on Liability side of the Balance Sheet ₹1,50,000	
10	(a) Credited to Partners Capital A/c ₹40,000	

11	<div>a)</div> <table><tr><td>Debenture suspense A/c</td><td>Dr.</td><td>3,60,000</td><td></td></tr><tr><td>To 12 % Debenture a/c</td><td></td><td></td><td>3,60,000</td></tr></table> <p>Explanation: When Debentures issued as Collateral security, Debenture suspense account will be debited. DebentureSuspense account act as a security for taking a loan from the lender. When the loan is repaid suspense account is reversed and thus cancelled.</p>	Debenture suspense A/c	Dr.	3,60,000		To 12 % Debenture a/c			3,60,000	
Debenture suspense A/c	Dr.	3,60,000								
To 12 % Debenture a/c			3,60,000							
12	<p>(b) Net Worth = Capital of partners + Net accumulated Profit</p> <p>Explanation: Net worth is the net amount engaged in the business. To find out the net worth of a business following formula should be used:</p> <p>Capitals of all old partners including new partner + Reserves and profits - losses (accumulated losses and fictitious assets) - Fictitious assets - Deferred revenue expenditure.</p>									
13	<p>d) Sweat Equity Shares</p> <p>Explanation: Sweat equity shares” are such equity shares, which are issued by a company to its directors or employees at a discount for providing their know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called.</p> <p style="text-align: center;">OR</p> <p>(d) No Dividend</p> <p>Explanation: Preference Shares are those shares on which dividend to be paid as a fixed amount. Divided into preference shareholders is paid before dividend-paying to equity shareholders. These shares are convertible and can be redeemed.</p>									
14	C=6 Months									
15	<p>(b) Turnover basis</p> <p>Explanation: The method in which the profits up to the date of death for the current year are calculated on the basis of current year's sales up to the date of death by using the formula is called sale basis method or profit on turnover.</p>									

	<div>OR</div> <div>(d) Distribute profit between A and C in the ratio of 3:1</div> <div>Explanation: The profit should be distributed among the A and C in Ratio 3:1. Profits cannot be shared equally because there is partnership deed and profit should be distributed accordingly. In case of any information about the new profit-sharing ratio old ratio should be taken.</div>																												
16	a) Old partners in old ratio																												
17	<div><u>Case 1</u></div> <div>Profit is enough to pay the salary to the partners B's Salary will be paid ₹ 24,000; C ₹ 16,000 and D ₹ 16,000 and remaining profit 6,000 will be shared equally by all the partners</div> <div><u>Case 2</u></div> <div>Profit is not enough to pay salary to partners Profit will be shared in the ratio of salary 24,000 : 16,000 : 16,000 i.e. 3:2:2. B will get 15,000; C ₹ 10,000 and D ₹ 10,000.</div> <div><u>Case 3</u></div> <div>Salary will not be paid to any partner, because there is loss. Salary is not a charge in this case, it is treated as an appropriation</div>																												
18	<div>Computation of Goodwill:</div> <table><tr><th>Year</th><th>Profits</th><th>Wt.</th><th>Wt. Profits</th></tr><tr><td>2013</td><td>80,000</td><td>1</td><td>80,000</td></tr><tr><td>2014</td><td>1,00,000</td><td>2</td><td>2,00,000</td></tr><tr><td>2015</td><td>1,10,000</td><td>3</td><td>3,30,000</td></tr><tr><td>2016</td><td>1,50,000</td><td>4</td><td>6,00,000</td></tr><tr><td></td><td></td><td>10</td><td>12,10,000</td></tr></table> <div>Weighted Average Profit=12,10,000/10=1,21,000</div> <div>Goodwill=121000*3=3,63,000</div>				Year	Profits	Wt.	Wt. Profits	2013	80,000	1	80,000	2014	1,00,000	2	2,00,000	2015	1,10,000	3	3,30,000	2016	1,50,000	4	6,00,000			10	12,10,000	
Year	Profits	Wt.	Wt. Profits																										
2013	80,000	1	80,000																										
2014	1,00,000	2	2,00,000																										
2015	1,10,000	3	3,30,000																										
2016	1,50,000	4	6,00,000																										
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19	<div>B's Capital A/c</div> <table><tr><th>Particulars</th><th>Amount</th><th>Particulars</th><th>Amount</th></tr><tr><td>To Drawings</td><td>5,000</td><td>By Balance b/d</td><td>40,000</td></tr><tr><td>To B's Executor's</td><td>38,600</td><td>By Interest on Capital</td><td>600</td></tr><tr><td></td><td></td><td>By Profit & Loss</td><td>3,000</td></tr></table>				Particulars	Amount	Particulars	Amount	To Drawings	5,000	By Balance b/d	40,000	To B's Executor's	38,600	By Interest on Capital	600			By Profit & Loss	3,000	3								
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			Suspense A/c			
		43,600		43,600		
20	Journal Entries in the books of Parth Ltd.					3
	Date	Particulars	LF	Dr	Cr	
		Assets A/c Dr To Krishna Ltd.		2,20,000	2,20,000	
		Krishna Ltd. Dr To 9% Pref. Share A/c To S P R A/c		2,20,000	2,00,000 20,000	
21	In the books of Abhishek Ltd. Balance-sheet (An extract) as at----					
	Particulars		Note no.	Amount (₹)		
	I. EQUITY AND LIABILITY: SHAREHOLDERS FUNDS SHARE CAPITAL		1	23,63,000		
	NOTES TO ACCOUNTS					
	NOTE NO	PARTICULARS		AMOUNT		
	1	Share Capital				
		Authorised Capital				
		50,000 equity shares of ₹ 100 each		50,00,000		
		Issued Capital				
		25,000 shares of ₹ 100 each		25,00,000		
		Subscribed Capital				
		23,750 shares of ₹ 100 each=23,75,000				
		Less: Calls-in-Arrears (600 × 20)-12,000		23,63,000		
				23,63,000		
22	Journal Entries					
	Date	Particulars	LF	Dr	Cr	
	I	Realisation A/c Dr To Dharam A/c (Being Remuneration paid)		12,000	12,000	
	II	Realisation A/c Dr To Jay (Being Remuneration paid)		15,000	15,000	
		Jay Dr To Vijay (Being Expenses borne by Jay, paid by Vijay)		16,000	16,000	
	III	Realisation A/c Dr		7,000		

