

SET

A

INDIAN SCHOOL MUSCAT  
FIRST PRE BOARD EXAMINATION 2023  
ACCOUNTANCY (055)

CLASS: XII

Max.Marks: 80

MARKING SCHEME																				
SET	QN. NO	VALUE POINTS			MAR KS SPLIT UP															
A	1	(b) 3:2			1															
A	2	c) Both (A) and (R) are incorrect.			1															
A	3	(c) Neither debited nor credited OR a) for issuing fully paid right shares			1															
A	4	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;">d)</td> <td style="width: 40%;">Bella Capital A/c</td> <td style="width: 10%; text-align: center;">Dr</td> <td style="width: 15%; text-align: center;">1,500</td> <td style="width: 30%;"></td> </tr> <tr> <td></td> <td style="padding-left: 20px;">To Della Capital A/c</td> <td></td> <td></td> <td style="text-align: right;">1,000</td> </tr> <tr> <td></td> <td style="padding-left: 20px;">To Kelly Capital A/c</td> <td></td> <td></td> <td style="text-align: right;">500</td> </tr> </table> <p style="text-align: center;"><b>OR</b></p> (b) Share of loss Amrit ₹1,500 Bimal ₹1,500			d)	Bella Capital A/c	Dr	1,500			To Della Capital A/c			1,000		To Kelly Capital A/c			500	1
d)	Bella Capital A/c	Dr	1,500																	
	To Della Capital A/c			1,000																
	To Kelly Capital A/c			500																
A	5	₹4,65,000			1															
A	6	(d) Debit Securities Premium ₹1,50,000 ; Statement of P/L A/c ₹50,000 OR (b) 5%			1															
A	7	(b) 60,000			1															
A	8	(c) ₹45,000 OR (c) A ₹48,000 B ₹48,000 C ₹48,000			1															

A	9	(c) ₹48,000	1										
A	10	(a) ₹90,000	1										
A	11	(c) (iii) (ii) (i) (iv)	1										
A	12	(a) ₹3 per 3,000 shares	1										
A	13	(a) Part of the subscribed capital which company resolves not to call except in the event of it being wound up	1										
A	14	(a) ₹43,750	1										
A	15	d) ₹100 OR d) 12%	1										
A	16	(d) Gain ₹2,24,000	1										
A	17	<p style="text-align: center;">Journal in the book of Firm.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 50%;">Particulars</th> <th style="width: 10%;">L.F</th> <th style="width: 10%;">₹</th> <th style="width: 10%;">₹</th> </tr> </thead> <tbody> <tr> <td>2021 1/07/</td> <td>Rayan's Capital A/c Dr.....(1)     To Ben's Capital A/c     To Ken's Capital A/c (Being loss adjusted)</td> <td></td> <td style="text-align: right;">1,350</td> <td style="text-align: right;">150 1,200</td> </tr> </tbody> </table> <p>Working Note:  Share of Loss = <math>(50,000 + (50,000) + (54,000)) / 3</math>  = ₹18,000  = ₹18,000 × <math>3/12 \times 3/10</math>  = ₹1,350.....1 Mark</p> <p>Gaining Ratio = New ratio - Old ratio  Ben = <math>1/3 - 3/10 = 1/30</math>  Ken = <math>2/3 - 4/10 = 8/30</math>  = 1:8.....1 Mark</p>	Date	Particulars	L.F	₹	₹	2021 1/07/	Rayan's Capital A/c Dr.....(1) To Ben's Capital A/c To Ken's Capital A/c (Being loss adjusted)		1,350	150 1,200	3
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Guaranteed profit to Chitra for 6 months of 40,000 × ½ = ₹20,000  No need of guarantee because Chitra is already covering guaranteed amount of ₹20,000 half yearly.</p>	Date	Particulars	L.F	₹	₹	2021 1/07/	Anil's Capital A/c Dr.....(1) To Manu Capital A/c To Sanisha's Capital A/c (Being amount adjusted)		12,000	1,600 10,400	Particulars	Anil	Manu	Sanisha	Firm	A. Amount already provided					Interest on Capital at 8%	48,000	64,000	80,000	1,92,000	Amount to be Adjusted (5:3:2)	24,000	14,400	9,600	48,000		<b><u>72,000</u></b>	<b><u>78,400</u></b>	<b><u>89,600</u></b>	<b><u>2,40,000</u></b>	B. 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''	Excel Ltd A/c To Bills Payable A/c To % Debentures A/c To securities Premium A/c (Being purchase consideration was settled by paying bills payable and issue of 5,000 dentures at 100 each at premium of 20%	Dr (1)	9,00,000	3,00,000 5,00,000 1,00,000
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Note: Total Purchase Consideration = ₹9,00,000  
 Payment by bill of Exchange = ₹ 3,00,000  
 Issue of debentures = ₹9,00,000 – ₹3,00,000 = ₹6,00,000 ...1 marks  
 No of Debentures ₹6,00,000 /120 = 5,000

