COMMON PRE-BOARD EXAMINATION 2022-23

ACCOUNTANCY (055)- MARKING SCHEME

PART- A

<table>
<tr><td>1.</td><td>(B) 2 : 2 : 1</td><td>1</td></tr>
<tr><td>2.</td><td>(D) Both (A) and (R) are correct and (R) is the correct explanation of (A)</td><td>1</td></tr>
<tr><td>3.</td><td>(D) ₹25 OR (D) Non-Redeemable Debentures</td><td>1</td></tr>
<tr><td>4.</td><td>(A) No effect on Moon OR
(D) Share of Loss Susan –₹ 1,180 Marria – ₹ 1,770</td><td>1</td></tr>
<tr><td>5.</td><td>(D) ₹ 3,00,000</td><td>1</td></tr>
<tr><td>6.</td><td>(B) 60,000 OR (A) ₹1,10,000</td><td>1</td></tr>
<tr><td>7.</td><td>(B) as deduction from subscribed capital</td><td>1</td></tr>
<tr><td>8.</td><td>(D) ₹95,000 OR (D) ₹7500</td><td>1</td></tr>
<tr><td>9.</td><td>(D)₹3000</td><td>1</td></tr>
<tr><td>10.</td><td>(A) ₹ 47000</td><td>1</td></tr>
<tr><td>11.</td><td>(B) Rs. 24,000 by Sagar; Rs. 16,000 by Shan</td><td>1</td></tr>
<tr><td>12.</td><td>(A) ₹6,000</td><td>1</td></tr>
<tr><td>13.</td><td>(C) Security Premium Reserve Account</td><td>1</td></tr>
<tr><td>14.</td><td>(C) ₹1,50,000; ₹90,000 and ₹60,000</td><td>1</td></tr>
<tr><td>15.</td><td>(B) ₹10,000 p.m. OR (A) ₹900</td><td>1</td></tr>
<tr><td>16.</td><td>(C) Cash Account by ₹9,900</td><td>1</td></tr>
<tr><td>17.</td><td>
<table>
<tr><th>Date</th><th>Particulars</th><th>l/f</th><th>Amt</th><th>Amt</th></tr>
<tr><td>September 30, 2019</td><td>Angel’s Capital A/c Dr
Pinky’s Capital A/c Dr
To Daisy’s Capital A/c
(Being Daisy’s share of goodwill adjusted in capital Accounts of Angel and Pinky)</td><td></td><td>18,000
12,000</td><td>30,000</td></tr>
<tr><td></td><td>Profit and Loss Suspense A/c Dr
To Daisy’s Capital A/c
(Being Daisy’s share of profit up to date of her death transferred to her capital account)</td><td></td><td>5,400</td><td>5,400</td></tr>
</table>
Working Notes:-
Sales = 2,00,000 + 20% of 2,00,000 = 2,00,000 +40,000
Profit % = 10% - 1% = 9%
</td><td>1
+
1
+
1</td></tr>
</table>

Daisy’s Share of Profit =₹ 2,40,000 X 9/100 X 5/10 X 6/12 = ₹ 5,400

= 3

18.

P/L Appropriation A/C

Particulars	Rs.	Particulars	Rs.
To Intt. on Capital: A : 30,000 B : 50,000	80,000	By P/L a/c (NP) By IOD : A : 3,000	2,90,000
To A’s Salary	30,000	B : 3,000	6,000
To B’s Commission	10,000		
To G. Reserve	17,600		
To Profit: A : 95,040 B ; 63,360	1,58,400		
	2,96,000		2,96,000

3

OR

Journal

Particulars	L.F.	Debit Amount `	Credit Amount `
Nisha’s Capital A/c Dr. To Rajan’s Capital A/c (Adjustment of profit made)		27500	27500

Working Note:

Total Profits for Last 3 years = 70000 + 42,000 + 53,000 = 165,000

Statement Showing Adjustment

Particulars	Rajan	Mathew	Nisha	Total
Right Distribution of Profit (3 : 2 :1)	82500	55000	27500	165000
Wrong Distribution of Profit (1: 1 : 1)	(55,000)	(55,000)	(55,000)	(165000)

