

COMMON PRE-BOARD EXAMINATION-2023**ACCOUNTANCY (055)****CLASS XII****ANSWER KEY****PART A****(Accounting for Partnership Firms and Companies)**

1.	(b) Rs.60,000	1
2.	(b) Both (A) and (R) are correct, but (R) is not the correct explanation of (A)	1
3.	(c) Rs.5,500 OR (c) Loss on issue of debentures account	1
4.	(a) No effect on Moon OR (A) Distributed to the partners in old profit-sharing ratio	1
5.	c) ₹ 75,000	1
6.	d) None of the above OR a. ₹ 10	1
7.	(C) 48	1
8.	(c) Rs. 28,800 OR (c) A= Rs.11,600, B= Rs.10,500 and C= Rs.2,700	1
9.	b) ₹ 1,44,000, ₹ 96,000, ₹ 60,000	1
10.	d) ₹ 1,00,800, ₹ 67,200, ₹ 60,000	1
11.	(c) Rent paid to partners	1
12.	(A) Writing off capital losses.	1
13.	(c) ₹ 5, 91,000.	1
14.	(d)Lalit's Current A/cDr. 12,000 To Amit 's Capital 6,000 To Sumit's Capital 6,000	1
15.	(a) Opening capital ₹ (8, 00,000) + Salary ₹ (30,000) + Int. On Capital ₹ (40,000) + Profit ₹ (65,000) = ₹ 9,35000 Profit = ₹ 3,45,000 - ₹ 60,000 - ₹ 90,000 = ₹ 1,95,000 divide into 2:1 i.e. ₹ 1,95,000/3= ₹ 65,000 OR (c) 10% p.a.	1
16.	(c) ₹11,400	1
17.	Profit percentage = $2,00,000/10,00,000 \times 100 = 20\%$ Estimated profit till death = $4,50,000 \times 20/100 = 90,000$ X's share of profit = $90,000 \times 1/3 =$	3

	M/s Furniture Mart To 9% Debentures A/c To Securities Premium a/c (Being debentures issued to Furniture Mart in part payment)	1,10,000	1,00,000 10,000									
OR												
Books of Rajan Limited Journal												
Date	Particulars	Dr	Cr									
	Assets A/c Dr. To Geeta & Co. (Assets purchased from Geeta & Co)	5,00,000	5,00,000									
	Geeta & Co. Dr. To Bank A/c (Payment made to Geeta & Co.)	1,00,000	1,00,000									
	Geeta & Co. Dr. To Equity Share Capital A/c To Securities Premium A/c (32,000 equity shares of Rs 10 issued at 25% premium)	4,00,000	3,20,000 80,000									
20. Actual profits = ₹3,60,000 – ₹1,20,000 = ₹2,40,000 Normal profits= 15% x ₹10,00,000 = ₹1,50,000.....1 mark Super profits = Actual profits – Normal profits = ₹2,40,000 – ₹1,50,000 = ₹90,000.....1 mark Goodwill= Super profits x Number of years purchase = ₹90,000 x 2 = ₹1,80,000.....1 mark												
1+1+1 1 3												
21.												
<table><tr><th>Particulars</th><th>Note No.</th><th>Amount</th></tr><tr><td>I. Equity & Liabilities Shareholders' Funds (a) Share Capital</td><td></td><td>40,68,000</td></tr></table>					Particulars	Note No.	Amount	I. Equity & Liabilities Shareholders' Funds (a) Share Capital		40,68,000		
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<table><tr><td>85,00,00</td><td>½ mark</td></tr><tr><td>0</td><td>½ mark</td></tr><tr><td>45,00,00</td><td></td></tr><tr><td>0</td><td></td></tr></table>					85,00,00	½ mark	0	½ mark	45,00,00		0	
85,00,00	½ mark											
0	½ mark											
45,00,00												
0												

	Add Forfeited shares A/c(3,300x ₹60) 1,98,000	40,68,00 0 40,68,00 0	2 marks
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22.	Journal				1x 4 = 4
	Date	Particulars	Dr	Cr	
	(i)	Ankit's Capital A/c Dr.	32,000		
		Bank/ Cash A/c Dr.	52,000		
		To Realisation A/c (Being stock taken over by Ankit, remaining sold at a profit) or		84,000	
		Ankit's Capital A/c Dr.	32,000		
		To Realisation A/c (Being stock taken over by Ankit)		32,000	
		Bank/ Cash A/c Dr.	52,000		
		To Realisation A/c (Being stock sold at a profit)		52,000	
		Realisation A/c Dr.	69,000		
		To Bank/Cash A/c (Being payment made to creditors)		69,000	
		Realisation A/c Dr.	22,000		
		To Bank/ Cash A/c (Being Bobby's sister's loan paid along with interest)		22,000	
		Kartik's loan A/c Dr.	12,000		
		Realisation A/c Dr.	500		
		To Bank/ Cash A/c (Being Kartik's loan settled) or		12,500	
		Kartik's loan A/c Dr.	12,000		
		To Bank/ Cash A/c (Being Kartik's loan settled)		12,000	
		Realisation A/c Dr.	500		
		To Bank / Cash/c (Being Kartik's loan settled at a loss)		500	

