<table>
<tr><th colspan="3">Marking Scheme – Accountancy XII (SQP 2023-24)</th></tr>
<tr><td>1</td><td>d) 33:27:20</td><td>1</td></tr>
<tr><td>2</td><td>a) A is incorrect but R is correct</td><td>1</td></tr>
<tr><td>3</td><td>b) ₹ 9,000
or
c) ₹ 24,00,000</td><td>1</td></tr>
<tr><td>4</td><td>d) ₹ 80,000
or
d) A need to return ₹2,35,000 to the firm.</td><td>1</td></tr>
<tr><td>5</td><td>c) Partner's Loan Account</td><td>1</td></tr>
<tr><td>6</td><td>b) ₹ 10,00,000
or
a).Interest on debentures is an appropriation of profits.</td><td>1</td></tr>
<tr><td>7</td><td>a) Both Assertion (A) and Reason (R) are Correct and Reason (R) is the correct explanation of Assertion (A)</td><td>1</td></tr>
<tr><td>8</td><td>c) ₹ 2,40,000
or
b) Debited, ₹6,500.</td><td>1</td></tr>
<tr><td>9</td><td>d). ₹20,940.</td><td>1</td></tr>
<tr><td>10</td><td>c). ₹71,400.</td><td>1</td></tr>
<tr><td>11</td><td>c). Only (iii)</td><td>1</td></tr>
<tr><td>12</td><td><table>
<tr><td>B.</td><td>PK Ltd. Dr.
To Share Capital A/c
To Securities Premium A/c
To Bank A/c
(Being settlement of amount due to vendors)</td><td>20,00,000</td><td>
12,72,700
1,27,270
6,00,030</td></tr>
</table></td><td>1</td></tr>
<tr><td>13</td><td>c). 2,000 Shares</td><td>1</td></tr>
<tr><td>14</td><td>a). ₹24,000.</td><td>1</td></tr>
<tr><td>15</td><td>b). ₹40,000.
Or
c). Shyam - ₹ 2,500; Gopal- ₹ 750; Arjun- Nil.</td><td>1</td></tr>
<tr><td>16</td><td>d). ₹1,50,000</td><td>1</td></tr>
<tr><td>17</td><td><table>
<tr><th>Date</th><th>Particulars</th><th>L.F</th><th>Dr (₹)</th><th>Cr (₹)</th></tr>
<tr><td></td><td>Anshul's Capital A/c Dr
Chander's Capital A/c Dr
To Babita's Capital A/c
(Chander's share of Goodwill debited to the amounts of continuing partners in their gaining ratio)</td><td></td><td>9,000
21,000</td><td>

30,000</td></tr>
</table>
Gaining Ratio is 3:7</td><td>3</td></tr>
<tr><td>18</td><td><table>
<tr><th>Partners</th><th>Interest on Capital Paid (2%)
(i)</th><th>Salary Paid (wrong credit)
(ii)</th><th>Payable
(iii)</th><th>Salary Payable
(iv)</th><th>Excess / Deficiency</th></tr>
<tr><td>P</td><td>800</td><td>12,000</td><td>1152</td><td>----</td><td>11,648 (Excess)</td></tr>
<tr><td>Q</td><td>640</td><td>----</td><td>384</td><td>12,000</td><td>11,744 (Deficiency)</td></tr>
</table></td><td>3</td></tr>
</table>

R	480	----	384	----	96 (excess)

Date	Particulars	L.F	Dr (₹)	Cr (₹)
	P's Capital A/c Dr R's Capital A/c Dr To Q's Capital A/c (Being entry passed for adjustment of interest on capital and salary)		11,648 96	 11,744

Or

Date	Particulars	L.F	Dr (₹)	Cr (₹)
	P&L Adjustment A/c Dr. To Cheese Capital A/c To Slice Capital A/c (Being Interest on capital omitted earlier now provided)		9,000	 3,000 6,000
	P&L Adjustment A/c Dr. To Cheese Capital A/c (Being salary omitted earlier now provided)		5,000	 5,000
	Cheese Capital A/c Dr. Slice Capital A/c Dr. To P&L Adjustment A/c (Being Loss on Adjustment transferred to partners)		7,000 7,000	 14,000