Net Effect	27500	NIL	(27500)	NIL

19.

a)

Date	Particulars	l/f	Amt	Amt
	Bank /c Dr. To Debenture Application A/c (Being Application Money)		20,00,000	20,00,000
	Debenture Application Dr. Loss on Red on deb Dr. To 12% Debentures A/c To Premium on redemption of debenture A/c (Being 20,000, 12% Debentures issued)		20,00,000 1,00,000	20,00,000 1,00,000

½

1

(b)

+

Date	Particulars	l/f	Amt	Amt
	Bank A/c Dr. To Debenture Application A/c (Being Application Money Received)		36,75,000	36,75,000
	Debenture Appli Dr. Loss on Red deb Dr. To 12% Debentures A/c To Securities premium A/c To Premium on red of debenture A/c (Being 35,000, 12% Debe issued)		36,75,000 3,50,000	35,00,000 1,75,000 3,50,000

½

1

= 3

OR

Date	Particulars	l/f	Amt	Amt
	Sundry Assets A/c Dr. To Sundry Liabilities A/c To Bheeshm Ltd. To Capital Reserve A/c (Purchase of assets and liabilities of Sanchar Ltd.)		1400000	 4,00,000 9,19000 81,000
	Bheeshm Ltd. Dr. To Equity Share Capital A/c To Securities Premium A/c To Bank A/c (82,000 Equity Shares issued)		919000	 8,20,000 82,000 17,000

Working Notes:

*WN*1: *Calculation of Number of Equity Shares*

Number of shares issued= Purchase consideration/issue price=902,000/11=82,000

Or

1 ½

\+

1 ½

= 3

20\. (a) Goodwill = Capitalised value of Avg. profit – Net Assets

= (1,20,000 × 100/8) – 12,00,000

= 3,00,000

(b) Goodwill = Super Profit × No. of P.Y

= (1,20,000 – 96,000) × 2

= 24,000 × 2

= 48,000

1 ½

\+

1 ½

= 3

21\.

Balance Sheet

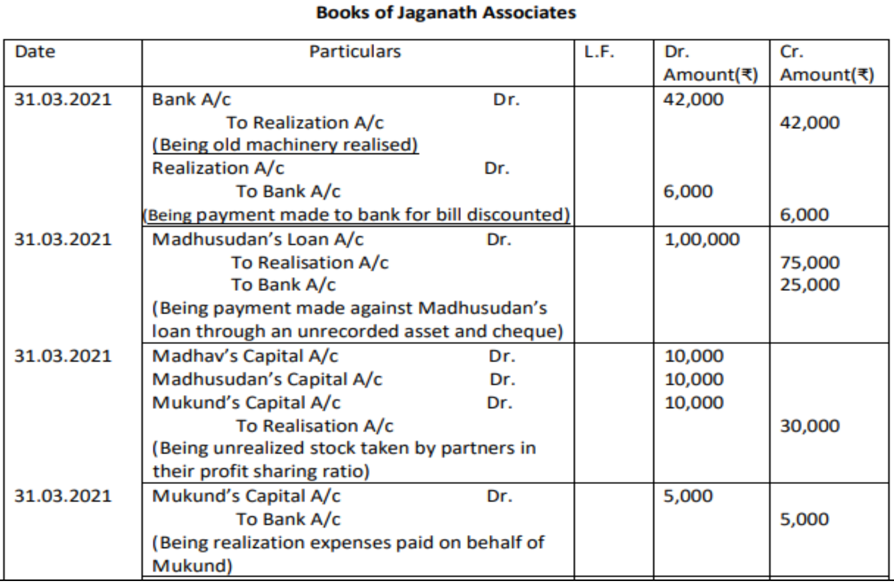
Particulars	Note No.	Amount (₹)
I. Equity and Liabilities		
1. Shareholders’ Funds		

a. Share Capital	1	1,63,000

NOTES TO ACCOUNTS

Particulars	Amount	
1. Share Capital		1
Authorised Share Capital 2,000 Equity Shares of ₹ 100 each	200000 =======	
Issued Share Capital 1,000 Equity Shares of ₹ 100 each 100000		
1,000 Equity Shares of ₹ 100 each (for consideration other than cash) 1,00,000	200000 =======	1
Subscribed Capital Subscribed and fully paid up		1
1,000 Equity Shares of ₹ 100 each (for consideration other than cash)	1,00,000	
Subscribed but not fully paid up		1
900 Equity Shares of ₹ 100 each, ₹ 70 Called-up	63,000 -----------	= 4
	1,63,000 ======	

22.



