



ANSWER KEY
SECOND YEAR HIGHER SECONDARY EXAMINATION APRIL 2021
ACCOUNTANCY WITH ANALYSIS OF FINANCIAL
STATEMENTS
Code No: SY-249

Qn No.	Sub Qn.	Value Points	Score	Total Score
1		c) Income & Expenditure Account	1	1
2		d) Partnership Deed	1	1
3		b) Sacrificing ratio	1	1
4		b) his legal executors account	1	1
5		Subscription, Entrance fee, Sale of old news paper etc.(Any two)	1x2	2
6	a)	$12,000 \times 10/100 \times 6.5/12 = 650$	1	2
	b)	$12,000 \times 10/100 \times 5.5/12 = 550$ (give full score if the final answer is correct)	1	
7		Realisation A/c Dr. 600 To Ashok's Capital A/c 600	2	2
8		Any three differences between Income & Expenditure A/c and Profit and Loss A/c (1 Score each)	1 x3	3
9		New Ratio = Sacrificing 3  5:3 :2 Ratio = 5:	1 1/2 1 1/2	3
10	b) c) d)	Revaluation Revaluation Assets	1 1 1	3
11		Total Subscription Received 50,000 Add: Subscription outstanding on 2020 15,000 Add: Subscription received in adv. In 2019 <u>8,000</u> <u>23,000</u> 73,000 Less: Subscription outstanding on 2019 10,000 Less: Subscription received in adv. In 2020 <u>5,000</u> <u>15,000</u> Subscription to be credited to I & E Account 58,000	1 1 1 1	4
12		Any four differences between Fixed & Fluctuating capital Methods (1 Score for each difference)	1 x 4	4

13		<div>Average Profit=$\frac{\text{Sum of Profit}}{\text{No. of Years}}$ = $\frac{8,30,000}{5}$ = 1,66,000</div> <div>Goodwill = Average Profit x No. of Years Purchase</div> <div>Goodwill = 1,66,000 x 3 = 4,98,000</div> <div>(give 1 score for the equation, if the final answer is not correct)</div>	2	4																
14		<div>Profit & Loss Appropriation Account</div> <table><thead><tr><th>Particulars</th><th>Amount</th><th>Particulars</th><th>Amount</th></tr></thead><tbody><tr><td>Interest On Capital</td><td></td><td>Profit & Loss A/c</td><td>3,00,000</td></tr><tr><td>Suku 12,000</td><td></td><td></td><td></td></tr><tr><td>Shyju <u>8,400</u></td><td>20,400</td><td></td><td></td></tr></tbody></table>	Particulars	Amount	Particulars	Amount	Interest On Capital		Profit & Loss A/c	3,00,000	Suku 12,000				Shyju <u>8,400</u>	20,400			1 1	
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19	a	Cash A/c Dr 8,000 To Suma's Capital 5,000 To Shibina's Capital 3,000	2																									
	b	1) Cash A/c Dr 8,000 To Suma's Capital 5,000 To Shibina's Capital 3,000 2) Suma's Capital A/c Dr 5,000 Shibina's Capital A/c Dr 3,000 To Cash A/c 8,000 (The first entry in both the cases can also be written as: Cash A/c Dr. 8,000 To Premium / Goodwill A/c 8,000 Premium / Goodwill A/c Dr. To Suma's Capital 5,000 To Shibina's Capital 3,000	2 1	5																								
20		<table><tr><th colspan="4">Rahim's Capital A/c</th></tr><tr><th>Particulars</th><th>Amount</th><th>Particulars</th><th>Amount</th></tr><tr><td></td><td></td><td>Balance b/d</td><td>20,000</td></tr><tr><td>Rahim's executors</td><td>29,500</td><td>General Reserve</td><td>4,500</td></tr><tr><td></td><td></td><td>P& L A/c</td><td>5,000</td></tr><tr><td></td><td>29,500</td><td></td><td>29,500</td></tr></table> (give full score even if interest on capital is credited)	Rahim's Capital A/c				Particulars	Amount	Particulars	Amount			Balance b/d	20,000	Rahim's executors	29,500	General Reserve	4,500			P& L A/c	5,000		29,500		29,500	11/4 x 4	5
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	29,500		29,500																									

21		Income & Expenditure Account for the year ending 31-03-2020					
		Expenditure	Amount	Income	Amount		
		Honorarium	12,000	Subscription 48,000	52,000		
		Rent 11,000		Add: O/s <u>4,000</u>	2,000		
		Add: O/s <u>2,000</u>	13,000	Sale of old news pap.	2,500		
		Stationery 1,000		Entrance fee	3,000		
		Less: Clo Stk <u>5,00</u>	500	Locker rent			
		Postage	500				
		Surplus	23,500				
			59,500		59,500		
		(1 score for each correct item with a a maximum of 8 score)				1 x 8	8

22		Revaluation Account					
		Particulars	Amount	Particulars	Amount		
		Building	1,500				
		Furniture	1,000	Veena`s capital	2,733		
		Stock	1,600	Kavitha`s capital	1,367		
			4,100		4,100		
						1 x 5	8

