Second Year Higher Secondary Examination March 2020

Subject : Accountancy with AFS　Code No: SY-49

Qn No	Sub Qns	Answer Key / value points	Split Score	Total
[1]		(b) Excess of income over expenditure is distributed among members.	1	[1]
[2]		(c) Super profit (or) (d) None of these (or) (a) Average profit (or) (b) Last year's profit * Any option Give Score	1	[1]
[3]		(d) Profit / Loss	1	[1]
[4]		(C) Outside Liabilities	1	[1]
[5]		(a) 6 %	1	[1]
		Q. Nos 6 to 10 — Any Four.		
[6]	(a)	Bhanumathi's Capital A/c Dr 75,000 To Cash A/c 75,000	1	[2]
	(b)	Bhanumathi's Capital A/c Dr 75,000 To Cash A/c 25,000 " Bhanumathi's Loan A/c 50,000	1	
[7]		Revenue Receipts : Locker Rent, Subscription Capital Receipts ; Legacies, Sale of old Furniture [½ Score for each item]	1 1	[2]
[8]		Int. on Drawings = Total Drawings $\times \frac{Rate}{100} \times \frac{5.5}{12}$ Total Drawings = 5,000 × 12 = ₹ 60,000 ∴ Int. on Drawings = $60,000 \times 9/100 \times \frac{5.5}{12}$ = ₹ 2475	 1 1	[2]
[9]		Seena's New share = old share + Gain (share from sofia) $= 5/10 + (3/10 \times 2/3) = 5/10 + 6/30 = \frac{15+6}{30} = 21/30$ Shareefa's New share = old share + Gain $= 2/10 + (3/10 \times 1/3) = 2/10 + 3/30 = \frac{6+3}{30} = 9/30$ NPSR = 21 : 9 = 7 : 3	 1 1	[2]

Qn No	Sub Qn	Answer key / value points	Split score	Total
[10]		(a) Reserve Fund A/c Dr 40,000 To Jithu's capital 24,000 » Muthu's Capital 16,000	1	[2]
		(b) Jithu's Capital A/c Dr 12,000 Muthu's Capital A/c Dr 8,000 To P&L A/c 20,000	1	
		Q. Nos 11 to 14 — Any Three		
[11]		Calculation of the amount of Stationery to be debited to I & E A/c		[3]
		Amt. paid for stationery during the year — 36,000		
		Add: creditors for stationery at the end of current year — 1,800	3/4	
		37,800		
		Less: creditors for stationery at the beginning — 2,600	3/4	
		Purchase of Stationery — 35,200		
		Add: Stock (op. stock) of stationery as on 01.04.18 — 5,400	3/4	
		40,600		
		Less: Stock of stationery as on 31.03.19 — 3,800	3/4	
		Stationery to be debited to I & E A/c — 36,800		
		* 3/4 score for each items.		
[12]		G/W = Capitalised value of Avg profit — Actual Capital Employed	1	[3]
		Cap. value of Avg profit = Avg (Actual) profit $\times \frac{100}{Rate}$ $= 24{,}000 \times \frac{100}{6} = 4{,}00{,}000$	1	
		Actual CE = 3,00,000 ∴ G/W = 4,00,000 — 3,00,000 = = ₹ 1,00,000	1	
		(or) G/W = Super profit $\times \frac{100}{Rate}$	1	
		Super profit = Actual profit — Normal Profit Actual profit = 24,000		