Books of Jaganath Associates

Date	Particulars	L.F.	Dr. Amount(₹)	Cr. Amount(₹)
31.03.2021	Bank A/c Dr. To Realization A/c (Being old machinery realised) Realization A/c Dr. To Bank A/c (Being payment made to bank for bill discounted)		42,000 6,000	 42,000 6,000
31.03.2021	Madhusudan's Loan A/c Dr. To Realisation A/c To Bank A/c (Being payment made against Madhusudan's loan through an unrecorded asset and cheque)		1,00,000	 75,000 25,000
31.03.2021	Madhav's Capital A/c Dr. Madhusudan's Capital A/c Dr. Mukund's Capital A/c Dr. To Realisation A/c (Being unrealized stock taken by partners in their profit sharing ratio)		10,000 10,000 10,000	 30,000
31.03.2021	Mukund's Capital A/c Dr. To Bank A/c (Being realization expenses paid on behalf of Mukund)		5,000	 5,000

1 x 4

23.

Books of Cloudrevel Ltd.
Journal

Date	Particulars	L.F.	Debit Amount (₹)	Credit Amount (₹)
	Bank A/c Dr. To Share Application A/c (Share application money received for 20,000 shares at ₹ 2 each)		40,000	 40,000
	Share Application A/c Dr. To Share Capital A/c		40,000	 40,000

		(Share application money of 20,000 shares at ₹ 2 each transferred to Share Capital)				
		Share Allotment A/c Dr.		80,000		
		To Share Capital A/c			80,000	
		(Share allotment due on 20,000 shares at ₹ 4 each)				
		Bank A/c Dr.		80,000		
		To Share Allotment A/c			80,000	
		(Share allotment money received)				
		Share First Call A/c Dr.		40,000		
		To Share Capital A/c			40,000	6
		(Share first call due on 20,000 shares at ₹ 2 each)				
		Bank A/c Dr.		38,600		
		Call-in-Arrears A/c (1,000×2) Dr.		2,000		
		To Share First Call A/c			40,000	

	To Calls-in-Advance (300×2)			600
	(Share first call of ₹ 2 per share received on 19,000 shares along with calls-in-advance of 300 shares at ₹ 2 each and holders of 1,000 shares failed to pay the first call)			
	Share Capital A/c Dr.		8,000	
	To Share Forfeiture A/c (1,000×6)			6,000
	To Calls-In-Arrears A/c			2,000
	(1,000 shares of ₹ 10 each on which ₹ 8 had called, forfeited for non-payment of first call ₹ 2 per share)			
	Share Final Call A/c Dr.		38,000	
	To Share Capital A/c			38,000
	(Share final call due on 19,000 shares at ₹ 2 each)			
	Bank A/c Dr.		37,400	
	Calls-In-Advance A/c Dr.		600	
	To Share Final Call A/c			38,000

	(Share final call received from 18,700 shares and calls-in-advance of 300 shares adjusted)			
	Bank A/c Dr.		6,000	
	Share Forfeiture A/c Dr.		4,000	
	To Share Capital A/c			10,000
	(1,000 shares, re-issued at ₹ 6 per share as fully paid-up)			
	Share Forfeiture A/c Dr.		2,000	
	To Capital Reserve A/c			2,000
	(Balance of Share Forfeiture Account after re-issue transferred to Capital Reserve)			

OR

Or

Journal

Date	Particulars	L.F.	Debit Amount ₹	Credit Amount ₹
(i)	Share Capital A/c (20 × 7) Dr.		140	