		To Deepa (Being Remuneration paid)			7,000	
		Deepa Dr To Bank A/c (Being Expenses paid by firm)		6,000	6,000	
	IV	No Entry		-	-	
23	Journal Entries					3+
	DATE	PARTICULARS	LF	DR	CR	3
	I	Share Capital A/c (20 Shares × 7)		140		
		To Share Forfeiture A/c (20 Shares × 5)			100	
		To Calls-in- Arrears A/c (20 Shares × 2)			40	
		(20 Shares of Rs 10 each, Rs 7 called-up forfeited for the non-payment of call)				
		Bank A/c (15 Shares × 8)		120		
		To Share Capital A/c (15 Shares × 7)			105	
		To Securities Premium A/c (15 Shares × 1)			15	
		(15 shares were reissued as Rs 7 paid-up for Rs 8 per share)				
		Shares Forfeiture A/c (15 Shares × 5)		75		
		To Capital Reserve A/c			75	
		(Transfer of profit on re-issue of 15 shares)				
	II	Share Capital A/c (90 Shares × 8)	Dr.	720		
		Securities Premium A/c (90 Shares × 2)	Dr.	180		
		To Share Forfeiture A/c (90 Shares × 5)			450	
		To Share Allotment A/c (90 Shares × 5)			450	
		(Shares forfeited for non-payment of allotment)				
		Bank A/c (80 Shares × 10)	Dr.	800		
		To Share Capital A/c (80 Shares × 8)			640	
		To Securities Premium A/c (80 Shares × 2)			160	
		(80 shares were reissued for Rs 10, Rs 8 called-up)				
		Shares Forfeiture A/c (80 Shares × 5)		400		
		DR				