19

Date	Particulars	L.F	Dr (₹)	Cr (₹)
	Assets A/c Dr. Goodwill A/c Dr. To Liabilities A/c To Healthy World ltd. (Being assets and liability taken over)		10,00,000 60,000	 1,70,000 8,90,000
	Healthy World Ltd. Dr. Loss on issue of Debentures A/c Dr. To 8% Debentures A/c To Securities Premium A/c To Premium on redemption A/c To Bank A/c (Being Purchase consideration discharged by issue of Debentures and in Cash)		8,90,000 80,000	 8,00,000 40,000 80,000 50,000

3

Or

Share Forfeiture A/c

Particulars	Amt(₹)	Particulars	Amt(₹)
To Share Capital A/c	120	By Share Capital A/c	400
To Capital Reserve A/c	120		
To Capital Reserve A/c	80		
To Balance c/d	80		
	400		400

20 | 3

Years (ending 31st March)	Adjusted Profit (₹)	Weights	Product (₹)
2020	28,000	1	28,000
2021	36,000	1	36,000
2022	46,000	2	92,000
2023	53,000	3	1,59,000
Total		7	3,15,000

Adjusted Profits	2020	2021	2022	2023
Given Profits Add Capital Expenditure Charged to Revenue	28,000	27,000 10,000	46,900	53810
Less: Unprovided Depreciation		(1,000)	(900)	(810)
Adjusted Profits	28,000	36,000	46,000	53,000

Weighted Average Profit = 3,15,000/7
=₹45,000
Goodwill = 45,000 × 3 = ₹1,35,000

Notes to Solution
(i) Depreciation of 2021= 10% of 10,000
= 10,000 × 10/100 =₹1,000
(ii) Depreciation of 2022 = 10% of 9000
= 9,000x10/100= ₹900
(iii) Depreciation of 2022 = 10% of 8,100
= ₹8,100

21 Balance Sheet (Extract) as at | 4

Particulars	Note No	Amount
I. EQUITY AND LIABILITIES (1) Shareholder's Funds (a) Share Capital	1	7,78,000

Notes to Accounts
Note 1:

Particulars	Details	Amount
1. Share Capital		
Authorised Capital		
2,00,000 Equity shares of Rs.10 each		20,00,000
Issued Capital		
80000 Equity shares of 10 each		8,00,000
Subscribed capital		

Subscribed and fully paid up		
74,000 equity shares of 10 each		7,40,000
Subscribed but not fully paid-up		
4,000 equity shares of 10 each	40,000	32,000
Less: calls in arrears (4,000x2)	(8,000)	
Add Forfeited Shares		
2,000 equity shares@3		6,000
		7,78,000

22 **Journal** 4

Date	Particulars	LF	Dr. (₹)	Cr. (₹)
a)	Realisation A/c Dr To Sun's Capital A/c (Being Remuneration and expenses payable to Sun)		40,000	 40,000
b)	Sun's Capital A/c Dr Kiran's Capital A/c Dr To Deferred Advertisement Suspense A/c (Being Advertisement Suspense A/c has been debited in partner's capital account in their profit sharing ratio)		14,000 14,000	 28,000
c)(1)	Kiran's Capital A/c Dr To Realisation A/c (Being 1/3 of Stock has been taken over by Kiran at 25% discount))		30,000	 30,000
c)(2)	No Entry			
c)(3)	Bank A/c Dr To Realisation A/c (Being Stock Realised)		25,000	 25,000
d)	Cash/Bank A/c Dr To Realisation A/c (Being amount realised from unrecorded assets after payment of outstanding bill)		7,000	 7,000