		To Share Forfeiture A/c (20 × 5)			100	1
		To Calls-in- Arrears A/c (20 × 2)			40	
		(20 Shares of ₹ 10 each, ₹ 7 called-up forfeited for the non-payment of call)				
		Bank A/c (15 × 8) Dr.		120		
		To Share Capital A/c (15 × 7)			105	1
		To Securities Premium A/c (15× 1)			15	
		(15 shares were reissued as ₹ 7 paid-up for ₹ 8 per share)				
		Shares Forfeiture A/c (15 × 5) Dr.		75		
		To Capital Reserve A/c			75	1
		(Transfer of profit on re-issue of 15 shares)				
	(ii)	Share Capital A/c (90 × 8) Dr.		720		
		Securities Premium A/c (90 × 2) Dr.		180		
		To Share Forfeiture A/c (90 × 5)			450	1
		To Share Allotment A/c (90 × 5)			450	
		(Shares forfeited for non-payment of allotment)				

		Bank A/c (80 × 10) Dr.		800		
		To Share Capital A/c (80 × 8)			640	1
		To Securities Premium A/c (80× 2)			160	
		(80 shares were reissued for ₹ 10, ₹ 8 called-up)				
		Shares Forfeiture A/c (80 × 5) Dr.		400		
		To Capital Reserve A/c			400	
		(Transfer of profit on re-issue of 80 shares)				1

Working Notes-

Note 1
Profit on 20 forfeited shares=100
Profit on 15 forfeited shares=100×15/20=75
forfeited shares(Cr.)=75 ₹.(Cr.)
forfeited shares(Dr.)=Nil
Capital reserve=75 ₹.

Note 2
Profit on 90 forfeited shares=450
Profit on 80 forfeited shares=450×80/90=400
forfeited shares(Cr.)=400 ₹.(Cr.)
forfeited shares(Dr.)=Nil
Capital reserve=400 ₹.

24.

Journal Entries

1	Land and Building A/c	Dr.	22,000		
	Provision for Doubtful debts A/c	Dr.	7,000		
	Creditor's A/c	Dr.	9,800		½
	To Revaluation			38,800	
2	Revaluation A/c	Dr.	14,000		
	To Plant and Machinery A/c			14,000	½
3	Revaluation A/c	Dr.	24,800		
	To A's Capital A/c			14,880	1
	To B's capital A/c			9,920	
4	General reserve A/c	Dr.	10,000		
	Investment fluctuation fund A/c	Dr.	2,000		
	To A's Capital A/c			7,200	1
	To B's Capital A/c			4,800	
5	Investment fluctuation fund	Dr.	2,000		1
	To Investment			2,000	
6	Cash /Bank A/c	Dr.	70,000		
	To C's Capital A/c			56,000	1
	To Premium for goodwill			14,000	
7	Premium for goodwill A/c	Dr.	14,000		1
	To A's Capital A/c			8,400	
	To B's Capital A/c			5,600	

Or

OR

Revaluation A/c

To Patents	1,000	By Provident fund	600
To Plant & Machinery	4,800	By Investments	5,800
To Profit on Revaluation:			
A's capital - 300			
B's capital - 200			
C's capital - 100	600		
	6,400		**6,400**

2 ½

A's Capital A/c

Particulars	**A**	**B**	**C**	**Particulars**	**A**	**B**	**C**
To InvestmentA/c			15,800	By Balance b/d	40,000	36,500	20,000
To C's Capital	2,700	1,800		By Reserve A/c	4,500	3,000	1,500
To C's Loan A/c			10,300	By Revaluation A/c	300	200	100
To bal. c/d	42,100	37,900		By A's Capital A/c			2,700
				By B's Capital A/c			1,800
	44,800	**39,700**	**26,100**		**44,800**	**39,700**	**26,100**

3 ½

25.

