SET **A/B/C**

MARKING SCHEME

INDIAN SCHOOL MUSCAT

SECOND PERIODIC TEST

ACCOUNTANCY (055)

CLASS: XII Max. Marks: 20

Time Allowed: 50 Mins.

<table>
<tr><th>SET</th><th>Q. NO</th><th>VALUE POINTS</th><th>MARKS SPLIT UP</th></tr>
<tr><td>A

B

C</td><td>1</td><td>Efficient Management – If management is experienced, capable and competent, the firm will earn higher profits as compared to other firms which in turn will increase the value of Goodwill.

Favourable Location- If the business is located in a favourable place, resulting in increased customer walk-in and therefore increased sale, the value of Goodwill will be higher.

Access to Suppliers – When supplies of materials are difficult to get, there will be high value of Goodwill for a firm which has good arrangements for getting regular supplies.</td><td>1</td></tr>
<tr><td>A

B

C</td><td>2</td><td>(B) Sacrifice by Rajan 1/6, Gain by Gagan 1/6

(A) Gain 1/12

(D) Omar gains and Saif sacrifices 1/14th share</td><td>1</td></tr>
<tr><td>A/C
B</td><td>3
4</td><td>
<table>
<tr><th>Years</th><th>Profits (₹)</th><th>Adjustments (₹)</th><th>Normal Profit (₹)</th></tr>
<tr><td>31/03/2019</td><td>1,00,000</td><td>(10,000)</td><td>90,000</td></tr>
<tr><td>31/03/2020</td><td>1,00,000</td><td>+ 20,000</td><td>1,20,000</td></tr>
<tr><td>31/03/2021</td><td>85,000</td><td>(5,000)</td><td>80,000</td></tr>
<tr><td colspan="3">Total Normal Profit for last three years</td><td>2,90,000</td></tr>
</table>
Average Profit = Total Profit/ No. of Years = ₹2,90,000 / 3 = ₹ 96,667 (1 mark)
Goodwill = Average Profit * No. of Years' Purchase
= ₹ 96,667 * 2
= ₹ 1,93,333 (1 mark)</td><td>2
(1 + 1)</td></tr>
<tr><td>A</td><td>4</td><td>Manan: Vijay: Aman
OPSR 3 : 2 : 1
NPSR 1: 1: 1

1. Sacrificing Ratio = Old Share – New Share
Manan = 3/6 – 1/3 = (3-2)/6 = 1/6 Sacrifice
Vijay = 2/6 – 1/3 = (2-2)/6 = 0
Aman = 1/6 – 1/3 = (2-3)/6 = -1/6 Gain (1 mark)</td><td>2
(1+1)</td></tr>
</table>

Journal (1 mark)

Date	Particulars	L.F	Dr. (₹)	Cr. (₹)
2021 Apr1	Aman's Capital A/c Dr. To Manan's Capital A/c (Goodwill adjusted on change in profit sharing ratio)		3,000	3,000

B 3

Ashish: Nitesh: Dhiraj
OPSR 3 : 2 : 1
NPSR 1: 1: 1

1. Sacrificing Ratio = Old Share – New Share
Ashish = 3/6 – 1/3 = (3-2)/6 = 1/6 Sacrifice
Nitesh = 2/6 – 1/3 = (2-2)/6 = 0
Dhiraj = 1/6 – 1/3 = (2-3)/6 = -1/6 Gain (1 mark)

Journal (1 mark)

Date	Particulars	L.F	Dr. (₹)	Cr. (₹)
2021 Apr1	Dhiraj's Capital A/c Dr. To Ashish's Capital A/c (Goodwill adjusted on change in profit sharing ratio)		6,000	6,000

C 4

Payal: Rima: Sue
OPSR 3 : 2 : 1
NPSR 1: 1: 1

1. Sacrificing Ratio = Old Share – New Share
Payal = 3/6 – 1/3 = (3-2)/6 = 1/6 Sacrifice
Rima = 2/6 – 1/3 = (2-2)/6 = 0
Sue = 1/6 – 1/3 = (2-3)/6 = -1/6 Gain (1 mark)

Journal (1 mark)

Date	Particulars	L.F	Dr. (₹)	Cr. (₹)
2021 Apr1	Sue's Capital A/c Dr. To Payal's Capital A/c (Goodwill adjusted on change in profit sharing ratio)		9,000	9,000

A/C B 5 6

Capitalised Value of the Firm = Average Profit * 100/ NRR
= ₹ 5,00,000 * 100/10
= ₹ 50,00,000 (1 mark)

3 (1+1+1)

Capital Employed = Yatin's Capital + Kian's Capital + Yatin's Current A/c + Kian's Current A/c + General Reserve
= ₹ 6,00,000 + ₹ 4,00,000 + ₹ 4,00,000 + ₹ 5,00,000 + ₹ 1,00,000
= ₹ 20,00,000 (1 mark)

Goodwill = Capitalised Value of the Firm – Capital Employed
= ₹ 50,00,000 - ₹ 20,00,000
= ₹ 30,00,000 (1 mark)

A/C B — 6 5 — 3

P: Q: R
OPSR 5: 3:2
NPSR 2:3:5
Sacrificing Ratio = Old Ratio – New Ratio

P = 5/10 – 2/10 = 3/10 Sacrifice
Q = 3/10 – 3/10 = 0
R = 2/10 – 5/10 = -3/10 Gain (1 mark)

Net amount to be adjusted = General Reserve + Profit and Loss A/c – Advertisement Suspense
= ₹ 12,000 + ₹ 48,000 - ₹ 24,000
= ₹ 36,000 (1 mark)

Journal (1 mark)

Date	Particulars	L.F	Dr. (₹)	Cr. (₹)
2021 Apr1	R's Capital A/c Dr. To P's Capital A/c (Accumulated Profits/Losses and Reserves adjusted on change in profit sharing ratio)		10,800	 10,800

A/C B — 7 8 — 4 (1*4 M)

Journal (1 mark * 4 = 4 marks)

Date	Particulars	L. F	Dr. (₹)	Cr. (₹)
2022 Apr1	Situation 1 Investment Fluctuation Res. A/c Dr. To N's Capital A/c To T's Capital A/c To A's Capital A/c (Transfer of IFR to Partners' Capital A/c in OPSR)		1,20,000	 40,000 40,000 40,000
	Investment A/c Dr. To Revaluation A/c ((Value of Investments brought up to Market Value)		48,000	 48,000
	Revaluation A/c Dr.		48,000	

			To N's Capital A/c			16,000	
			To T's Capital A/c			16,000	
			To A's Capital A/c			16,000	
			(Transfer of Gain on Revaluation)				
		2022 Apr1	Situation 2 Investment Fluctuation Res. A/c Dr.		1,20,000		
			To Investments A/c			60,000	
			To N's Capital A/c			20,000	
			To T's Capital A/c			20,000	
			To A's Capital A/c			20,000	
			(Transfer of excess IFR to Partners' Capital A/c in OPSR)				

A/C B	8 7	Dr. Revaluation Account Cr.					4 (0.5 M * 8)
		Particulars	₹	Particulars	₹		
		To Machinery A/c	52,500	By Land and Building	26,000		
		To Provision for Doubtful Debts	5,000	By Stock A/c	10,000		
				By Sundry Creditors	5,000		
		To Cash/Bank (Exp.)	2,000	By Loss Transferred to			
				A's Capital A/c 9,250			
				B's Capital A/c 5,550			
				C's Capital A/c 3,700	18,500		
			59,500		59,500		
		(0.5 mark for each posting and 0.5 mark for format)					