23 Journal Entries in the Books of Rockstar Ltd. 6

Date	Particulars	L.F	Debit (₹	Credit (₹)
i)	Bank A/c Dr. To Share Application A/c (Being Application money received)		16,00,000	 16,00,000
ii)	Share Application A/c Dr. To Share Capital A/c To Share Allotment A/c To Bank A/c (Being Application money utilised)		16,00,000	 10,00,000 5,00,000 1,00,000
iii)	Share Allotment A/c Dr. To Share Capital A/c To Securities Premium A/c (Being allotment due with premium)		8,00,000	 4,00,000 4,00,000
iv)	Bank A/c Dr. Calls in Arrears A/c Dr. To Share Allotment A/c (Being allotment received except of Simba)		2,85,000 15,000	 3,00,000
v)	Share First and Final Call A/c Dr.		6,00,000	

	To Share Capital A/c (Being call money due)			6,00,000
vi)	Bank A/c Dr. Calls in Arrears A/c Dr. To Share First and Final Call A/c (Being call money received except of Simba)		5,70,000 30,000	 6,00,000
vii)	Share Capital A/c Dr. Securities Premium A/c Dr. To Share Forfeited A/c To Calls in Arrears A/c (Being Simba's shares forfeited)		1,00,000 15,000	 70,000 45,000
viii)	Bank A/c Dr. Share Forfeited A/c Dr. To Share Capital A/c (Being forfeited shares re-issued)		48,000 12,000	 60,000
ix)	Share Forfeited A/c Dr. To Capital Reserve A/c (Being gain on re-issue transferred to Capital Reserve)		30,000	 30,000

Or

Journal Entries in the Books of Shaktimaan Ltd.

Date	Particulars	L.F	Debit (₹)	Credit (₹)
i)	Share Application A/c Dr. To Share Capital A/c To Securities Premium A/c To Share Allotment A/c (Being Application money utilised)		6,00,000	 2,00,000 2,00,000 2,00,000
ii)	Share Allotment A/c Dr. To Share Capital A/c (Being allotment due with premium)		5,00,000	 5,00,000
iii)	Share First and Final Call A/c Dr. To Share Capital A/c (Being call money due)		3,00,000	 3,00,000
iv)	Calls in Arrears A/c Dr. To Share First and Final Call A/c (Being call money received except of Simba)		15,000	 15,000
v)	Share Capital A/c Dr. To Share Forfeited A/c To Calls in Arrears A/c (Being Simba's shares forfeited)		50,000	 35,000 15,000
vi)	Share Forfeited A/c Dr. To Capital Reserve A/c (Being gain on re-issue transferred to Capital Reserve)		14,000	 14,000

Cash Book (with Bank Column only)

Date	**Particulars**	**LF**	**Amount (₹)**	**Date**	**Particulars**	**LF**	**Amount (₹)**
i)	To Share Application A/c		7,20,000	ii)	By Share Application A/c		1,20,000
iii)	To Share Allotment A/c		3,00,000				
iv)	To Share First and Final Call A/c		2,85,000				
v)	To Share Capital A/c To Securities Premium A/c		20,000 6,000	vi)	By Balance c/d		12,11,000

