

INDIAN SCHOOL MUSCAT

FINAL EXAMINATION

27th JANUARY 2021

CLASS XII

Marking Scheme – ACCOUNTANCY

SET A

Q.NO.	Answers	Marks (with split up)
1.	(a) ₹ 3,20,000	1
2.	(a) Y's Capital A/c Dr. 30,000 To X's Capital A/c 30,000	1
3.	(c) ₹ 4,400	1
4.	(b) 3:2	1
5.	(c) Book Value	1
6.	(d) ₹ 250	1
7.	(b) ₹ 39,400	1
8.	(b) ₹ 15,600	1
9.	(d) Profit and Loss Suspense A/c Dr. To Sudhir's Capital A/c	1
10.	(d) Dissolution of Partnership Firm	1
11.	(c) 30,000	1
12.	(c) ₹ 10,000	1
13.	Discount	1
14.	<div>An Extract of Income and Expenditure Account</div> <div>Dr. </div>	

	Add: Subscription due or the year				4,15,000	
	Subscription to be credited to the Income & Expenditure Account				10,000	
					<u>4,25,000</u>	
15.	Adjustment Entry					4
	Date	Particulars	L.F	Dr. (₹)	Cr. (₹)	
	2020 Apr10	A's Capital A/c Dr. C's Capital A/c Dr. To B's Capital A/c (Being adjustment entry passed)		2,520 2,740	5,260	
	OR					
	Opening Capital : Leena ₹ 3,00,000; Rohit ₹ 6,00,000; Manoj ₹ 9,00,000					
	Adjustment Entry					
	Date	Particulars	L.F	Dr. (₹)	Cr. (₹)	
	2020 Mar31	Leena's Capital A/c To Rohit's Capital A/c To Manoj's Capital A/c (Being adjustment entry passed)		66,000	30,000 36,000	
16.	Sure Ltd. Balance Sheet (Extract) as at					4
	Particulars		Note No.		₹	
	I. Equity and Liabilities Shareholders' und Share Capital		1		5,74,000	
	Notes to Accounts					
	No.	Particulars	₹		₹	
	1	Share Capital Authorised Capital 2,00,000 Equity Shares of ₹ 10 each			<u>20,00,000</u>	
		Issued Capital 60,000 Equity Shares of ₹ 10 each			<u>6,00,000</u>	
		Subscribed Capital Subscribed and fully paid up 56,000 Equity Shares of ₹ 10 each Add: Forfeited Shares A/c (2,000 * ₹ 7)	5,60,000 <u>14,000</u>		<u>5,74,000</u>	
17.	Books of Manjeet, Sujeet and Jagjeet Journal					4
	Date	Particulars	L.F	Dr. (₹)	Cr. (₹)	
	2018 Mar31	Bank A/c Dr.		10,00,750		
	(i)	To Realisation A/c			10,00,750	
	(ii)	Realisation A/c Dr.		1,00,075		
		To Sujeet's Capital A/c			1,00,075	