		To Capital Reserve A/c (Transfer of profit on re-issue of 80 shares)			400	
24	Realisation Account					
	Particulars	Amount	Particulars	Amount		
	To Building	45,000	By Creditors	14,000		
	To Machinery	15,000	By Yale's Capital (Furniture)	9,000		
	To Furniture	12,000	By Bales's Loan A/c	500		
	To Debtors	8,000	By Bank:			
	To Stock	24,000	Stock	22,000		
	To Bank:		Debtors	7,500		
	Creditors: 14,000		Machinery	16,000		
	Dis. Exp.: 2,500	16,500	Building	35,000	80,500	
			By Loss:			
			Bale: 8,250			
			Yale: 8,250	16,500		
		1,20,500		1,20,500		
	Partner's capital Account					
	Particulars	Bale	Yale	Particulars	Bale	Yale
	To Real. Loss:	8250	8250	By Balance B/d	50000	40000
	To Realisation A/c		9000	By Gen. Reserve	4000	4000
	To Bank A/c	45750	26750			
		54000	44000		54000	44000
25	Revaluation Account					
	Particulars	Amt. in Rs	Particulars	Amt. in Rs		
	Claim for Workmen Compensation	4,000	Provision for doubtful Debts	1,000		
			Capital A/cs: (loss on Rev.) X	3,000		
			Y	900		
			Z	600		
		4,000		4,000		

Partner's Capital Account

Particulars	X	Y	Z	Particulars	X	Y	Z
To Reval.	1,500	900	600	By Bal. b/d	50,000	40,000	20,000
To Y	5,100		10,200	By IFF	5,000	3,000	2,000
To Cash		8,200		By P & L	20,000	12,000	8,000
To Y's Loan A/c		61,200		By X		5,100	
To Bal. C/d	68400		19200	By Z		10,200	
	75,000	70,300	30,000		75,000	70,300	30,000

OR

Mankrit's Capital Account

Particulars	Amt. in Rs	Particulars	Amt. in Rs
Drawings	6,000	Balance b/d	3,00,000
Mankrit's Executor A/c	4,18,000	Salary	24,000
		Nikita's Capital A/c	40,000
		Pulkit's Capital A/c	20,000
		Profit & Loss Suspense A/c	10,000
		General Reserve	30,000
	4,24,000		4,24,000

1. Calculation of Mankrit's share of goodwill

Average Profit for the last three years = $(80,000 + 90,000 + 1,00,000) / 3$

= ₹ 90,000

Goodwill of the firm = Average Profits of the last three years × Number of Years' Purchase

= ₹ $(90,000 \times 2) = ₹ 1,80,000$

Mankrit's Goodwill = $180,000 \times \frac{3}{9} = 60,000$

GR = 2:1

	DATE	PARTICULARS	DR	CR	
		Bank A/C Dr. To Debenture Application and Allotment A/c (Being debenture application money received)	1,35,000	1,35,000	
		Debenture App.& Allotment Dr. Loss on Issue of Debentures Dr. To 12% Debentures A/c To Premium on Redemption of Deb. A/C (Being debentures issued at a discount of 10% andredeemable at a premium of 5%)	1,35,000 22,500	 1,50,000 7,500	
	IN THE BOOKS OF Y LTD.				
	DATE	PARTICULARS	DR	CR	
		Bank A/C Dr. To Debenture Application & Allotment A/C (Being debenture application money received)	1,92,000	1,92,000	
		Debenture App & Allot A/C Dr. Loss on Issue of Debentures A/c Dr. To 9% Debentures A/C To Securities Premium Res A/C To Prem. on Redemption of Debentures A/C	1,92,000 16,000	 1,60,000 32,000 16,000	
	IN THE BOOKS OF Z LTD.				
	DATE	PARTICULARS	DR	CR	
		Bank A/C Dr. To Debenture Application & Allotment A/c (Being debenture application money received)	1,88,000	1,88,000	
		Debenture Appl & Allotment A/c Dr Discount on issue A/c Dr To 9% Debentures	1,88,000 12,000	 2,00,000	
	Part B				