**OR**  
Journal of Yipi Ltd

Date	Particulars	L.F	₹	₹
2022	Assets A/c Goodwill A/c To Liabilities A/c To Kiti Ltd A/c (20,000 ×90) (Being assets taken over from Excel Ltd)	Dr Dr	2,50,000 16,30,000	
31/3/				80,000 18,00,000
''	Kiti Ltd A/c Discount on Issue A/c Loss on issue of debentures A/c To 9% Debentures A/c To Premium on redemption A/c (Being purchase consideration was settled by paying bills payable and issue of 5,000 dentures at 100 each at premium of 20%	Dr (1) Dr Dr	18,00,000 2,00,000 1,00,000	20,00,000 1,00,000

1½

+

1½

A	20	<p>Goodwill = Super profit * number of year's purchase          = ₹31,000 * 5          = ₹<b><u>1,55,000</u></b> .....(1)</p> <p>Average profit earned by firm = 75,000          Add Undervaluation of stock = <u>5,000</u>          Adjusted Profit = <u>80,000</u>.....(1)</p> <p>Normal profit = capital employed * Normal rate of return/100          = 7,00,000 * 7/100 = 49,000.....(1)</p> <p>Super Profit = Average profit – Normal Profit          = ₹80,000 - ₹49,000 = ₹31,000</p>	3
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A	21	Balance sheet of Fashion Styles Ltd as at ..... (1.....Mark)			4																						
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Date	Particulars	L.F	₹	
	Bank A/c Dr To Share Application & Allotment A/c (Being Application received on 40,000 shares of 20 each)		8,00,000	8,00,000
”	Share Application & Allotment A/c Dr To Share Capital A/c To Share first & final Call A/c To Bank A/c (Being excess application money adjusted)		8,00,000	6,00,000 1,20,000 80,000
	Share first & Final Call A/c Dr To Share Capital A/c (Being first & final call due)		9,00,000	9,00,000
	Bank A/c Dr Calls in Arrear A/c Dr To Share first & final Call A/c (Being money received except		7,56,000 24,000	7,80,000
	Share Capital A/c Dr To Forfeited Shares A/c To Calls in Arrear A/c (Being shares forfeited) ***Accept Separate entry also		45,000 21,000	24,000
	Bank A/c Dr Forfeited shares A/c Dr To Share Capital (Being shares re issued)		36,000 9,000	45,000
	Forfeited Shares A/c Dr To Capital reserve A/c (Being gain on reissue transferred)		12,000	12,000

Working Note:  
1. Calculation of Calls in arrear  
Amit =  $400 \times ₹30 = ₹12,000$   
Veni  
A. Amount due on allotment  
 $(500 * ₹30) \quad 15,000$   
B. Less excess application  
 $(650 - 500) * ₹20 \quad (3,000)$   
C. Calls in Arrear 12,000  
Therefore Total Calls in arrear  $₹12,000 + ₹12,000 = ₹24,000$

Category	Applied	Allotted
I	10,000	10,000

II	4,000	Nil
III	26,000	20,000
<b>Total</b>	<b>40,000</b>	<b>30,000</b>

**OR**

**Journal in the book of Red Desert Ltd**

Date	Particulars	L.F	₹	₹
	Share Capital A/c Dr Securities Premium A/c Dr To Forfeited Shares A/c To Calls in Arrear A/c (Being shares forfeited)		8,000 2,000	5,000 5,000
	Bank A/c Dr To Share Capital To Securities premium A/c (Being shares re issued)		9,600	8,000 1,600
	Forfeited Shares A/c Dr To Capital reserve A/c (Being gain on reissue transferred)		4,000	4,000