Saumith' s Capital Account

Particulars	Dr. ₹	Particulars	Cr. ₹
To Saumith's loan A/c	20,000	Balance b/d	80,000
To Saumith's Executors A/c	139333		
		By General Reserve	4000
		By Rowan's Capital A/c	14,667
		By Kempe's Capital A/c	29,333
		By P&L Suspense A/c	30000
		By Interest on Capital A/c	1,333
	159333		159333

4

+

Saumith' s Executors

Date	Particulars	Amt	Date	Particulars	Amt
2020 July 31	To Cash	39333	2020 July 31	By Saumith Capital	139333

2

2021 March 31	To cash (100000 + 5000)	105000 --------- 144333 ======	2021 March 31	By Interest (100000 x 7.5/100 x 8/12)	5000 --------- 144333 ======

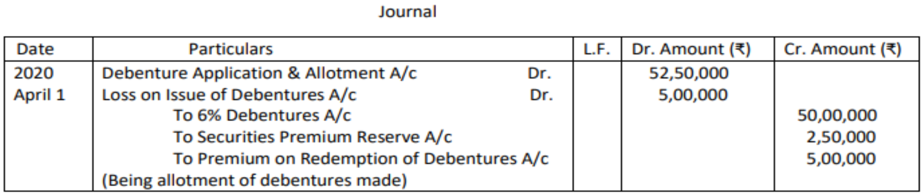
Working notes:
WN-1 Calculation of goodwill
The average profits of the last three years were ₹ 55,000
Goodwill of the Firm = ₹ 55,000×2=1,10,000
Share of Saumith is in Goodwill = 1,10,000 × 4/10 = 44,000
Goodwill Share of Saumith is in Goodwill will be compensated by Rowan and Kempe in 2:4
Rowan = 44,000 × 2/6 = 14,667
Kempe = 44,000 × 4/6 = 29,333
WN-2 Interest on capital was to be provided @ 5% p.a.
Saumith' s Interest on Capital = 80,000×5×4/100×12= 1,333

WN-3 Calculation of Saumith' s share of Profit
Sales for the year ended 31st March, 2020 = ₹ 4,50,000
The profit for the year ended 31st March, 2020 = ₹ 1,25,000.
Sales from 1st April to 31st July, 2020 = ₹ 2,70,000
Saumith' s Share of Profit = 125000/450000*270000*4/10= 30000

26.

(i) Number of Debentures to be issued = 52,50,000/105 = 50,000 1
(ii)

In the Books of Crafty Apparel Ltd



Journal

Date	Particulars	L.F.	Dr. Amount (₹)	Cr. Amount (₹)
2020 April 1	Debenture Application & Allotment A/c Dr.		52,50,000	
	Loss on Issue of Debentures A/c Dr.		5,00,000	
	To 6% Debentures A/c			50,00,000
	To Securities Premium Reserve A/c			2,50,000
	To Premium on Redemption of Debentures A/c			5,00,000
	(Being allotment of debentures made)			

2

(iii) Journal

Date	Particulars		L.F.	Dr. Amount (₹)	Cr. Amount (₹)
2021 March 31	Securities Premium Reserve A/c Statement of Profit & Loss To Loss on Issue of Debentures A/c (Being Loss on Issue of Debentures A/c written off)	Dr. Dr.		2,50,000 2,50,000	5,00,000

1

(iv) Interest on 6% debentures = 50,00,000 x 6 /100 = ₹3,00,000

1

(v) Loss on Issue of Debentures A/c

Dr. Cr.

Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)
1.4.20	To Premium on Redemption of Debentures A/c	5,00,000	31.3.21	By Securities Premium Reserve A/c By Statement of Profit & Loss A/c	2,50,000 2,50,000
		5,00,000			5,00,000

1

PART B (OPTION I)

27.	(C) Other Current Assets OR (A) increase current ratio	1
28.	(B) ₹20,000	1
29.	(A)Cash used (Payment) in Investing Activities ₹8,000 OR (B) ₹ 1,80,000	1
30.	(B) ₹90000	1

31.

S. No.	Item	Major Head	Sub-head
(i)	Bank Overdraft	Current Liabilities	Short-term Borrowings
(ii)	Subsidy Reserve	Shareholders' Funds	Reserves and Surplus
(iii)	Capital Redemption Reserve	Shareholders' Funds	Reserves and Surplus
(iv)	Mining Rights	Non-current Assets	Property, Plant and Equipment (Fixed Assets)-Intangibles Assets
(v)	Debit Balance in the Statement of Profit and Loss	Shareholders' Funds	Reserves and Surplus (as negative amount)