			13,31,000				**13,31,000**

24 Journal Entries in the Books of Rajinder, Vijay and Ranvijay — 6

Date	Particulars	L.F	Debit (₹	Credit (₹)
i)	Revaluation A/c Dr. To Prov. For Doubtful Debts A/c To Outstanding Bill for Repairs A/c (Being increase in PDD and O/S bill accounted)		52,000	 2,000 50,000
ii)	Accrued Interest A/c Dr. Stock A/c Dr. To Revaluation A/c (Being increase in Stock and Accrued Interest accounted)		7,500 8,000	 15,500
iii)	Rajinder's Current A/c Dr Vijay's Current A/c Dr To Revaluation A/c (Being loss on revaluation transferred to partner's current A/c)		21,900 14,600	 36,500
iv)	Bank A/c Dr. To Investment A/c (Being Investment sold at book value)		40,000	 40,000
v)	Rajinder's Current A/c Dr. To Stock A/c (Being stock taken over by Rajinder)		42,000	 42,000
vi)	General Reserve A/c Dr. To Rajinder's Current A/c To Vijay's Current A/c (Being General Reserve distributed)		60,000	 36,000 24,000
vii)	Rajinder's Current A/c Dr. Vijay's Current A/c Dr. To Goodwill A/c (Being Goodwill written off)		30,000 20,000	 50,000
viii)	Bank A/c Dr. To Ranvijay's Capital A/c To Premium for Goodwill A/c (Being new partner brings capital and share of goodwill)		1,60,000	 1,00,000 60,000
ix)	Premium for Goodwill A/c Dr. To Rajinder's Current A/c To Vijay's Current A/c (Being premium distributed in Sacrificing Ratio)		60,000	 30,000 30,000

OR

Partner's Capital A/c

Particulars	**L**	**M**	**N**	**Particulars**	**L**	**M**	**N**
Def. Rev. Exp.A/c	20,000	20,000	30,000	Balance b/d	6,25,000	4,00,000	5,25,000
Investments A/c		50,000		Revaluation A/c	30,000	30,000	45,000
M's Capital A/c	64,000		96,000	L's Capital A/c		64,000	
M's Loan A/c		5,20,000		N's Capital A/c		96,000	
Balance c/d	12,80,000		19,20,000	Bank A/c	7,09,000		14,76,000
	13,64,000	**5,90,000**	**20,46,000**		**13,64,000**	**5,90,000**	**20,46,000**

Balance Sheet of Reconstituted Firm as at March 31,2023

Liabilities	**Amount(₹)**	**Assets**	**Amount(₹)**
Creditors	80,000	Land and Building	7,40,000
Bank overdraft	22,000	Machinery	2,25,000
Long term debts	2,00,000	Furniture	3,50,000
Capital A/C s: L- 12,80,000 N - 19,20,000	32,00,000	Investments Stock	50,000 3,00,000
Employees provident fund	38,000	Debtors 2,00,000 Less: prov. (10,000)	1,90,000
M's Loan A/c	5,20,000	Bank	22,05,000
	40,60,000		**40,60,000**

25 Maheep dues to be transferred to executors = 1,15,000 + 5,000 + 20,000 + 60,000 – 20,000 = 1,80,000 6

Maheep's Executors Account

Date	**Particulars**	**LF**	**Amount (₹)**	**Date**	**Particulars**	**LF**	**Amount (₹)**
31/03/21	To Balance c/d		1,93,500	30/06/20 31/03/21	By Maheep's Cap. A/c Interest (9 months)		1,80,000 13,500
			1,93,500				**1,93,500**
30/06/21 31/03/22	To Bank (I Instalment) To Balance c/d		78,000 1,29,000	01/04/21 30/06/21 31/03/22	By Balance b/d By Interest (3 months) By Interest (9 months)		1,93,500 4,500 9,000
			2,07,000				**2,07,000**
30/06/22 31/03/23	To Bank (II Instalment) To Balance c/d		72,000 64,500	01/04/22 30/06/22 31/03/23	By Balance b/d By Interest (3 months) By Interest (9 months)		1,29,000 3,000 4,500
			1,36,500				**1,36,500**
30/06/23	To Bank (III Instalment)		66,000	01/04/23 30/06/23	By Balance b/d By Interest (3 months)		64,500 1,500
			66,000				**66,000**

