

SET A

SET B

SET C

INDIAN SCHOOL MUSCAT
SECOND PRE-BOARD EXAMINATION
APRIL 2021
CLASS XII

Marking Scheme – SUBJECT [THEORY]

Q1	C)Nominal Account	1
Q2	A)Realisation Account	1
Q3	D)Rs19,500 and Rs16,500	1
Q4	C)7:8	1
Q5	D) 13/54	1
Q6	C)5:4:1	1
Q7	D) Outside Creditors	1
Q8	B)Gain 1/8	1
Q9	A)Rs9,200	1
Q10	A)2,500 shares	1
Q11	D) Credit of Profit and loss suspense A/c	1
Q12	C) Liability Account	1
Q13	C) Goodwill Account	1

Subscription income Rs 67,000

Q14	OR	3
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Stationeries used during the year Rs 34,500

Q15	a) Profit upto date of death = $9,000 \times \frac{1}{3} \times \frac{9}{12} = 2250$ (1M)	4
	(b)	

	Date	Particulars	Dr	Cr
	2018	Cash A/C	Dr	
		To Raman's Capital A/C		1,50,000
				1,00,000
	April	To Premium <u>for goodwill</u>		50,000
	1 st	(being amount of premium for goodwill and capital brought in by Raman)		(1/2Mk)
(i)		Premium for Goodwill A/C	50,000	
		To Naman's Capital A/C		20,000
		To Shaman's Capital A/C		30,000
ii		(being premium for goodwill distributed between old partners on the basis of their sacrificing ratio,i.e. 2:3)		
		Naman's Capital A/C	Dr	10,000
		Shaman's Capital A/C	Dr	15,000
iii		<u>To Cash A/C</u>		25,000
		being half of amount of premium for goodwill withdrawn by old partners)		

Q16 Working Note:4

Interest on capital

Seema = $1,00,000 \times 6/100 + 25,000 \times 6/100 \times 6/12$

= 6,750 (1Mk)

Meena = $50,000 \times 6/100 + 10,000 \times 6/100 \times 3/12$

= 3,150 (1Mk)

Dr	Profit & Loss Appropriation			Cr
Particulars	Amount	Particulars	Amount	
To Interest on Capital		By Net Profit	1,68,900	
Seema 6750				
Meena 3150	9900			
To Net Divisible Profit				
Seema – 63,600				
Meena -63,600				
Neena -31,800	1,59,000			
	1,68,900		1,68,900	

(2Mk)

OR

Uday capital (Dr) 3408, Mudit's capital (Cr) 3408 (1 mark for journal+3 marks for working)

Q17

4

Journal Entries

Date	Particulars	LF	Debit	Credit
	Y's Loan A/C Dr,		10,000	
(i)	To Cash A/C			10,000
	(being partners loan paid)			
	X's Capital A/C Dr		15,000	
	Y's Capital A/C Dr		15,000	
(ii)	Z's Capital A/C Dr		15,000	
	To Profit & Loss A/C			45,000
	(being loss transferred to capital A/C)			
	Realisation A/C		4000	
(iii)	To Cash A/C			4000
	(being liability paid)			
	Realisation A/C Dr		1000	
(iv)	To Y's Capital A/C			1000
	(being realization expenses paid by Y)			

Q 18

Journal Entries

Particulars

Machinery A/C Dr	198,000	
To Vendor A/C		198,000
(being investment made for 15% of value of Debenture outstanding)		

(i) Vendor A/C Dr	198,000	
To Debenture		198,000

	(1980 debentures issued)		
	Vendor A/C Dr	198,000	
	To Debenture		180,000
(ii)	To Securities premium Reserve A/C		18,000
	(1800 debentures issued)		
	Vendor A/C Dr	198,000	
(iii)	Discount on issue of Debentures A/C Dr.	22,000	
	To Debenture		2,20,000
	(2200 debentures issued)		

(1 X 4 Marks)

Q19 Excess of income over expenditure Rs1,600 (6 marks)

Q 20 (a) (i) Journal Entries R Ltd.