27	(c) Cash flow from Financing activities									
28	(d) to know information about the continuance of an enterprise									
29	(c) Add in Financing Activities									
30	c) 8 times <div>OR</div> C) Issue of bonus shares									
31	S.No.	Items	Sub-headings							
	a)	Capital Reserve	Reserves and Surplus							
	b)	Bonds	Long-term Borrowings							
	c)	Loans repayable on demand	Short-term Borrowing							
	d)	Vehicles	Fixed assets-Tangible Assets							
	e)	Goodwill	Fixed Assets-Intangible							
	f)	Loose tools	Inventories							
32	A very high current ratio may not be favourable due to following reasons: a) Cash or bank balance may be lying idle because of insufficient investment opportunities. b) There may be slow clearance if inventory due to less sales. c) The amount of trade receivables may go up because of poor debt collection policy.			3						
33	a) $\text{Gross Profit Ratio} = \text{GP} \times 100 / \text{RFO} = 4,00,000 \times 100 / 20,00,000 = 20\%$ $\text{COGS} = \text{AV. INVENTORY} \times \text{ITR} = 2,00,000 \times 8 = 16,00,000$ $\text{GROSS PROFIT} = 25\% \text{ OF } 16,00,000 = 4,00,000$ $\text{RFO} = \text{COGS} + \text{GROSS PROFIT} = 16,00,000 + 4,00,000 = 20,00,000$ b) $\text{Interest Coverage Ratio} = \text{Net Profit before Interest and Tax} / \text{Interest} = 4,40,000 / 2,40,000 = 1.83$ $\text{Net Profit before Tax} = 1,20,000 \times 100 / 60 = 2,00,000$ $\text{Net Profit before Interest and Tax} = 2,00,000 + 2,40,000 = 4,40,000$ <div>OR</div> <table><tr><th>Transaction</th><th>Impact</th></tr><tr><td>Obtained a loan of Rs 5,00,000 from State Bank of India payable after five years</td><td>Total assets increase by 5,00,000 as cash is coming in. However, since shareholders' funds remain unchanged, therefore proprietary ratio will decrease</td></tr><tr><td>Purchased machinery of Rs</td><td>Total assets are increasing and decreasing</td></tr></table>			Transaction	Impact	Obtained a loan of Rs 5,00,000 from State Bank of India payable after five years	Total assets increase by 5,00,000 as cash is coming in. However, since shareholders' funds remain unchanged, therefore proprietary ratio will decrease	Purchased machinery of Rs	Total assets are increasing and decreasing	
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	2,00,000 by cheque.	by 2,00,000 simultaneously as cash is going out and machinery is coming in. Thus, both numerator and denominator remain unchanged and so proprietary ratio will not change																		
	Redeemed 7% Redeemable Preference Shares Rs 3,00,000.	Both shareholders' funds and total assets decrease by 3,00,000 simultaneously and so proprietary ratio will decrease.																		
	Issued equity shares to the vendor of building purchased for Rs 7,00,000.	Both shareholders' funds and total assets increase by 7,00,000 simultaneously and so proprietary ratio will improve.																		
34	<p>(a) Interest on Debentures=$1,60,000 \times 10\% = 16,000$</p> <p>(b) Depreciation on Machinery=$1,20,000 - 95,000 = 25,000$</p> <p>(c) Investing Activities</p> <table><tr><td>Purchase of Machinery</td><td>(3,70,000)</td></tr><tr><td>Purchase of Non Current Investments</td><td>(35,000) = (4,05,000)</td></tr></table> <p>(d) Net Profit before tax and EOI= 1,10,000</p> <table><tr><td>Net profit before tax and EOI</td><td>1,10,000</td></tr><tr><td>+ Depreciation on Fixed Assets</td><td>25,000</td></tr><tr><td>Interest on debentures</td><td>16,000</td></tr><tr><td>Operating profit before working capital changes</td><td>1,51,000</td></tr><tr><td>+ Decrease in CA: Trade Receivables</td><td>1,10,000</td></tr><tr><td>- Decrease in CL: Trade Payables</td><td>(30,000)</td></tr><tr><td>Cash generated from operations/Operating Activities</td><td>2,30,000</td></tr></table>		Purchase of Machinery	(3,70,000)	Purchase of Non Current Investments	(35,000) = (4,05,000)	Net profit before tax and EOI	1,10,000	+ Depreciation on Fixed Assets	25,000	Interest on debentures	16,000	Operating profit before working capital changes	1,51,000	+ Decrease in CA: Trade Receivables	1,10,000	- Decrease in CL: Trade Payables	(30,000)	Cash generated from operations/Operating Activities	2,30,000
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