½ x 6

= 3

<table>
<tr><td></td><td><table><tr><td>(vi)</td><td>Patents</td><td>Non-current Assets</td><td>Property, Plant and Equipment
(Fixed Assets)-
Intangibles Assets</td></tr></table></td><td></td></tr>
<tr><td>32.</td><td>Objectives
Current ratio – to check the short term solvency/ financial soundness of business.
Debt – Equity ratio – to assess the long term financial soundness of the business.
Trade receivable turnover ratio – efficiency in collection of amount from due from trade receivables.</td><td>
1

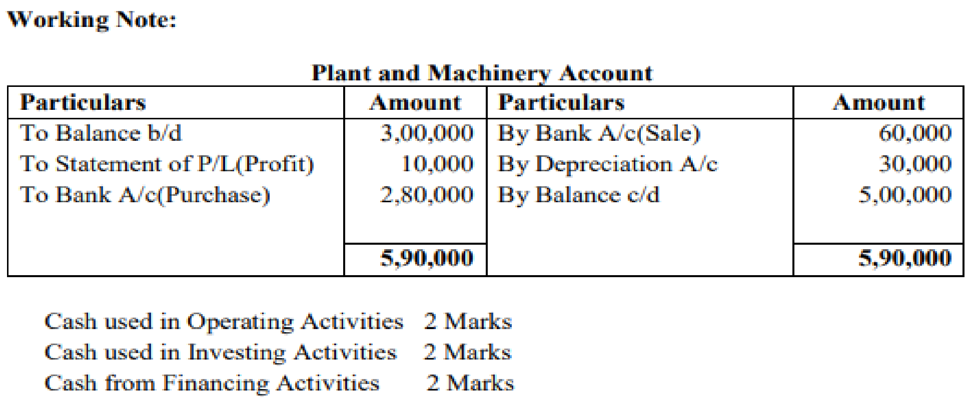
1

1</td></tr>
<tr><td>33.</td><td>Return on Investment = EBIT / Capital Employed x 100 = 15,00,000/1,20,00,000 x 100 = 12.5% Capital Employed = 12% Preference Share Capital + Equity Share Capital + Reserves and Surplus + 15% Debentures + 10% Bank Loan
= 30,00,000 + 40,00,000 + 10,00,000 + 20,00,000 + 20,00,000 = ₹ 1,20,00,000
EBIT = Profits after Tax + Tax + Interest
= 6,00,000 + 4,00,000 + 5,00,000 = ₹ 15,00,000
Net Assets Turnover ratio = Revenue from Operations/Capital Employed
= 3,60,00,000/1,20,00,000 = 3 times

OR
(i) Ratio will improve. Reason – Capital Employed will decrease and Debt will remain same
(ii) Ratio will remain same. Reason – Both Debt and Capital Employed will remain same.
(iii) Ratio will decline. Reason – Debt will decrease but Capital Employed will remain same.
(iv) Ratio will decline. Reason – Capital Employed will increase but Debt will remain same.</td><td>2

2

Or

1 x 4</td></tr>
<tr><td>34.</td><td>
Working Note:

Plant and Machinery Account
<table>
<tr><th>Particulars</th><th>Amount</th><th>Particulars</th><th>Amount</th></tr>
<tr><td>To Balance b/d</td><td>3,00,000</td><td>By Bank A/c(Sale)</td><td>60,000</td></tr>
<tr><td>To Statement of P/L(Profit)</td><td>10,000</td><td>By Depreciation A/c</td><td>30,000</td></tr>
<tr><td>To Bank A/c(Purchase)</td><td>2,80,000</td><td>By Balance c/d</td><td>5,00,000</td></tr>
<tr><td></td><td>5,90,000</td><td></td><td>5,90,000</td></tr>
</table>
Cash used in Operating Activities 2 Marks
Cash used in Investing Activities 2 Marks
Cash from Financing Activities 2 Marks</td><td></td></tr>
</table>