	(iii)	Sujeet's Capital A/c Dr. To Cash A/c			90,000	90,000																																																														
	(iv)	Realisation A/c Dr. To Bank A/c			4,50,000	4,50,000																																																														
18.	The partners do not have a Partnership Deed. Therefore, provisions of the Indian Partnership Act, 1932 will apply to resolve the matters.							4																																																												
	(i)	IOC is not payable to partner. Therefore, Ambrish will not get IOC																																																																		
	(ii)	Remuneration is not payable to partner. Therefore, Lalit will not get salary.																																																																		
	(iii)	IOL by Partner is payable @ 6% p.a. Therefore, Charu will get interest ₹ 3,000 (i.e. ₹ 50,000 * 6/100)																																																																		
	(iv)	IOD to Ambrish will not be charged.																																																																		
19.	<div>Rajdhani Charitable Trust</div> <div>Income and Expenditure Account</div> <div>Dr. for the year ended 31st March, 2020 Cr.</div> <table><tr><th>Expenditure</th><th>₹</th><th>₹</th><th>Income</th><th>₹</th><th>₹</th></tr><tr><td>To Rent</td><td>60,000</td><td></td><td>By Subscription</td><td>8,30,000</td><td></td></tr><tr><td>Add: O/S</td><td><u>10,000</u></td><td>70,000</td><td>Add: O/s</td><td>70,000</td><td></td></tr><tr><td>To Salary</td><td>1,20,000</td><td></td><td>Less: Life Membership Fees</td><td>4,000</td><td>8,96,000</td></tr><tr><td>Less: Prepaid</td><td><u>20,000</u></td><td>1,00,000</td><td>By Gain on Sale of Investment</td><td></td><td>1,00,000</td></tr><tr><td>To Postage & Courier</td><td></td><td>3,000</td><td>By Int. on Invest.</td><td></td><td>20,000</td></tr><tr><td>To Electricity Charges</td><td></td><td>60,000</td><td>By Gain on Sale Of Furniture</td><td></td><td>2,000</td></tr><tr><td>To Scholarship to Needy Students</td><td></td><td>2,20,000</td><td>By Accrued Interest on Defence Bonds</td><td></td><td>70,000</td></tr><tr><td>To Surplus</td><td></td><td>6,35,000</td><td></td><td></td><td></td></tr><tr><td></td><td></td><td>10,88,000</td><td></td><td></td><td>10,88,000</td></tr></table>							Expenditure	₹	₹	Income	₹	₹	To Rent	60,000		By Subscription	8,30,000		Add: O/S	<u>10,000</u>	70,000	Add: O/s	70,000		To Salary	1,20,000		Less: Life Membership Fees	4,000	8,96,000	Less: Prepaid	<u>20,000</u>	1,00,000	By Gain on Sale of Investment		1,00,000	To Postage & Courier		3,000	By Int. on Invest.		20,000	To Electricity Charges		60,000	By Gain on Sale Of Furniture		2,000	To Scholarship to Needy Students		2,20,000	By Accrued Interest on Defence Bonds		70,000	To Surplus		6,35,000						10,88,000			10,88,000	6
Expenditure	₹	₹	Income	₹	₹																																																															
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		10,88,000			10,88,000																																																															
20.	(a) No. of Debentures to be issued = Purchase Consideration – Part Payment/ Issue Price of Debentures = (₹ 9,60,000 - ₹ 2,40,000) / ₹ 120 = ₹ 7,20,000 / ₹ 120 = 6,000 Debentures Journal of Mohan Ltd.							6																																																												
	Date	Particulars		L.F	Dr. (₹)	Cr. (₹)																																																														
	(i)	Sundry Assets A/c Dr. To Sundry Liabilities A/c To Sohan Ltd. To Capital Reserve A/c (bal. fig.)			10,80,000	80,000 9,60,000 40,000																																																														
	(ii)	Sohan Ltd. Dr. To Bank A/c To 10% Debenture A/c To SPR A/c			9,60,000	2,40,000 6,00,000 1,20,000																																																														
	(b) Cost of Machinery is the Purchase Consideration Purchase Consideration = ₹ 1,10,000 + ₹ 18,000 + ₹ 50,000 = ₹ 1,78,000 Journal of X Ltd.																																																																			
	Date	Particulars		L.F	Dr. (₹)	Cr. (₹)																																																														
	(i)	Machinery A/c Dr.			1,78,000																																																															

		To Y Ltd. A/c			1,78,000	
	(ii)	Y Ltd. Dr. Discount on Issue of Debenture A/c Dr. To Bills Payable A/c To Equity Share Capital A/c To 9% Debenture A/c To SPR A/c		1,78,000 2,000	50,000 1,00,000 20,000 10,000	