<table>
<tr><th>Qn No</th><th>Sub Qn</th><th>Answer Key / Value Points</th><th>Split Score</th><th>Total</th></tr>
<tr><td></td><td></td><td>Normal profit = Capital Employed × $\frac{Rate}{100}$
$= 3,00,000 \times \frac{6}{100} = 18,000$
Super profit = 24,000 — 18,000 = 6,000
$\therefore$ G/W = $6,000 \times \frac{100}{6}$ = $\underline{\underline{1,00,000}}$</td><td>1
1</td><td></td></tr>
<tr><td>[13]</td><td></td><td><table>
<tr><th>Dissolution of partnership</th><th>Dissolution of Firm</th></tr>
<tr><td>(i) The business is not terminated</td><td>(i) The business of the firm is closed.</td></tr>
<tr><td>(ii) Assets and Liabilities are revalued</td><td>(ii) Assets are sold and Liabilities are paid off</td></tr>
<tr><td>(iii) No Court intervention</td><td>(iii) Court may intervene.</td></tr>
<tr><td>(iv) Economic relationship between the partners continues.</td><td>(iv) Economic relationship between the partners comes to an end.</td></tr>
<tr><td>(v) Books of accounts are not closed</td><td>(v) All books of accounts are closed.</td></tr>
<tr><td>(vi) It may or may not involve dissolution of firm</td><td>(vi) It involves dissolution of partnership.</td></tr>
</table>[Any 3 Differences]</td><td>1×3</td><td>[3]</td></tr>
<tr><td>[14]</td><td>(a)
(b)
(c)</td><td>Cash / Bank A/c
Partner's Loan A/c
Partner's Capital A/c</td><td>1
1
1</td><td>[3]</td></tr>
<tr><td></td><td></td><td>Q Nos 15 to 17 — Any Two</td><td></td><td></td></tr>
<tr><td>[15]</td><td></td><td>Dr Profit and Loss Appropriation A/c Cr<table>
<tr><td>To prarthana's salary</td><td>24,000</td><td>By P&L A/c (Net profit)</td><td>49,420</td></tr>
<tr><td>" Sreya's commission</td><td>10,000</td><td>" Int on Drawings
Sreya - 90
Prarthana - 60
Sadika - 30</td><td>180</td></tr>
<tr><td>" Int. on Capital
Sreya - 1500
Prarthana - 1200
Sadika - 900</td><td>3,600</td><td></td><td></td></tr>
<tr><td>" Capital :
Sreya - 4000
Prarthana - 2000
Sadika - 6000</td><td>12,000</td><td></td><td></td></tr>
<tr><td></td><td>49,600</td><td></td><td>49,600</td></tr>
</table>* 1 Score each for correct posting</td><td>1×5</td><td>[5]</td></tr>
</table>

Qn No	Sub Qns	Answer Key / value points	Split Score	Total

[16]

Amt. payable to Sojan's Executor.

Sojan's Capital A/c

Dr			Cr
To Sojan's Executors A/c (Legal Representative)	61,550	By Balance b/d	50,000
		" G/W (48000×1/5)	9,600
		" P&L (Suspense) (24000×3/12×1/5)	1,200
		" Int. on capital (50,000×6/100×3/12)	750
	61,550		61,550

1×5

[5]

* Alternative case of G/W entry also to be considered.

[or]

* 1 Score for each item

Calculation of the amount payable to Sojan's Executor

Capital A/c Balance	50,000	1
Add: Share of G/W	9,600	1
Share of profit	1,200	1
Int. on capital	750	1
Amt. payable to Sojan's Executor. (Legal Representative)	61,550	1

[17]

Realisation A/c

Dr			Cr
To Building	80,000	By creditors	20,000
" Furniture	24,000	" Bank Loan	32,000
" Machinery	36,000	" Cash/Bank (Assets) (72000+26000+39000+1,10,000)	2,47,000
" Land	1,00,000		
" Cash/Bank (Liabilities) (18,000+30000)	48,000		
" Capital: Anil - 4400 Basheer - 4400 Chandy - 2200	11,000		
	2,99,000		2,99,000

½×8
1 (Bal)

[5]

* ½ score for each correct posting and 1 Score for Balancing

Qn No	Sub Qns	Answer key / Value points	Split score	Total
		Q. Nos 18 to 19 — Any One		

[18]

Revaluation A/c

Dr | Cr

To Stock	2,000	By P&M	10,000
" provision for b/d	1,500	" Building	7,500
" Capital Ram - 10500 Rahim - 3500	14,000		
	17,500		17,500

3

* [½ × 6 items — 3 score]

Partners Capital A/c

Dr | Cr

Particulars	Ram	Rahim	Roy	Particulars	Ram	Rahim	Roy
				By Balance b/d	90,000	75000	
				" Cash	-	-	50,000
To Balance c/d	1,23,000	86,000	50,000	" G/w (Premium)	22500	7500	-
				" Revaluation	10500	3500	-
	1,23,000	86,000	50,000		1,23,000	86000	50000

2

* ½ score for each correct posting. Max - 2

[8]

Balance Sheet as on 31st Dec 2018

Liabilities	Amt	Assets	Amt
creditors	29,000	Cash	85,000
		Bank	20,000
B/P	5,000	Debtors 30,000 Less provision 1,500	28,500
O/s salaries	1,000	Stock (20,000 - 2000)	18,000
Capital :		P&M	60,000
Ram	1,23,000	Buildings (75000 + 7500)	82,500
Rahim	86,000		
Roy	50,000		
	2,94,000		2,94,000

3

* ¼ Score for each item
¼ × 12 — 3 Score

Qn No	Sub Qns	Answer Key / Value points	Split Score	Total
[19]				

Income and Expenditure A/c
For the year ended 31st March 2018

Dr Cr

Expenditure		Amt	Income		Amt
To Salaries	6000		By Subscription	48,000	
Add o/s	1200	7200	Less o/s (2017)	3,000	
				45,000	
" Magazines		2340			
" Electricity		3200	Add o/s (2018)	5,000	50,000
" Depreciation on Sports Equipment (18,000 × 5/100)		900	" Rent received		600
" Loss on Sale of Furniture		700			
" Surplus (transferred to Capital Fund)		36,260			
		50,600			50,600

Split score: 4

* ½ score for each item of correct posting.