Particulars

Bank A/C Dr 67,500

Debenture Application A/C 67,500

(being debenture application money received)

Debenture Application A/C Dr. 65,700

Discount on issue of Debenture A/C Dr 7,500

Loss on issue of Debenture A/C Dr 3,750 Both can be merged in Loss on issue 11,250

To 12% Debenture A/C 75,000

To Premium on redemption of Debenture A/C

(Being debentures issued @10% discount and redeemable at @5% premium)

(a) (ii) S LTD.

Particulars

Bank A/C Dr. 96,000

To Debenture Application A/C 96,000

(being debenture application money received)

Debenture Application A/C Dr. 96,000

Loss on issue of Debenture A/C Dr. 8,000

12% Debenture A/C 80,000

To Premium on redemption of Debenture A/C 8,000

To Securities Premium A/C 16,000

(Being debentures issued @20% premium and redeemable at @10% premium)

(b) Bansal Heavy Machine Ltd

Assets A/c Dr. 3,20,000

Goodwill A/c Dr. 50,000

To creditors A/c 70,000

To Hoshiar Traders Ltd. A/c 300,000

Hoshiar Traders Ltd. A/c Dr. 50,000

To Bills Payable/Promissory Note Payable A/c 50,000

Hoshiar Traders Ltd. A/c Dr.	2,50,000	
To Equity Share capital A/c		2,00,000
To Security Premium reserve		50,000

Q21	Journal P Ltd.			8 Mks	
	Date	Particulars	LF	Debit	Credit
(i)		Bank A/C Dr		60,000	
		To Share application A/C			60,000
		(being application money received on 2,000 shares@30)			(1/2 Mk)
(ii)		Share application A/C Dr			
		To Share Capital A/C	60,000	30,000	
		To Share allotment A/C			15,000
		To Bank A/C			15,000
		(being app. Money tfd to share capital , excess money tfd to share allotment and money returned on rejected on 500 shares)			(1MK)
(iii)		Share allotment A/C Dr			
		To Share Capital A/C	70,000	20,000	
		To Securities Premium A/C			50,000
		(being allotment money made due)			(1/2Mk)
(iv)		Bank A/C Dr		44,000	
		Calls-in –arrears A/C Dr		11,000	
		To Share allotment A/C			55,000
		(being allotment money received except on200 shares)			(1Mk)
(v)		Share first call A/C Dr		20,000	
		To Share capital A/C			20,000
		(being first call money made due)			(½ Mk)
(vi)		Bank A/C Dr		16,000	
		Calls-in-arrears A/C Dr		4,000	
		To Share first call A/C			20,000
		(being first call money received)			(1Mk)
(vii)		Share capital A/C Dr		14,000	
		Securities Premium A/C Dr		10,000	
		To Calls-in- arrears A/C			15,000
		To Share forfeited A/C			9,000
		(Being 200 shares forfeited)			(1 ½ Mk)
(viii)		Bank A/C Dr		12,000	
		Share forfeited A/C Dr		2,000	
		To Share Capital A/C			14000
		(being 200 shares being re-issued @60 as Rs70 paid)			(1Mk)
(xi)		Share forfeited A/C Dr		7,000	
		To Capital Reserve A/C			7,000

(being gain on forfeiture and reissue tfd to capital reserve) (1Mk)

Q21		Particulars		
a)	(i)	Share Capital A/C	20,000	
		To Calls-in- arrears A/C		2000
		To Share forfeited A/C		18,000
		(Being 200 shares forfeited)		
	(ii)	Bank A/C	8,000	
		Share forfeited A/C	2,000	
		To Share Capital A/C		10,000
		(being 100 shares being re-issued @80 as fully paid)		
	(iii)	Share forfeited A/C		
		To Capital Reserve A/C	7,000	
		(being gain on forfeiture and reissue transferred to capital reserve)		7,000 (9,000-2000)

Q21
(b)

Particulars			
Share capital A/C Dr		8,000	
To Calls-in- arrears A/C			5,000
To Share forfeited A/C			3,000
(Being the forfeiture of 1000 shares of Rs10 each ,Rs8 Called up, on which allotment money of Rs2 and First Call of Rs3 has not been received)			
Bank A/C Dr		11,000	
To Share Capital A/C			10,000
To Securities Premium A/C			1,000
(Being reissue of 1000 forfeited shares fully paid up at Rs11 per share)			
Share forfeited A/C Dr		3,000	
To Capital Reserve A/C			3,000
(Being gain on forfeiture and reissue of shares transferred to Capital reserve Account)			