21.	Books of the Firm Journal Entries					8
	Date	Particulars	L.F	Dr. (₹)	Cr. (₹)	
	(i)	General Reserve A/c Dr. To C's Capital A/c To D's Capital A/c		10,000	8,000 2,000	
	(ii)	Cash A/c Dr. To E's Capital A/c To Premium on Goodwill A/c		1,20,000	1,00,000 20,000	
	(iii)	Premium on Goodwill A/c Dr. To C's Capital A/c To D's Capital A/c		20,000	16,000 4,000	
	(iv)	C's Capital A/c D's Capital A/c To Cash A/c		8,000 2,000	10,000	
	(v)	Bad Debts A/c Dr. To Debtors A/c		2,000	2,000	
	(vi)	PBDD A/c Dr. To Bad Debts A/c		2,000	2,000	
	(vii)	PBDD A/c Dr. To Revaluation A/c		640	640	
	(viii)	Revaluation A/c Dr. To Stock A/c To Furniture A/c To Plant and Machinery A/c		14,000	2,000 4,000 8,000	
	(ix)	Investments A/c Dr. To Revaluation A/c		7,000	7,000	
	(x)	Revaluation A/c Dr. To Outstanding Repairs A/c		2,300	2,300	
	(xi)	C's Capital A/c Dr. D's Capital A/c Dr. To Revaluation A/c		6,928 1,732	8,660	
Entry No (viii) and (x) or (vii) and (ix) can be combined also.						
OR						
Dr.		Revaluation Account			Cr.	
Particulars		₹	Particulars		₹	
To Stock		900	By Premises		16,000	
To Provision for Legal Damages		1,200	By PBDD		100	
To Revaluation Profit transferred			By Furniture		4,000	

Pankaj's Capt.	9,000		
Naresh Capt.	6,000		
Saurabh's Capt.	3,000	18,000	
		20,100	20,100

Dr. Partners' Capital Account Cr.

Particulars	Pankaj	Naresh	Saurabh	Particulars	Pankaj	Naresh	Saurabh
To Naresh's Capt	14,000			By Bal. b/d	46,000	30,000	20,000
To Naresh Loan		26,000		By Gen. Res.	6,000	4,000	2,000
To Bank		28,000		By Revaluation	9,000	6,000	3,000
To Bal. c/d	47,000		25,000	By Pankaj's Capt		14,000	
	61,000	54,000	25,000		61,000	54,000	25,000

Dr. Bank A/c Cr.

Particulars	₹	Particulars	₹
To Bal. b/d	7,600	By Naresh's Capital A/c	28,000
To Bank Loan	20,400		
	28,000		28,000

Balance Sheet as on 31st March, 2018

Liabilities	₹	₹	Assets	₹	₹
Sundry Creditors		15,000	Debtors	6,000	
Bills Payable		12,000	Less: Provision for		
Bank Loan		20,400	Doubtful Debt	300	5,700
Outstanding Salary		2,200	Stock		8,100
Provision for Legal		7,200	Furniture		45,000
Damages			Premises		96,000
Capital A/cs:					
Pankaj	47,000				
Saurabh	25,000	72,000			
		1,54,800			1,54,800

22. Journal of Sunrise Ltd.

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Date	Particulars	L.F	Dr. (₹)	Cr. (₹)
(i)	Bank A/c Dr. To Equity Share Application A/c		3,80,000	3,80,000
(ii)	Equity Share Application A/c Dr. To Equity Share Capital A/c To Equity Share Allotment A/c To Bank A/c		3,80,000	2,00,000 1,00,000 80,000
(iii)	Equity Share Allotment A/c Dr. To Equity Share Capital A/c To SPR A/c		4,00,000	2,00,000 2,00,000
(iv)	Bank A/c Dr. Calls-in-Arrear A/c Dr. To Equity Share Allotment A/c		2,91,000 9,000	3,00,000
(v)	Equity Share Capital A/c Dr. SPR A/c Dr. To Calls-in-Arrear A/c		4,000 2,000	3,000

	To Forfeited Shares A/c			3,000
(vi)	Equity Shares First Call A/c Dr. To Equity Share Capital A/c		4,95,000	4,95,000
(vii)	Bank A/c Dr. Calls-in-Arrear A/c Dr. To Equity Shares First Call A/c		4,65,000 30,000	4,95,000
(viii)	Equity Share Capital A/c Dr. SPR A/c Dr. To Calls-in-Arrear A/c To Forfeited Shares A/c		18,000 4,000	16,000 6,000
(ix)	Equity Share Second and Final Call A/c Dr. To Equity Share Capital A/c		97,000	97,000
(x)	Bank A/c Dr. Calls-in-Arrear A/c Dr. To Equity Shares Second and Final Call A/c		93,000 4,000	97,000
(xi)	Equity Share Capital A/c Dr. Calls-in-Arrear A/c Forfeited Shares A/c		40,000	24,000 16,000
(xii)	Bank A/c Dr. Forfeited Shares A/c Dr. To Equity Share Capital A/c		56,000 14,000	70,000
(xiii)	Forfeited Shares A/c Dr. To Capital Reserve A/c		11,000	11,000

OR

Journal of Sunrise Ltd.