23.					0.5+ 1.5+ 0.5+ 1+
		Particulars	Dr(Rs)	Cr(Rs)	
	1.	Bank a/c Dr	24,00,000		

		To Equity share application & allotment a/c		24,00,000		1+ 1+ 0.5= 6
	2.	Share application & allotment a/c Dr To share capital a/c To Securities premium a/c To Bank a/c To share first and final call(calls in advance)	24,00,000		10,00,000 6,00,000 4,00,000 4,00,000	
	3.	Share first and final call a/c Dr To share capital a/c	10,00,000		10,00,000	
	4.	Bank a/c Dr Calls in advance a/c Dr To share first and final call	594000 400000		9,94000	
	5.	Share capital a/c Dr To share forfeiture a/c To Call in arrears a/c	20,000		14000 6000	
	6.	Bank a/c Dr Share forfeiture a/c Dr To share capital a/c	14000 6000		20,000	
	7.	Share forfeiture a/c Dr To capital reserve a/c	8000		8000	
	OR					
	1.	Share capital a/c Dr To share forfeiture a/c To first a/c	12,000		7,500 4,500	
	2.	Bank a/c Dr Share forfeiture a/c Dr To share capital a/c	5400 1800		7200	
	3.	Share forfeiture a/c Dr To capital reserve a/c	2700		2700	
	Calculation of Forfeited Share Account to be transferred to Capital Reserve: Forfeited Shares for 1500 shares = 7,500					1x3 =3

		6,500				6,500			+	
	Partners' Capital Account								4)	
Particulars	AK	BK	CK	Particulars	AK	BK	CK			
To Investment	--	--	15,800	By Balance b/d	40,000	36,500	20,000			
To CK's Capital	2,700	1,800	--	By Gen. Reserve	4,500	3,000	1,500			
To CK's Loan	--	--	12,350	By AK's Capital	--	-	2,700			
To Bal. c/d	48,250	42,000	--	By BK's Capital	--	-	1,800			
				By Revaluation	450	300	150			
				By P/L A/c	6,000	4,000	2,000			
	50,950	43,800	28,150		50,950	43,800	28,150			
To BK's Current A/c	54,150	5,900		By Balance b/d	48,250	42,000				
To Bal. c/d		36,100		By AK's Current A/c	5,900					
	54,150	42,000			54,150	42,000				
25.	Akbar's Capital Account								6	
Particulars	Amount		Particulars	Amount						
To Drawings	12,000		By Balance b/d	50,000						
To Interest on Drawings	600		By Interest on Capital	3,750						
To Akbar's Executor's Ac	86,150		By General Reserve	9,000						
			By WCR	3,000						
			By Akshay Capital	24,000						
			By P& L Suspense	9,000						
	98,750			98,750						
Akbar's Executor's Account								+ 2)		
To Bank A/c	86,150		By Akbar Cap A/c	86,150						
	86,150									
				86,150						
26.	(i) Balance Sheet as at 31st March, 2020								6	
Particulars				Note No.	Amount ₹				(2	
I. EQUITY AND LIABILITIES										
1. Non-current Liabilities Long-term Borrowings				1	20,00,000					
										+ 4)

Notes to Account

Particular
Amount

1. Long-term Borrowings

20,000, 9% Debentures of ₹100 each

20,00,000

(ii) Journal

Dt.	Particulars	Dr. (₹)		Cr. (₹)
2020	Bank A/c (1,00,000 × 12) Dr	12,00,000		
Apr 1	To Debenture Application and Allotment A/c (Being the application money received on 1,00,000, 8% debentures @ ₹ 12)		12,00,000	
	Debenture Application and Allotment A/c Dr To 8% Debentures A/c (1,00,000 × 10) To Securities Premium Reserve A/c (1,00,000 × 2) (Being application money transferred to debentures account)	12,00,000	10,00,000 2,00,000	
2021	Debenture Interest A/c (10,00,000 × 8%) Dr To Debenture-holders' A/c Mar 31 (Being the interest payable on 8% debentures provided)	80,000	80,000	