26 Journal Entries in the Books of Panther Ltd. 6

Date	Particulars	L.F	Debit (₹	Credit (₹)
July 1 2022	Bank A/c Dr. To Debenture Application and Allotment A/c (Being Application money received)		21,60,000	 21,60,000
July 1 2022	Debenture Application and Allotment Dr. Loss on Issue of Debentures A/c Dr. To 9% Debentures A/c To Securities Premium A/c To Premium on Redemption of Debentures A/c (Being Debentures issued)		21,60,000 3,00,000	 20,00,000 1,60,000 3,00,000
Mar. 31 2022	Debenture Interest A/c Dr. To Debenture holders A/c (Being Interest due on debentures)		1,35,000	 1,35,000
Mar. 31 2022	Debenture holders A/c Dr. To Bank A/c (Being interest paid to debenture holders)		1,35,000	 1,35,000
Mar. 31 2022	Statement of Profit and Loss Dr. To Debenture Interest A/c (Interest on Debentures charged from Statement of Pnl)		1,35,000	 1,35,000
Mar. 31 2022	Securities Premium A/c Dr. Statement of Profit and Loss Dr.		2,40,000 60,000	

	To Loss on Issue of Debentures A/c (Loss on Issue of Debentures written off)			3,00,000

Loss on Issue of Debentures A/c

Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)
01 July 2022	To Premium on Redemption of Debentures A/c	3,00,000	31 Mar. 2023	By Securities Premium A/c By Statement of Profit and Loss	2,40,000 60,000
		3,00,000			**3,00,000**

Part – B (Analysis of Financial Statements)

27 c). Not Free from Bias — 1

OR

c). Loose Tools and Stores and Spares

28 d) Issue of Equity Shares — 1

29 c) Statement I is correct, and Statement II is incorrect — 1

Or

A. No effect

30 d) ₹ 1,80,000 — 1

31 — 3

S.No.	Item	Heading	Sub-heading
i.	Loose Tools	Current Assets	Inventories
ii.	Loan repayable on demand	Current Liabilities	Short Term Borrowings
iii.	Provision for Retirement benefits	Non-Current Liabilities	Long Term Provisions
iv.	Pre-paid Insurance	Current Assets	Other Current Assets
v.	Capital advances	Non-Current Assets	Long Term Loans and Advances
vi.	Shares in Listed Companies	Non-Current Assets	Non-Current Investments

32 (a).Current Ratio = Current Assets / Current Liabilities — 3

2 = 8,00,000 / Current Liabilities
So, Current Liabilities = ₹ 4,00,000

Liquid Ratio = Liquid Assets / Current Liabilities
1.5 = Liquid Assets / 4,00,000

So, Liquid Assets = ₹ 6,00,000
Inventory = Current Assets - Liquid Assets
Inventory = 8,00,000 – 6,00,000 = ₹ 2,00,000
Inventory Turnover Ratio = Cost of Revenue From Operations / Average Inventory
6 = Cost of Revenue from Operations / 2,00,000

Cost of Revenue from Operations = ₹ 12,00,000

Gross Profit = 25% of Cost i.e ₹ 3,00,000

Revenue From Operations = Cost of Revenue from Operations + Gross Profit = 12,00,000 + 3,00,000
Revenue From Operations = ₹ 15,00,000

(a) Debt to Capital employed ratio = Debt / Capital Employed

Debt to Capital employed ratio = 7,50,000 / (7,50,000 + 15,00,000) = 7,50,000 / 22,50,000

Debt to Capital employed ratio = 1/3 = 0.33 : 1

33 | 4

Common Size Statement of Profit & Loss

Particulars	2022-23(₹)	2021-22(₹)	% on revenue from operations (2021-22)	% on revenue from operations (2022-23)
Revenue from operations	8,00,000	10,00,000	100	100
Less :- Expenses				
Cost of revenue	3,20,000	3,00,000	40	30
Other Expenses	2,20,000	2,60,000	27.5	26
Total Expenses	5,40,000	5,60,000	67.5	56
Profit Before Tax	2,60,000	4,40,000	32.5	44
Less:- Tax	1,30,000	2,20,000	16.25	22
Profits after Tax	1,30,000	2,20,000	16.25	22