Date	Particulars	L.F	Dr. (₹)	Cr. (₹)
(i)	Bank A/c Dr. To Equity Share Application A/c		35,00,000	35,00,000
(ii)	Equity Share Application A/c Dr. To Equity Share Capital A/c To Equity Share Allotment A/c		35,00,000	25,00,000 10,00,000
(iii)	Equity Share Allotment A/c Dr. To Equity Share Capital A/c To SPR A/c		20,00,000	10,00,000 10,00,000
(iv)	Bank A/c Dr. Calls-in-Arrear A/c Dr. To Equity Share Allotment A/c		9,00,000 1,00,000	10,00,000
(v)	Equity Shares First and Final Call A/c Dr. To Equity Share Capital A/c		15,00,000	15,00,000
(vi)	Bank A/c Dr. Calls-in-Arrear A/c Dr. To Equity Shares First and Final Call A/c		13,50,000 1,50,000	15,00,000
(vii)	Equity Share Capital A/c Dr. SPR A/c Dr. To Calls-in-Arrear A/c To Forfeited Shares A/c		5,00,000 1,00,000	2,50,000 3,50,000

	(ix)	Bank A/c Dr. Forfeited Shares A/c Dr. To Equity Share Capital A/c		4,50,000 50,000	5,00,000																																																																	
	(xiii)	Forfeited Shares A/c Dr. To Capital Reserve A/c		3,00,000	3,00,000																																																																	
	(0.5+1+1+1+1+1+1+1+0.5)																																																																					
23.	(b) ₹ 60,000					1																																																																
24.	1:1					1																																																																
25.	(c) Retirement Benefits to Employees					1																																																																
26.	(c) Received ₹ 19,000 from debtors					1																																																																
27.	Other Current Assets					1																																																																
28.	(a) Inventory Turnover Ratio and Working Capital Turnover Ratio					1																																																																
29.	(b) 25%					1																																																																
30.	(i) Current Ratio = CA/CL = ₹ 16,00,000/ ₹ 8,00,000 = 2:1 CA = Trade Receivables + Inventory + Marketable Security + Cash & Bank Balances + Prepaid Exp. CL = Trade Payables + (B/P + Sundry Creditors) + Exp. Payable (ii) Quick Ratio = Quick Assets/ CL = ₹ 12,00,000 / ₹ 8,00,000 = 1.5:1 Quick Assets = CA – Inventory – Prepaid Exp. <div>OR</div> WC Turnover Ratio = RFO/ WC = ₹ 1,50,000/ ₹ 25,000 = 6 Times WC = CA – CL = ₹ 1,00,000 - ₹ 75,000 = ₹ 25,000					3																																																																
31.	Common Size Balance Sheet As at 31 st March, 2019 and 2020 <table><tr><th rowspan="2">Particulars</th><th rowspan="2"></th><th colspan="2">Absolute Amounts</th><th colspan="2">% of Balance Sheet Total</th></tr><tr><th>31/3/2019</th><th>31/3/2020</th><th>31/3/2019</th><th>31/3/2020</th></tr><tr><td>I. Equity & Liabilities</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>1. Shareholders' Fund</td><td></td><td>6,00,000</td><td>9,00,000</td><td>60</td><td>60</td></tr><tr><td>2. Non-Current Liabilities</td><td></td><td>3,00,000</td><td>3,00,000</td><td>30</td><td>20</td></tr><tr><td>3. Current Liabilities</td><td></td><td>1,00,000</td><td>3,00,000</td><td>10</td><td>20</td></tr><tr><td>Total</td><td></td><td>10,00,000</td><td>15,00,000</td><td>100</td><td>100</td></tr><tr><td>II. Assets</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>1. Non-Current Assets</td><td></td><td>7,00,000</td><td>10,50,000</td><td>70</td><td>70</td></tr><tr><td>2. Current Assets</td><td></td><td>3,00,000</td><td>4,50,000</td><td>30</td><td>30</td></tr><tr><td>Total</td><td></td><td>10,00,000</td><td>15,00,000</td><td>100</td><td>100</td></tr></table> <div>OR</div> Comparative Statement o Profit & Loss for the years ended 31 st March, 2019 and 2020					Particulars		Absolute Amounts		% of Balance Sheet Total		31/3/2019	31/3/2020	31/3/2019	31/3/2020	I. Equity & Liabilities						1. Shareholders' Fund		6,00,000	9,00,000	60	60	2. Non-Current Liabilities		3,00,000	3,00,000	30	20	3. Current Liabilities		1,00,000	3,00,000	10	20	Total		10,00,000	15,00,000	100	100	II. Assets						1. Non-Current Assets		7,00,000	10,50,000	70	70	2. Current Assets		3,00,000	4,50,000	30	30	Total		10,00,000	15,00,000	100	100	4
Particulars		Absolute Amounts		% of Balance Sheet Total																																																																		
		31/3/2019	31/3/2020	31/3/2019	31/3/2020																																																																	
I. Equity & Liabilities																																																																						
1. Shareholders' Fund		6,00,000	9,00,000	60	60																																																																	
2. Non-Current Liabilities		3,00,000	3,00,000	30	20																																																																	
3. Current Liabilities		1,00,000	3,00,000	10	20																																																																	
Total		10,00,000	15,00,000	100	100																																																																	
II. Assets																																																																						
1. Non-Current Assets		7,00,000	10,50,000	70	70																																																																	
2. Current Assets		3,00,000	4,50,000	30	30																																																																	
Total		10,00,000	15,00,000	100	100																																																																	