	Debenture-holders' A/c DrTo Bank A/c (Being interest paid to debenture-holders)	80,000	80,000	
	Statement of Profit and Loss A/c Dr To Debenture Interest A/c (Being the debenture interest transferred to statement of profit and loss account)	80,000	80,000	
Part B: - Analysis of Financial Statements				
27.	(b) Other Current Liabilities OR (c) 8 times			1
28.	(c) X Ltd. is better than Y Ltd.			1
29.	(d) Rs.1,86,000 outflow OR (a) Rs.20,000 inflow			1
30.	a) Only D			1
31.	Item	Major headings	Sub-head	3 (1/2 mark is each)
	(i) Loose tools	Current Assets	Inventories	
	(ii) Long term Provisions	Non – Current Liabilities	Long term Provisions	
	(iii) Provision for Warranties	Non – Current Liabilities	Long term Provisions	
	(iv) Income received in advance	Current Liabilities	Other Current Liabilities	
	(v) Capital Advances	Current Assets	Long Term Loan and Advances	
	(vi) Advances recoverable in cash within the operation cycle	Current Assets	Short Term Loan and Advances	

32.	<p>Variations of Accounting Practice as Limitation is highlighted in the given statement.</p> <p>Two Other Limitations (Any two of the following, with suitable explanation)</p> <p>(a) Limitations of Accounting Data</p> <p>(b) Ignores Price-level Changes</p> <p>(c) Ignore Qualitative or Non-monetary Aspects</p> <p>(d) Forecasting</p>	3																																																												
33.	<p>1 Purchase goods on credit ` 20,000 No change</p> <p>2 Paid wages ` 5,000 No Change</p> <p>3 Redeemed ` .8,000,9% Debentures No Change</p> <p>4 Sold goods ` 50,000 for cash No Change</p> <p>OR</p> <p>Interest Coverage Ratio =</p> <p>Net Profit before Interest and Tax/Fixed Interest Charges</p> <p>Net Profit after tax = ₹ 1,20,000</p> <p>Tax rate = 40%</p> <p>Net Profit before tax = ₹ 1,20,000 × 100/60 = ₹ 2,00,000</p> <p>Interest on 12% long-term debt i.e.,</p> <p>12/100 × ₹ 20,00,000 = ₹ 2,40,000</p> <p>Profit before Interest and Tax = ₹ 2,00,000 + ₹ 2,40,000 = ₹ 4,40,000</p> <p>Interest Coverage Ratio = ₹ 4,40,000 / 2,40,000</p> <p>= 1.833 times</p>	4																																																												
34.	<p style="text-align: center;">Cash Flow Statement</p> <table border="1"> <thead> <tr> <th>Particulars</th><th>₹</th><th>₹</th></tr> </thead> <tbody> <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>60,000</td><td></td></tr> <tr> <td>Purchase of plant</td><td>(2,80,000)</td><td>(2,20,000)</td></tr> <tr> <td>Net cash used in investing activities</td><td></td><td></td></tr> <tr> <td>III. Cash flow from financing activities:</td><td></td><td></td></tr> <tr> <td>Issue of share capital</td><td>1,00,000</td><td></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> </tbody> </table>	Particulars	₹	₹	I. Cash flow from operating activities:			Net profit before tax (4,00,000-2,00,000)		2,00,000	Adjustment for non-cash and non-operating items:			Depreciation	30,000		Profit on sale of machinery	(10,000)	20,000	Operating profit before working capital changes		2,20,000	Change in current assets and current liabilities:			Decrease in inventories	50,000		Increase in trade receivable	(2,00,000)		Increase in trade payables	1,00,000	(50,000)	Net cash inflow from operating activities		1,70,000	II. Cash flow from investing activities:			Sale of plant	60,000		Purchase of plant	(2,80,000)	(2,20,000)	Net cash used in investing activities			III. Cash flow from financing activities:			Issue of share capital	1,00,000		Net cash inflow from financing activities		1,00,000	IV. Net increase in cash and cash equivalents		50,000	<p>6</p> <p>(2 + 2 = 2)</p>
Particulars	₹	₹																																																												
I. Cash flow from operating activities:																																																														
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V. Opening cash and cash equivalents		30,000
VI. Closing cash and cash equivalents		80,000

Working Note:

Plant and Machinery Account

Particulars	₹	Particulars	₹
To Balance b/d	3,00,000	By Bank A/c(Sale)	60,000
To Statement of P/L(Profit)	10,000	By Depreciation A/c	30,000
To Bank A/c(Purchase)	2,80,000	By Balance c/d	5,00,000
	5,90,000		5,90,000