Q22

Particulars		REVALUATION A/C	
	Amount	Particulars	Amount
To O/s expenses	4,000	By Building	20,000
To Prov. for D. Debts	6,000		
To Rev. Profit transferred to :			
P's capital A/c- 7,500			
Q's Capital A/c 2,500	10,000		
	21,000		21,000

CAPITAL ACCOUNT

Dr

Cr

particulars	P	Q	R	Particulars	P	Q	R
To goodwill	15,000	5,000	-	By Bal b/d	2,00,000	1,00,000	-
			-	By Cash	-	-	1,10,000
To Cash A/C	7,500	2,500	-	By reserves	30,000	10,000	-
				By Reval.	7,500	2500	-
				By prem. For goodwill	15,000	5000	-
To bal c/d	3,05,000	1,35,000	1,10,000	By P & loss a/c	75,000	25,000	
	3,27,500	1,42,500	1,10,000		3,27,500	1,42,500	1,10,000
Balance Sheet Total			6,34,000	(Bank balance 80,000+1,10,000+20,000==2,00,000)			

(Rev a/c 2Mk + 6 Mk for Capital A/c)

OR

REVALUATION A/C

Particulars	Amount	Particulars	Amount
To Buildings	10,000	By Revaluation loss	
		Ajay -	8,000,
To Prov.for D.Debts	1,200	Vijay -	4,800,
To Salary O/S	4,800	Sanjay-	3,200
	16,000		16,000

PARTNERS CAPITAL A/C

Particulars	Ajay	Vijay	Sanjay	Particulars	Ajay	Vijay	Sanjay
To Rev.loss	8000	4,800	3200	By Bal.b/d	90000	56000	60000
To P & Loss a/c	4000	2,400	1600	By Ajay's Capital a/ By Sanjay's Capital A/C		30,000	
To Vijay's Cap	30000	-	12000			12,000	
To cash a/c		20,800	-				
To Vijay's Loan a/c		70,000					
To balance c/d	48000		43200				
	90000	98,000	60000		90,000	98,000	60,000

(2Mk for Revaluation A/C , 6 MK for Capital A/C ,

ANALYSIS OF FINANCIAL STATEMENT

Q23	a)Non - Current Investments	1
Q24	c)Cash flow from Financing activities	1
Q25	b) To know the financial strength	1
Q26	(c) 20%	1
Q27	(c) 7times	1
Q28	b)Liquidity ratio	1
Q29	d)Sale of investment by non –financial enterprise	1
	$3,00,000/1,00,000 = 3:1$	
Q30	A)Debt Equity ratio (1Mk)	3
	Calculation of equity =Total assets – total liabilities = 4,50,000- 3,50,000 = 1,00,000	
	OR (B)	
	(i) Current ratio will increase on payment of trade payables	. (1.5Mk)
	(ii) No change on issue of shares for purchase of Machinery	. (1.5 Mk)
Q31	I. (A)	
	I(i) Capital Reserves – Shareholders Fund : Reserves and surplus	
	(ii) Bonds - Non current liabilities ; Long Term Borrowings	

- (iii) Loose Tools – Current assets ; Inventory **(4x1/2)**
- (iv) Goodwill -Non current assets ; Intangible assets
- (B) Objectives of financial statement analysis: 1x 2 Mk (any 2)
- To present the financial data in simplified and understandable form in draw meaningful conclusions.
 - To assess the profitability position and operational efficiency of the business.
 - To help in intra –firm and inter-firm comparison.
 - To identify the causes of change in the profitability or financial position of the firm
 - To help in forecasting and preparation of budgets. (any two 1x 2 Mk)