OR

Comparative Statement of Profit & Loss

Particulars	2021-22 (₹)	2022-23 (₹)	Absolute Change (in ₹)	Proportionate Change (in %)
A. Revenue from operations	8,00,000	10,00,000	2,00,000	25
B. Add: Other Income	1,50,000	2,20,000	70,000	46.67
C. Total Revenue (A+B)	9,50,000	12,20,000	2,70,000	28.42
D. Less: Cost of materials consumed	3,00,000	4,00,000	1,00,000	33.33
Change in inventories of finished goods and work in progress	1,00,000	2,00,000	1,00,000	100
Other Expenses	80,000	1,50,000	70,000	87.5
Total Expenses	4,80,000	7,50,000	2,70,000	56.25
E. Profits before Tax (C-D)	4,70,000	4,70,000	--	--
F. Tax Rate	1,41,000	1,41,000	--	--
G. Profits after Tax (E-F)	3,29,000	3,29,000	--	--

34 | 6

Cash Flow Statement for the year ended March 31, 2023

Particulars	Details	Amount (₹)
Cash from Operating Activities		
Profits before Tax and Extraordinary Activities	1,07,000	
Add :- Non-Cash and Non-Operating Expenses		
Depreciation on Plant and Machinery	1,20,000	
Interest on Debentures	10,000	
Cash from Operating Activities before working capital changes	2,37,000	
Increase in Trade Payables	18,000	
Decrease in Trade Receivable	1,74,000	
Increase in Inventory	(2,07,000)	
Cash from Operations	2,22,000	
Less :- Tax Paid	(15,000)	
Cash from Operating Activities (A)		**2,07,000**
Cash from Investing Activities		
Sale of Investments	40,000	

Purchase of Investments Purchase of Plant and Machinery	(70,000) (4,05,000)	
Cash from Investing Activities (B)		**(4,35,000)**
Cash from Financing Activities Issue of Shares Issue of Debentures Interest on Debentures	 2,00,000 50,000 (10,000)	
Cash from Financing Activities (C)		**2,40,000**
Net Cash Flow during the year (A+B+C) **Add :- Opening Cash and Cash Equivalents**		**12,000** **33,000**
Closing Cash and Cash Equivalents		**45,000**

Working Notes :-

Plant and Machinery Account

Particulars	**Amount (₹)**	**Particulars**	**Amount (₹)**
Balance b/d	4,90,000	Depreciation A/c	1,20,000
Bank (Purchase)	4,05,000	Balance c/d	7,75,000
	8,95,000		**8,95,000**

Investments Account

Particulars	**Amount (₹)**	**Particulars**	**Amount (₹)**
Balance b/d	50,000	Bank A/c (sale)	40,000
Gain on Sale (Capital Reserve)	10,000	Balance c/d	90,000
Bank (Purchase)	70,000		
	1,30,000		**1,30,000**

Provision for Tax Account

Particulars	**Amount (₹)**	**Particulars**	**Amount (₹)**
Bank (Paid)	15,000	Balance b/d	28,000
Balance c/d	30,000	Statement of Profit and Loss	17,000
	45,000		**45,000**

Net Profits after Tax and Extraordinary Items = 20,000
+ Transfer to General Reserve = 70,000
+ Provision for Tax = 17,000
= Net Profits before Tax and Extraordinary Items = 1,07,000

	Computerised Accounting	
27	d) =AND (C3<10, D4,200)	1
28	c) [Home] Or a) SUM and AVERAGE	1
29	(b) Financial	1
30	a). PMT (rate, nper, pv, [fv], [type]) Or b) Design, Layout, Format	1
31	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 purposes?	3

	(vi) What level of hardware and operating system is available?	
32	Types of Accounting Vouchers (i) Contra Vouchers (ii) Payments Vouchers (iii) Receipt Vouchers	3
33	Uses of conditional formatting: (i) It helps in making needed information highlighted. (ii) It changes the appearance of cells ranges. (iii) Color scale may be used to highlight cells. (iv) useful in making decision making. Or Features of computerized accounting system: (i) Simple and integrated. (ii) Transparency and control. (iii) Accuracy and speed. (iv) Scalability. (v) Reliability.	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