		Partners Capital Account						1 x 3	
		Particulars	Veena	Kavitha	Rajesh	Particulars	Veena	Kavitha	Rajesh
		Revaluation	2733	1367		Balance b/d	50000	40000	20000
		Balance c/d	73267	51633		Cash	6000	3000	
						Cash (G/w)	20000	10000	
						Reserve			
				20000					
			76000	53000	20000		76000	53000	20000
		(1 score for each correct item with a max of 3 score)							
23		b) Creditors of the company						1	1
24		a) Current Liabilities						1	1
25		c) Intra firm Comparison						1	1
26		b) Acid test ratio or d) Liquid ratio						1	1
27		Shareholder's Funds (a) Share Capital (b) Reserves and Surplus (c) Money received against share warrants (any two, 1 score each)						1 x 2	2
28		Share Application A/c Dr. 3000 To Bank A/c 3000 (If amount is not correct, give 1 score)						2	2
29		a) Assess the current profitability and operational efficiency of the firm b) Ascertain the relative importance of different components of the financial position of the firm. c) Identify the reasons for change in the profitability/financial position of the firm.						1 x 2	2
		d) Judge the ability of the firm to repay its debt. (Any two, 1 score each)							

30		a) Machinery A/c Dr 1,00,000 To Fair Deals Ltd 1,00,000 b) Fair Deals Ltd A/c Dr. 1,00,000 To Share Capital / Debenture 75,000 To Securities Premium 25,000 Alternative way Machinery A/c Dr 1,00,000 To Share Capital / Debenture 75,000 To Securities Premium 25,000	1 2	3
31	i ii iii	Redeemable debentures Convertible debentures Zero coupon bonds	1 1 1	3
32		a) To provide information about economic resources and obligations of a business b) To provide information about the earning capacity of the business c) To provide information about cash flows d) To judge effectiveness of management e) Information about activities of business affecting the society f) Disclosing accounting policies (Any three, 1 score each)	1 x 3	3
33		(a) To issue fully paid bonus shares (b) To write-off preliminary expenses of the company; (c) To write-off the expenses of, or commission paid, or discount allowed on any securities of the company (d) To pay premium on the redemption of preference shares or debentures of the company (e) To Purchase of its own shares (Any 4, 1 score each)	1 x 4	4
34		Explain any two of the following, 2 score each a) Reserve Capital b) Preference Share c) Under subscription	2 x 2	4
35		a) Comparative statement b) Common size statement c) Trend analysis d) Ratio analysis e) Cash flow statement (Any 4, 1 score each)	1 x 4	4
36		Inventory Turnover ratio = $\frac{\text{Cost of revenue from operation}}{\text{Average Inventory}}$ Average Inventory = $\frac{40000 + 30000}{2}$ = 35,000 Inventory Turnover ratio = $\frac{80,000}{35,000}$ = 2.29	1 1 2	4
37		i) Operating Activities ii) Financing Activities iii) Investing Activities iv) Operating Activities	1 1 1 1	4

38		A) Issue of shares above the face value - 4) Issue of shares at premium B) Issue of shares below the face value - 5) Issue of shares at discount C) Cancellation of Shares -1) Forfeiture of Shares	1 1 1	5
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		D) Demand for payment - 2) Call E) Uncalled capital - 3) Reserve Capital	1 1	
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39		Authorised Capital, Issued Capital, Subscribed Capital, Called up Capital, Paid up capital, Uncalled Capital, Reserve Capital (Any five with relevant explanation, 1score each. Without explanation 1/2 score each)	1 x 5	5
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40		Comparative Statement					
		Particulars	2019	2020	Absolute change	Change %	
		Revenue from operations	160000	200000	40000	25	
		Add: Other Income	20000	10000	(10000)	(50)	
		Total Income	180000	210000	30000	16.67	
		Less: Expenses	80000	100000	20000	25	1
		Profit before tax	100000	110000	10000	10	1
		Less : tax @50%	50000	55000	5000	10	
		Profit after tax	50000	55000	5000	10	1
		(give 1 score for the specific format, even if the final answer is not correct)				1	1

41	a	Current Ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}} = \frac{35000}{17500} = 2:1$ Quick Ratio = $\frac{\text{Quick Assets}}{\text{Current Liabilities}} = \frac{25000}{17500} = 1.43 :1$ (give 1 score each for the correct equation, if the final answer is not correct)	2 1/2 2 1/2	5
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42		Features of Joint stock company (Any 5, 1 score each)	1x 5	5
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43		JOURNAL	1 x 8	8																				
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			Share Allotment A/c Share Capital	Dr To	60000	60000		
			Bank A/c To Share Allotment	Dr	60000	60000		
			Share First Call A/c Share Capital	Dr To	40000	40000		
			Bank A/c To Share First Call	Dr	40000	40000		
			Share Second & Final Call A/c Dr To Share Capital		10000	10000		
			Bank A/c To Share Second & Final Call	Dr	10000	10000		
		(1 Score each for every correct entry with a maximum of 8 score)						
44		Differences between Shares and Debentures (Any 4 differences - 2 score for each difference)						2 x 4 8