Balance sheet as on 1st April 2017 (Op. Balance sheet)

Liabilities	Amt	Assets	Amt
		Cash	3000
		Bank	12500
Capital Fund (Bal. Figure)	36500	Subscription o/s	3000
		Furniture	10000
		Sports Equipments	8000
	36500		36500

Split score: 2 Total: [8]

Balance sheet as on 31st March 2018

Liabilities		Amt	Assets		Amt
Salaries o/s		1200	Cash		2960
Capital Fund			Bank		15400
	36500		Subscription o/s		5000
Add: Surplus	36260	72760	Investments		12000
			Sports Equipments	18000	
			Less Dep.	900	17100
			Furniture (10000+15000−3500)		21500
		73960			73960

Split score: 2

Qn No	Sub Qns	Answer Key / Value points	Split Score	Total
		Part - B		
[20]		(b) Debenture.	1	[1]
[21]		(C) Trend Analysis.	1	[1]
[22]		(d) Unlimited Liability.	1	[1]
[23]		(b) Other Non-Current Assets.	1	[1]
[24]		(a) Liquidity ratio.	1	[1]
		Q. Nos 25 to 29 — Any Four		
[25]		Solvency Ratio — Proprietary ratio, Debt - Equity ratio. Activity Ratio — Fixed Assets T/o ratio, Inventory T/o Ratio. * ½ Score each.	1 1	[2]
[26]		Limitations of Financial Analysis. (i) Does not consider price level changes. (ii) Misleading without the knowledge of the changes in accounting procedure. (iii) Just a study of reports of the co. (iv) Only Monetary information is considered. (V) Does not reflect the current position. ..... etc. [Any 2]	1x2	[2]
[27]		Books of Alfa Ltd. Balance Sheet as on 31st March 2018		

Particulars	Note No	Amt.	Split Score	Total
1. Equity and Liabilities				
1. Shareholders' Funds				
Reserves and Surplus		50,000	1	[2]
2. Non-current Liabilities				
Long-term Borrowings		8,00,000	1	

<table>
<tr><th>Qn No</th><th>Sub Qns</th><th>Answer key / value points</th><th>Split score</th><th>Total</th></tr>
<tr><td></td><td></td><td>(or)
* Simply answering as, Statement of Profit & Loss under Reserves & Surplus / Shareholders' Fund and
10 % Debentures under Secured Loan/ Long-term Borrowings can be given Full score.</td><td>1
1</td><td></td></tr>
<tr><td>[28]</td><td></td><td>The journal entries are
<table>
<tr><td>(a)</td><td>Machinery A/c Dr
To Arya Ltd.</td><td></td><td>4,40,000</td><td>
4,40,000</td></tr>
<tr><td>(b)</td><td>Arya Ltd A/c Dr
To 9 % Debentures
" Securities premium</td><td></td><td>4,40,000</td><td>
4,00,000
40,000</td></tr>
</table>
* Narration – not considered.</td><td>1
1</td><td>[2]</td></tr>
<tr><td>[29]</td><td></td><td>Journal Entry for Forfeiture of shares.
<table>
<tr><td></td><td>Share Capital A/c Dr
(500×100)
To Share forfeiture A/c
(500×90)
" Share Second and Final call
(500×10)
(or) [Calls in Arrears]</td><td></td><td>50,000</td><td>

45,000

5,000</td></tr>
</table></td><td>1
½
½</td><td>[2]</td></tr>
<tr><td></td><td></td><td>Q. Nos 30 to 33 — Any Three.</td><td></td><td></td></tr>
<tr><td>[30]</td><td></td><td>Statement of Profit and Loss
For the year ending 31st March 2019.
<table>
<tr><th>Particulars</th><th>Note No</th><th>Amount.</th></tr>
<tr><td>1. Income
Revenue from operations (sales)</td><td></td><td>
1,00,000</td></tr>
<tr><td>Total</td><td></td><td>1,00,000</td></tr>
<tr><td>11. Expenses
Cost of materials consumed (Adjusted purchases)
Employees benefit expenses</td><td></td><td>
40,000
20,000</td></tr>
<tr><td>Total</td><td></td><td>60,000</td></tr>
<tr><td>Profit before Tax (1-11)</td><td></td><td>40,000</td></tr>
</table>
* Salaries and wages written, instead of Employees benefit expenses, also to be considered.</td><td>1
1
1</td><td>[3]</td></tr>
</table>

Qn No	Sub Qns	Answer Key / value points	Split Score	Total

[31]

Comparative Statement of profit & Loss.

