

54-

Second Year Higher Secondary Examination, March 2022

Accountancy with Analysis of Financial Statement

57-49

Q.No.	Key	Split of Score	Total Score
Part I A (Any Four Answers)			
1.	(b) Profit Motive		1
2.	(c) Agreement		1
3.	(b) Intangible Asset		1
4.	(c) 3:1		1
5.	(b) Partners Loan Account		1
6.	(d) Realisation Account		1
Part I B (All Answers)			
7.	(b) Liabilities side of Balance Sheet		1
8.	(b) Old Partners		1
9.	(a) His share of goodwill		1
Part II A (All Answer)			
10	Any two differences (Receipts and Payments account records both capital and revenue receipts and payments relating to any accounting year, the Income and Expenditure records only revenue items relating to the current accounting year. Non-cash expenses such as depreciation on fixed assets and outstanding incomes and expenses are shown in the Income and Expenditure Account but omitted in the Receipts and Payments Account. The Receipt and Payment Account has an opening balance while the Income and Expenditure Account does not. The closing balance of the Receipts and Payments account represents cash and bank balances on the closing date while in the Income and Expenditure account it indicates surplus or deficit from the activities of the enterprise)	1+1	2
Part II (B) Any One Answer			
11.	1. Right to share the assets of the partnership firm; and 2. Right to share the profits of the partnership firm	1+1	2
12.	The private property of any partner shall be applied first in payment of his private debts and the surplus, if any, may be utilised for payment of the firm's debts, in case the firm's liabilities exceed the firm's assets.		2

	Part III (A) Any Three Answers																																										
13.	<p style="text-align: center;">Balance Sheet</p> <table border="1"> <thead> <tr> <th>Liabilities</th><th>Amount</th><th>Assets</th><th>Amount</th></tr> </thead> <tbody> <tr> <td>Tournament Fund</td><td></td><td></td><td></td></tr> <tr> <td>30,000</td><td></td><td></td><td></td></tr> <tr> <td>+ Donation for Tournament</td><td></td><td></td><td></td></tr> <tr> <td>15,000</td><td></td><td></td><td></td></tr> <tr> <td>.....</td><td></td><td></td><td></td></tr> <tr> <td>45,000</td><td></td><td></td><td></td></tr> <tr> <td>-Tournament Expenses</td><td></td><td></td><td></td></tr> <tr> <td>24,000</td><td></td><td></td><td></td></tr> <tr> <td>.....</td><td>21,000</td><td></td><td></td></tr> </tbody> </table>	Liabilities	Amount	Assets	Amount	Tournament Fund				30,000				+ Donation for Tournament				15,000							45,000				-Tournament Expenses				24,000				21,000			1+1+1	3
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14.	<p>Average Profit = $20000+25000+30000+25000+30000/5$ $= 130000/5 = 26,000$ Goodwill = APx2 = $26000 \times 2 = 52,000$</p>	1 1 1	3																																								
15.	<table border="1"> <thead> <tr> <th>Date</th><th>Amount</th><th>Period</th><th>Product</th></tr> </thead> <tbody> <tr> <td>May 1</td><td>15,000</td><td>11</td><td>1,65,000</td></tr> <tr> <td>July 31</td><td>20,000</td><td>8</td><td>1,60,000</td></tr> <tr> <td>Oct 1</td><td>18,000</td><td>6</td><td>1,08,000</td></tr> <tr> <td>Janu 1</td><td>22,000</td><td>3</td><td>66,000</td></tr> <tr> <td></td><td></td><td></td><td><u>4,99,000</u></td></tr> </tbody> </table> <p>Interest on Drawing = $4,99,000 \times 6/100 \times 1/12$ $= 2495$</p> <p>NB Any alternative method for interest calculation can be considered.</p>	Date	Amount	Period	Product	May 1	15,000	11	1,65,000	July 31	20,000	8	1,60,000	Oct 1	18,000	6	1,08,000	Janu 1	22,000	3	66,000				<u>4,99,000</u>	2 1	3																
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16.	<p>Any 3 relevant points</p> <p>Dissolution of Partnership 1. The business is not terminated. 2. Assets and liabilities are revalued. 3. Economic</p>	1+1+1	3																																								