<table>
<tr><td></td><td>Cash Flow Statement
<table>
<tr><th>Particulars</th><th>Amount (₹)</th><th>Amount (₹)</th></tr>
<tr><td>I. Cash flow from operating activities:</td><td></td><td></td></tr>
<tr><td>Net profit before tax (4,00,000-2,00,000)</td><td></td><td>2,00,000</td></tr>
<tr><td>Adjustment for non cash and non operating items:</td><td></td><td></td></tr>
<tr><td>Depreciation</td><td>30,000</td><td></td></tr>
<tr><td>Profit on sale of machinery</td><td>(10,000)</td><td>20,000</td></tr>
<tr><td>Operating profit before working capital changes</td><td></td><td>2,20,000</td></tr>
<tr><td>Change in current assets and current liabilities:</td><td></td><td></td></tr>
<tr><td>Decrease in inventories</td><td>50,000</td><td></td></tr>
<tr><td>Increase in trade receivable</td><td>(2,00,000)</td><td></td></tr>
<tr><td>Increase in trade payables</td><td>1,00,000</td><td>(50,000)</td></tr>
<tr><td>Net cash inflow from operating activities</td><td></td><td>1,70,000</td></tr>
<tr><td>II. Cash flow from investing activities:</td><td></td><td></td></tr>
<tr><td>Sale of plant</td><td></td><td>60,000</td></tr>
<tr><td>Purchase of plant</td><td></td><td>(2,80,000)</td></tr>
<tr><td>Net cash used in investing activities</td><td></td><td>(2,20,000)</td></tr>
<tr><td>III. Cash flow from financing activities:</td><td></td><td></td></tr>
<tr><td>Issue of share capital</td><td></td><td>1,00,000</td></tr>
<tr><td>Net cash inflow from financing activities</td><td></td><td>1,00,000</td></tr>
<tr><td>IV.Net increase in cash and cash equivalents</td><td></td><td>50,000</td></tr>
<tr><td>V. Opening cash and cash equivalents</td><td></td><td>30,000</td></tr>
<tr><td>VI. Closing cash and cash equivalents</td><td></td><td>80,000</td></tr>
</table></td><td>2
2
2</td></tr>
<tr><td colspan="3">PART B (OPTION II)</td></tr>
<tr><td>27.</td><td>a) PMT (rate, nper, pv, [fv], [type]) OR a) Design, Layout, Format</td><td>1</td></tr>
<tr><td>28.</td><td>d) =AND (C4<10, D4,100)</td><td>1</td></tr>
<tr><td>29.</td><td>a) SUM and AVERAGE OR c) [Home]</td><td>1</td></tr>
<tr><td>30.</td><td>(b) Financial</td><td>1</td></tr>
<tr><td>31.</td><td>Types of Accounting Vouchers (i) Contra Vouchers (ii) Payments Vouchers (iii) Receipt Vouchers</td><td>3</td></tr>
<tr><td>32.</td><td>The points to be considered before making investment in a database: (any three)
(i) What all data is to be stored in the database?
(ii) Who will capture or modify the data, and how frequently the data will be modified? (iii) Who will be using the database, and what all tasks will they perform?
(iv) Will the database (backend) be used by any other frontend application?
(v) Will access to database be given over LAN/ Internet, and for what</td><td>3</td></tr>
</table>

	purposes? (vi) What level of hardware and operating system is available?	
33.	Features of computerized accounting system: (i) Simple and integrated. (ii) Transparency and control. (iii) Accuracy and speed. (iv) Scalability. (v) Reliability OR Uses of conditional formatting: (i) It helps in making needed information highlighted. (ii) It changes the appearance of cells ranges. (iii) Colour scale may be used to highlight cells . (iv) useful in making decision making.	4
34.	Two basic methods of charging depreciation are: Straight line method : This method calculates fixed amount of depreciation every year which is calculated keeping in view the useful life of assets and its salvage value at the end of its useful life. Written down value method: This method uses current book value of the asset for computing the amount of depreciation for the next period. It is also known as declining balance method.. Differences: 1. Equal amount of depreciation is charged in straight line method. Amount of depreciation goes on decreasing every year in written down value method. 2. Depreciation is charged on original cost in straight line method. The amount is calculated on the book value every year. 3. In straight line method the value of asset can come to zero but in written down value method this can never be zero. 4. Generally rate of depreciation is low in case of straight line method but it is kept high in case of written down value method. 5. It is suitable for assets in which repair charges are less and the possibility of obsolescence is less. It is suitable for the assets which become obsolete due to changes in technology	6