Particulars	2017-18 (₹)	2018 - 19 (₹)	Absolute Increase or Decrease (₹)	% increase or Decrease	Split Score	Total
1. Revenue from operations	8,00,000	10,00,000	2,00,000	25	1	
II. Less : Expenses						
(a) Employee benefit expenses	4,00,000	5,00,000	1,00,000	25	1	
(b) Other expenses	1,00,000	50,000	(50,000)	(50)	1	[3]
Profit before tax	3,00,000	4,50,000	1,50,000	50		
III. Less : Tax @ 40%	1,20,000	1,80,000	60,000	50		
Profit after tax	1,80,000	2,70,000	90,000	50		

* Full score can be given for any 3 correct items.

[32]

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$ 3/4

Current Assets = 25,000 + 25,000 + 2,000 + 15,000 = 67,000 3/4

Current Liabilities = 2,000 + 50,000 = 52,000 3/4 [3]

$$\therefore \text{Current Ratio} = \frac{67,000}{52,000} = \underline{\underline{1.29 : 1}}$$ 3/4

(or) 1.29 (or) 1.29 times.

[33]

(i) Operating activities ;

(b) Sale of goods (c) Rent of factory paid (f) paid cash to suppliers. 1½

(ii) Investing activities ; [3]

(a) purchase of land (d) Sale of old furniture (e) Investment in fixed deposits 1½

* ½ score for each item.

Qn No.	Sub Qns	Answer key / Value points	Split score	Total
		Q. Nos 34 to 36 — Any Two.		

[34]

Books of Mannar Trader Ltd.
Balance sheet as on ....

Particulars	Note No.	Amt. (₹)	
1. Equity and Liabilities			1
1. Shareholders' Funds			1
(a) Sharecapital	1	4,99,800	3

Notes to Accounts

Particulars	Amt	Amt	
1. Share Capital			
Authorised Capital			
60,000 E.S of ₹ 10 each		6,00,000	1
40000, 5% pref. shares of ₹10 each		4,00,000	
		10,00,000	
Issued Capital			
50,000 E.S of ₹ 10		5,00,000	1
30,000, 5% pref. share of ₹ 10		3,00,000	
		8,00,000	
Subscribed Capital			
45,000 E.S of ₹ 10		4,50,000	1
20,000, 5% pref. shares of ₹ 10		2,00,000	
		6,50,000	
Called up Capital			
45,000 E.S of ₹ 8 per share		3,60,000	1
20,000, 5% pref. shares of ₹ 7		1,40,000	
		5,00,000	
Paid up Capital			
45,000 E.S. of ₹ 8 per share	3,60,000		
Less: Calls-in-arrears (100 × 2)	200	3,59,800	
20,000, 5% pref. shares of ₹ 7		1,40,000	1
		4,99,800	

[5]

* Full score (5) should be given for answering the B/s only showing Sharecapital as per schedule (or) for answering Sub-division wise — 1 each

Qn No	Sub Qn		Answer Key / Value points			Split Score	Total
[35]			The journal entries are ;				[5]
	(a)	(i)	Bank A/c (5,000x105) Dr To 9% Debenture Application & Allotment A/c	5,25,000	5,25,000	1	
		(ii)	9% Deb. Application & Allot. A/c Dr To 9% Deb. (5,000x100) " Securities premium (5,000x5)	5,25,000	5,00,000 25,000	1	
			(or)				
			Bank A/c (5000x105) Dr To 9% Debentures (5000x100) " Securities premium (5000x5)	5,25,000	5,00,000 25,000	(2)	
	(b)	(i)	Bank A/c Dr To 9% Deb Application & Allot. A/c (5000x95)	4,75,000	4,75,000	1	
		(ii)	9% Deb. Application & Allot. A/c Dr Loss on issue of Deb A/c Dr (5000x10) To 9% Debentures " premium on redemption of Deb.	4,75,000 50,000	5,00,000 25,000	2	
			(or)				
			Bank A/c Dr Loss on issue of Deb. A/c Dr To 9% Deb. " prem. on red. of Debentures	4,75,000 50,000	5,00,000 25,000	(3)	