	relationship between partners continues. 4. The books of accounts are not closed. Dissolution of Firm 1The business of the firm is business closed. 2 Assets are sold and liabilities are paid off. 3. Economic relationship between the partners comes to an end. 4. The books of accounts are closed.		
	Part III (B) All Answer		
17.	Normal Profit $4,00,000 \times 10 / 100 = 40,000$ Super Profit $60,000 - 40,000 = 20,000$ Goodwill $20,000 / 10 \times 100 = 2,00,000$	1 1 1	3
	Part IV (A) Any Two Answers		
18.	Four Relevant Points (Fixed Capital Account : (i) Under this method, two separate accounts are maintained for each partner viz. 'capital account' and 'current account'. (ii) All adjustments for drawings, salary, interest on capital, etc. are made in the current accounts and not in the capital accounts. (iii) The capital account balance remain unchanged unless there is addition to or withdrawal of capital. (iv)The capital accounts The capital account always show a credit balance. Fluctuating Capital Account : (i) Each partner has one account, i.e. capital account, under this method. (ii) All adjustments for drawings, salary, interest on capital, etc. are made in the capital accounts. (iii) The capital account balance fluctuates from year to year. (iv) The capital accounts may sometimes show a debit balance.)	1+1+1+1	4

19.	<div>1. Sacrificing Ratio 2:3</div> <div>2. Bank A/c Dr. 80,000 To Rithu's Capital 60,000 To Premium(Goodwill) 20,000</div> <div>3. Premium(Goodwill) Dr. 20,000 To Jithu's Capital 8,000 To Muthu's Capital 12,000</div> <div>OR</div> <div>Bank A/c Dr. 20,000 To Jithu's Capital 8,000 To Muthu's Capital 12,000</div> <div>4. Jithu's Capital A/c Dr. 8,000 Muthu's Capital A/c Dr. 12,000 To bank 20,000</div>	1 1 1 1	4																																										
20.	<div>1 Score for 1 Correct Entry</div> <div>Capital Account</div> <table><thead><tr><th>Date</th><th>Particulars</th><th>Amount</th><th>Date</th><th>Particulars</th><th>Amount</th></tr></thead><tbody><tr><td>2020</td><td></td><td></td><td>2020</td><td>By Balance</td><td>75,000</td></tr><tr><td>April</td><td>To Drawings</td><td>10,000</td><td>April</td><td>b/d</td><td></td></tr><tr><td>1</td><td>To Sunil's Loan Account</td><td>86,000</td><td></td><td>By Gaining Partners Capital A/c (Good Will)</td><td>15,000</td></tr><tr><td></td><td></td><td></td><td></td><td>By Interest on Capital</td><td>6,000</td></tr><tr><td></td><td></td><td>.....</td><td></td><td></td><td>.....</td></tr><tr><td></td><td></td><td>96,000</td><td></td><td></td><td>96,000</td></tr></tbody></table>	Date	Particulars	Amount	Date	Particulars	Amount	2020			2020	By Balance	75,000	April	To Drawings	10,000	April	b/d		1	To Sunil's Loan Account	86,000		By Gaining Partners Capital A/c (Good Will)	15,000					By Interest on Capital	6,000					96,000			96,000	1+1+1+1	4
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21.	<div>1 Score for 1 Correct Entry</div> <div>Stock of Stationery (1st April, 2020) 14,000 Add: Stationery Purchased 25,000 39,000 Less: Stock of Stationery(31st March, 2021) 12,000 Debited to Income and Expenditure account 27,000</div>	1 1 2	4																																										