**Journal in the book of Blue Desert Ltd**

Date	Particulars	L.F	₹	₹
	Share Capital A/c Dr To Forfeited Shares A/c To Calls in Arrear A/c (7,000 + 4,000) (Being shares forfeited)		20,000	9,000 11,000
	Bank A/c Dr Forfeited shares A/c Dr To Share Capital (Being shares are re issued)		14,000 6,000	20,000
	Forfeited Shares A/c Dr To Capital reserve A/c (Being gain on reissue transferred)		3,000	3,000

3  
+  
3

A 24

Revaluation A/c			
Particulars	₹	Particulars	₹
Machinery A/c (½)	15,000	Provision for doubtful debts (½)	2,000
Building A/c (½)	10,000	Unrecorded Assets A/c (½)	25,000
Revaluation Profit: Akul Capital A/c 1,500	2,000		
Bakul Capital A/c	½		

6

500

27,00027,000

## Partners' Capital Account

	Akul	Bakul	Chan		Akul	Bakul	Chan
By Goodwill A/c (½)	15,000	5,000	.....	By Balance b/d(½)	70,000	30,000	.....
				By Cash A/c (½)	.....	.....	40,0
				By Premium for Goodwill(½)	11,250	3,750	00
				By General Reserve (½)	15,000	5,000	.....
				By Revaluation A/c	1,500	500	.....
By Balance c/d (½)	1,50,000	50,000	40,000	By Current A/c(½)	67,250	15,750	.....
		0	0				
	<u>1,65,000</u>	<u>55,000</u>	<u>40,000</u>		<u>1,65,000</u>	<u>55,000</u>	<u>40,000</u>
		0	0				

## Working Note:

1. New Ratio = 15:5:4

Capital of New Firm = Chanda's Capital × His reciprocal Share

= ₹40,000 × 6/1 = ₹2,40,000

Akul Share = ₹2,40,000 × 15/24 = ₹1,50,000

Bakul Share = ₹2,40,000 × 5/24 = ₹ 50,000

## OR

## Revaluation A/c

Particulars	₹	Particulars	₹
Provision for doubtful debts (½)	1,000	Building A/c (½)	5,000
Revaluation Profit: (1)			
Shyam Capital A/c	2,000		
Sanjay Capital A/c	1,000		
Siva Capital A/c	<u>1,000</u>		
	4,000		
	<u>5,000</u>		<u>5,000</u>

## Partners Capital A/c

	shyam	Sanjay	Siva		Shyam	Sanjay	Siv
By Goodwill A/c (½)	8,000	.....	4,000	By Balance b/d (½)	50,000	30,000	20,000
To Adv Sus Exp	10,000	5,000	5,000	By Goodwill A/c (½)	6,000	3,000	3,000
To Cash A/c (½)	.....	4,000	.....	By P/L A/c (½)	10,000	5,000	5,000
To Cash A/c (½)	1,5000	.....	.....	Revaluation A/c (½)	2,000	1,000	1,000
To Sanjay Loan	.....	30,000	.....	By Cash A/c			15,000
By Balance c/d (½)	35,000		35,000				
	<u>68,000</u>	<u>39,000</u>	<u>44,000</u>		<u>68,000</u>	<u>39,000</u>	<u>44,000</u>

## Working Note:





A	26	<b>Journal in the book of Asian Ltd.....2 mark</b>	6																				
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A	27	(b) Bank deposits with 100 days of maturity OR (d) Accounting policies	1																				
A	28	(d) ₹10,000	1																				