Qn No	Sub Qns	Answer Key / Value points	Split Score	Total
[36]	(i)	Earnings per share (EPS) = $\frac{\text{Profit available for Eq. shareholders}}{\text{No. of Equity shares}}$	½	
		$= \frac{87,500}{35,000} =$ ₹ $\underline{\underline{2.50}}$	½	
	(ii)	Book value per share = $\frac{\text{Equity Shareholders' Fund}}{\text{No. of Equity shares}}$	½	
		$= \frac{3,50,000 + 87,500}{35,000}$	½	
		$= \frac{4,37,500}{35,000} =$ ₹ $\underline{\underline{12.50}}$		
	(iii)	Dividend Payout Ratio (D/P) = $\frac{\text{Dividend per share (DPS)}}{\text{Earnings per share (EPS)}}$	1	
		Dividend per share = 10 × 15% = 1.5		
		∴ D/P Ratio $= \frac{1.5}{2.5} = \underline{\underline{0.6}}$	1	
		(or) $\underline{\underline{60\%}}$		
	(iv)	Price Earnings Ratio (P/E) = $\frac{\text{Market price of a share}}{\text{Earnings per share}}$ i.e. $\frac{MP}{EPS}$	½	[5]
		$= \frac{13}{2.5} = \underline{\underline{5.2}}$	½	
		* For equation only, of D/P Ratio, 1 score and for others ½ score. * For any 3 Correct answers with equation Give Full Score i.e (5) * For any 2 Correct answers Give 3 score and for 1, Give 1½ score.		

Qn No	Sub Qns	Answer key / Value points		Split score	Total
		Q. Nos 37 to 38 — Any One			
[37]		Cash Flow Statement			
		Particulars	(₹)		
		1. Cash Flows from Operating Activities :			
		Net profit before taxation & extraordinary items.	1,35,000	2½	
		Add : Depreciation on equipment	7,500		
		Depreciation on furniture	15,000		
		Patents written-off	2,500		
		Loss on sale of equipment	2,500		
		Operating Profit before working Capital changes	1,62,500	2½	
		(–) Decrease in Trade payables	(2,500)		
		(+) Increase in o/s rent	1,000		
		(–) Increase in Trade receivables	(20,000)		
		(–) Increase in inventories	(40,000)		
		Cash generated from Operating activities.	1,01,000		
		(–) Tax paid	(15,000)		
		A. Cash Inflows from Operating Activities	86,000		
		II. Cash flows from Investing Activities:			
		Proceeds from Sale of equipment	15,000	2	[8]
		purchase of new equipment	(40,000)		
		purchase of investment	(50,000)		
		B. Cash Used in Investing Activities	(75,000)		
		III. Cash flows from Financing Activities:			
		Issue of equity share Capital	1,00,000	1	
		Repayment of bank loan	(25,000)		
		Payment of dividend.	(25,000)		
		C. Cash inflows from financing activities	50,000		
		Net increase in Cash & Cash Equivalents (A+B+C)	61,000		
		Add: Cash & cash Equivalents in the beginning	1,02,500		
		Cash & Cash Equivalents at the end	1,63,500		

* For correct answer upto cash flows from financing activities – Give Full score.

Qn No	Sub Qns	Answer Key / value points			Split Score	Total
[38]		The journal entries are ;				
		(a) Bank A/c Dr To Share Application (35,000×4)	1,40,000	1,40,000	1	
		(b) Share Application A/c Dr To Share Capital (30,000×4) " Bank (5,000×4)	1,40,000	1,20,000 20,000	1	
		(c) Share Allotment A/c Dr (30,000×5) To Share Capital (30,000×3) " Securities premium	1,50,000	90,000 60,000	1	
		(d) Bank A/c Dr To Share Allotment (30,000×5)	1,50,000	1,50,000	1	
		(e) Share First and Final call A/c Dr To Share Capital (30,000×3)	90,000	90,000	1	
		(f) Bank A/c Dr To Share First and Final call (90,000 − 1500)	88,500	88,500	1	
		(or) Bank A/c Dr Calls-in-Arrears A/c Dr To share First & Final call	88,500 1,500	90,000		
		(g) Share Capital A/c Dr (500×10) To Shares Forfeiture A/c (500×7) " Share First & Final call (500×3) (or) calls-in-arrears.	5,000	3,500 1,500	1	[8]
		(h) Bank A/c (500×6) Dr Shares Forfeiture A/c Dr To Share Capital (500×10)	3,000 2,000	5,000	1	
		(i) Shares Forfeiture A/c Dr To Capital Reserve (3500 − 2000)	1,500	1,500		
		* 1 Score for each correct entry. Maximum 8 Score				

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