Particulars	31/3/2019	31/3/2020	Absolute Change	% Change
I. Revenue from Operation	<u>25,00,000</u>	<u>40,00,000</u>	<u>15,00,000</u>	<u>60.00</u>
II. Expenses:				
(a) Employee Benefit Exp.	1,25,000	2,00,000	75,000	60.00
(b) Other Expenses	5,90,000	6,80,000	90,000	15.25
Total Expenses	<u>7,15,000</u>	<u>8,80,000</u>	<u>1,65,000</u>	<u>23.08</u>
III. Profit before Tax	17,85,000	31,20,000	13,35,000	74.79
IV. Taxes @ 35%	6,24,750	10,92,000	4,67,250	74.79
V. Profit after Tax	<u>11,60,250</u>	<u>20,28,000</u>	<u>8,67,750</u>	<u>74.79</u>

32. Cash Flow Statement of M.M. Ltd.
For the year ended 31.03.2015

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Particulars	Details (₹)	Amount (₹)
A. Cash Flow from Operating Activities		
N.P before Tax and E.O Items	3,00,000	
Add: Non Cash and non-operating charges:		
• Goodwill written off	10,000	
• Depreciation on Machinery	99,000	
• Interest on Debentures	60,000	
Operating Profit before WC changes	<u>4,69,000</u>	
Less: Increase in Current Assets		
• Increase in Stock	(62,000)	
Cash from operations	<u>4,07,000</u>	
Less: Tax paid	(70,000)	
Net cash generated from Operative Activities		<u>3,37,000</u>
B. Cash Flow from Investing Activities		
• Purchase of Machinery	(3,82,000)	
• Purchase of Non-Current Investments	(25,000)	
Net Cash used in Investing Activities		<u>(4,07,000)</u>
C: Cash Flow from Financing Activities		
• Issue of Share Capital	1,00,000	
• Redemption of 12% Debentures	(50,000)	
• Interest on Debentures paid	(60,000)	
• Bank Overdraft raised	1,00,000	
Net Cash Flow from Financing Activities		<u>90,000</u>
Add: Opening balance of Cash & C.E		
• Current Investments	60,000	
• Cash & C.E	60,000	
Closing balance of Cash & C.E		<u>1,20,000</u>
• Current Investments	50,000	
• Cash & C.E	90,000	
		<u>1,40,000</u>