A	29	(d) Cash used in Investing Activities ₹6,80,000  OR (c) Added 1,30,000 under Operating Activities as Loss on Issue of debentures written off and inflow of 18,00,000 under Financing Activities	1																					
A	30	(c ) Operating actives are the revenue generating activities of the enterprise	1																					
A	31	<table border="1"> <thead> <tr> <th>Items</th> <th>Main Head</th> <th>Sub head</th> </tr> </thead> <tbody> <tr> <td>Bank Overdraft</td> <td>Current liabilities</td> <td>Short Term borrowings</td> </tr> <tr> <td>Mining Rights</td> <td>Non – current assets</td> <td>Property plant &amp; equipment</td> </tr> <tr> <td>Debit balance in the statement of P/L A/c</td> <td>Share holders Fund</td> <td>Reserves &amp; surpluses (negative )</td> </tr> <tr> <td>Provision for taxation</td> <td>Current Liabilities</td> <td>Short term provisions</td> </tr> <tr> <td>Public Deposits</td> <td>Non current liabilities</td> <td>Long term borrowings</td> </tr> <tr> <td>Work in Progress</td> <td>Current Assets</td> <td>Inventories</td> </tr> </tbody> </table> ½ for each item	Items	Main Head	Sub head	Bank Overdraft	Current liabilities	Short Term borrowings	Mining Rights	Non – current assets	Property plant & equipment	Debit balance in the statement of P/L A/c	Share holders Fund	Reserves & surpluses (negative )	Provision for taxation	Current Liabilities	Short term provisions	Public Deposits	Non current liabilities	Long term borrowings	Work in Progress	Current Assets	Inventories	3
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A	32	Personal Bias  False Results, Qualitative factors ignored, Lack of std ratios, Not comparable, Price level changes ignored, and Window dressing.	3																					

A	33	<p>Interest Coverage Ratio = <math>\frac{\text{Net profit before Interest \&amp; Tax}}{\text{Interest on Long term Debts}}</math>  = ₹18,00,000.....1 Mark  ₹8,00,000  = <b><u>2.25 Times.....1 Mark</u></b></p> <p>Inventory Turnover Ratio = <math>\frac{\text{Cost of revenue from operation}}{\text{Average Inventory}}</math>  6 = <math>\frac{\text{₹9,60,000}}{\text{Average Inventory}}</math>  Average Inventory = <b><u>₹1,60,000 .....1 Mark</u></b></p> <p>Cost of revenue from Operation = Revenue from operation – Gross profit  = ₹12,00,000 - ₹2,40,000.....1 Mark  = ₹9,60,000</p> <p>Gross profit = Revenue from Operation *(25/125)  = ₹12,00,000 * 25/125  = ₹2,40,000</p> <p style="text-align: center;"><b>OR</b></p> <table border="1" data-bbox="389 898 1274 1119"> <thead> <tr> <th></th> <th>Particulars</th> <th>Effect</th> </tr> </thead> <tbody> <tr> <td>i</td> <td>Further issue of equity shares</td> <td>Decrease</td> </tr> <tr> <td>ii</td> <td>Cash received from debtors</td> <td>No Change</td> </tr> <tr> <td>iii</td> <td>Conversion of Debentures into Equity Shares</td> <td>Decrease</td> </tr> <tr> <td>iv</td> <td>Redemption of debentures</td> <td>No Change</td> </tr> </tbody> </table> <p>1 Mark for each Cases</p>		Particulars	Effect	i	Further issue of equity shares	Decrease	ii	Cash received from debtors	No Change	iii	Conversion of Debentures into Equity Shares	Decrease	iv	Redemption of debentures	No Change	4
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iv	Redemption of debentures	No Change																

1  
For  
each

A	34	<b>Cash Flow from Operating Activities</b>		6 2 + 2 + 2
		<b>Particulars</b>	<b>₹</b>	
		Net profit before Tax & extra ordinary Items	40,000	
		Adj: Non Cash & Non Operating Items		
		Add: Depreciation on Machinery	34,000	
		Patent written Off	40,000	
		Interest paid	10,000	
		Less Gain on sale of Machinery	(4,000)	
		Gain on Sale of patents	(20,000)	
		<b>Operating Profit before working Capital Changes</b>	<b><u>1,00,000</u></b>	
		<b>Cash Flow from Investing Activities</b>		
		<b>Particulars</b>	<b>₹</b>	
		Proceeds from sale of machinery	20,000	
		Payment for purchase of machinery	(60,000)	
		Proceeds from Sale of patents	1,00,000	
<b>Cash flow from Investing Activities</b>	<b><u>60,000</u></b>			
<b>Cash Flow from Financing Activities</b>				
<b>Particulars</b>	<b>₹</b>			
Issuance of Equity Shares	2,00,000			
Redemption of 10% debentures	(1,00,000)			
Issue of 8% bank Loan	2,00,000			
Dividend paid	(50,000)			
Interest paid	(10,000)			
<b>Cash flow from Financing Activities</b>	<b><u>2,40,000</u></b>			