OR

II . COMPARATIVE INCOME STATEMENT

Particulars	2018-19	2019-20	Absolute change	% Change
Revenue from operation	6,00,000	8,00,000	2,00,000	33.33 %
Add: Other income	50,000	1,00,000	50,000	100%
Total Revenue	6,50,000	9,00,000	2,50,000	38.46 %
Less: Expenses	(4,00,000)	(5,00,000)	(1,00,000)	25%
Profit before Tax	2,50,000	4,00,000	1,50,000	60%
Less :Tax @40%	(1,00,000)	(1,60,000)	(60,000)	60%
Profit after Tax	1,50,000	2,40,000	90,000	60%

(½ MK for each % calculation i.e. ½ x 7 = 3 ½ Mk + ½ Mk for calculation of Tax)

Q 32

Working note:

Calculation of net profit before Tax:

Net Profit	93,000
Add: Tfr to reserve	15,000
Add: Dividend Paid	30,000
Net profit before tax	1,38,000 (1Mk)

FIXED ASSETS

Particulars	Amount	Particulars	Amount
To Bal.b/d	2,52,000	By Depreciation	20,000
To Cash (B.Fig)			
(1/2 Mk)	62,000	By Bal.c/d	2,94,000
	3,14,000		3,14,000

CASH FLOW STATEMENT For the year ending**I Operating activities**

Net Profit before tax **138,000**

Adj : Adjustment for non-cash & non-operating items:

Add: depreciation : **20,000**

Cash from operations before working capital changes: **1,58,000 (1/2Mk)**

Less : inc.in inventory (83,000)

Less: inc. in Trade .receivables (22,500)

Add: inc. in T.payables 48000 57,500

Cash from operating activity before Tax **1,00,500**

Less: Tax paid Nil

CASH FROM OPERATING ACTIVITY **1,00,500(1Mk)**

II INVESTING ACTIVITY:

Less: Purchase of Investment (30,000)

Less : purchase of Fixed asset (62,000) (92,000)

CASH USED IN INVESTING ACTIVITY **(92,000) (1/2Mk)**

III FINANCING ACTIVITY :

Add: Issue of shares 80,000

Less: Repayment of loan (50,000)

Less: Dividend Paid (30,000) NIL

CASH USED IN FINANCING ACTIVITY **Nil(1Mk)**

Net Increase in Cash & cash Equivalent 8,500(1/2Mk)

Add: Opening balance of cash and cash equivalent CASH 60,000

Marketable Securities 9,50069,500(1/2 Mk)

Closing balance of cash and cash equivalent CASH 24,000

Marketable Securities 54,00078,000 (1/2 Mk)

Set B

[illegible]

12	(c) Capital Account of Partners	1
13	(a) Legacy is the amount received as donation by a NPO under WILL of a deceased person	1

23	(b) ₹1,20,000	1
24	Proprietary Ratio will increase because Shareholders funds remain unchanged but total Assets have decreased	1
25	It will be shown under Cash Inflow from Operating Activities. The reason being that a Mutual Fund Company is a Finance Company and it has been received from its primary revenue generating activities	1
26	Dividend Received considered as Operating Activity for a Financing Company	1
27	(i) Historical Costs (ii) Affected by Estimates (iii) Different Accounting Practices (iv) Qualitative Elements are ignored (v) Price level Changes are ignored (vi) Cannot meet the purpose of all parties. (Any Two)	1
28	(a) Only (i) is correct	1
29	Cash Flow from Investing Activities.	1

Set C

1	b) ₹ 4,000	1
2	c) ₹ 5,400	1
3	Capital A/c and Old	1
4	c)Subscribed Capital	1
5	b) ₹ 46,000	1
6	c. Realisation A/c Dr 54,000 To Raj's Capital A/c 54,000	1
7	16:12:9	1

8	c) ₹ 1,89,800	1
9	c) Interest on Drawings	1
10	d) ₹ 3,00,000	1
11	₹ 5,040	1
12	a) ₹ 700	1
13	c) Debited to Bina's Capital A/c	1

23	c) Outflow ₹ 3,00,000	1
24	d) ₹ 3,00,000	1
25	Non-Current Liabilities, Other long-term liabilities	1
26	d) Interest Coverage Ratio	1
27	If it is a non-marketable security	1
28	c) Inventory Turnover Ratio	1
29	b) ₹ 9,60,000	1