22.	<p>For Calculating Sacrificing Ratio as 1:1</p> <p>For writing entry</p> <table><tr><td>Bank A/c</td><td>Dr.</td><td>20,000</td><td></td></tr><tr><td>To Sanju's Capital</td><td></td><td></td><td>20,000</td></tr></table> <table><tr><td>Sanju's Capital A/c</td><td>Dr.</td><td>24,000</td><td></td></tr><tr><td>Anju's Capital</td><td></td><td></td><td>12,000</td></tr><tr><td>Manju's Capital</td><td></td><td></td><td>12,000</td></tr></table>	Bank A/c	Dr.	20,000		To Sanju's Capital			20,000	Sanju's Capital A/c	Dr.	24,000		Anju's Capital			12,000	Manju's Capital			12,000	1 1 2	4																																				
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23.	<p>Income and Expenditure Account for the year ended 31st March 2020</p> <table><tr><th>Expenditure</th><th>Amount</th><th>Income</th><th>Amount</th></tr><tr><td>To Postage</td><td>1,800</td><td>By Subscriptions</td><td>42,000</td></tr><tr><td>To Salaries 7,000</td><td></td><td>Add: Outstanding</td><td></td></tr><tr><td>Add: Out Standing</td><td>1,000</td><td>31st March</td><td>2,500</td></tr><tr><td>.....</td><td>8,000</td><td>.....</td><td>44,500</td></tr><tr><td>To Rent 4,000</td><td></td><td>Less:</td><td></td></tr><tr><td>Less: Prepaid 500</td><td>3,500</td><td>Outstanding 1st April</td><td>1,200</td></tr><tr><td>.....</td><td></td><td>.....</td><td>43,300</td></tr><tr><td>To Printing</td><td>3,600</td><td>By Donations</td><td>13,000</td></tr><tr><td>To Advertisement</td><td>5,000</td><td>By of Old news paper</td><td>2,400</td></tr><tr><td>To Surplus</td><td>41,900</td><td>By Interest</td><td>3,000</td></tr><tr><td></td><td></td><td>By Entrance fee*</td><td>2,100</td></tr><tr><td></td><td></td><td>.....</td><td>.....</td></tr><tr><td></td><td>63,800</td><td></td><td>63,800</td></tr></table> <p>½ score for each correct entry</p> <p>NB: If the entrance fee is not taken , the amount of surplus will be Rs.39,800</p>	Expenditure	Amount	Income	Amount	To Postage	1,800	By Subscriptions	42,000	To Salaries 7,000		Add: Outstanding		Add: Out Standing	1,000	31 st March	2,500	8,000	44,500	To Rent 4,000		Less:		Less: Prepaid 500	3,500	Outstanding 1 st April	1,200	43,300	To Printing	3,600	By Donations	13,000	To Advertisement	5,000	By of Old news paper	2,400	To Surplus	41,900	By Interest	3,000			By Entrance fee*	2,100				63,800		63,800	1/2x10	5
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24.	Revaluation Account				1x5	5
	Particulars	Amount	Particulars	Amount		
	To Stock	2,000	By Building	10,000		
	To Furniture	800	By Machinery	2,000		
	To Provision for Doubtful debts	800				
	To Anu's Capital	5,600				
	To Bindu's Capital	2,800				
			
		12,000		12,000		
1 Score for each correct entry						
Part VI (A) Any Four Answers						
25.	(c) Unlimited Liability					1
26.	(b) Over Subscription					1
27.	(b) Freely transferable					1
28.	(a) Secured Debentures					1
29.	(b) Vertical Analysis					1
30.	(b) At a point of time					1
Part VI (B) All Answers						
31.	(b) Long term debt					1
32.	(b) Operating Ratio					1
33.	(c) Cash payment to acquire fixed assets					1
Part VII (A) All Answers						
34.	When there is no limit on the liability of its members, the company is called an unlimited company. When the company's property is not sufficient to pay off its debts, the private property of its members can be used for the purpose.					2
Part VII (B) Any One Answer						
35.	Notes to Balance sheet		Amount		1	2
	Authorised Capital (10000 equity shares of Rs.10 each)		1,00,000			
	Issued Capital (9000 equity shares of Rs.10 each) 90,000					
	Subscribed Capital (8500 equity shares of Rs 10 each) 85,000		85,000		1	

36.	Reserves & Surplus Money Received against share warrents	1 1	
	Part VIII A (Any Three Answers)		
37.	Any Three Features a) restricts the right to transfer its shares; (b) limits the number of its members to fifty (c) prohibits any invitation to the public to subscribe for any shares in or debentures of the company. (d) prohibits any invitation or acceptance of deposits from person other than its members, directors, and relatives.	1+1+1	3
38.	Share Capital A/c Dr 5,000 Security Premium Reserve A/c Dr 1,000 To Share Allotment A/c 2,000 To Share first and final call A/c 1,500 To Share Forfeited A/c 2,500	1 2	3
39.	Any Three relevant points (1.A shareholder is an owner of the company whereas a debenture holder is a loan creditor. 2.A share is a part of the owned capital whereas a debenture is a part of borrowed capital. 3. The return on shares is known as dividend while the return on debentures is called interest. 4.The rate of return on shares may vary from year to year but the rate of interest on debentures is pre-fixed 5.The payment of dividend is an appropriation of profits, whereas the payment of interest is a charge on profits 6.The amount of shares is not returned during the life of the company, while the debentures are issued for a specified period 7.Shareholders enjoy voting rights whereas debenture holders do not enjoy any voting right. 8.Shares are not secured by any charge whereas the debentures are generally over the assets of the company. 9.Shares cannot be converted into debentures whereas debentures can be converted into shares .)	1+1+1	3
40.	Any three relevant points (Limitations)	3	3
	Part VIII B (All Answer)		
41.	Machinery A/c Dr. 4,40,000 To XYZ Ltd 4,40,000 XYZ Ltd A/c Dr. 4,40,000 To 9% Debentures A/c 4,00,000 To Security Premium Reserve 40,000	1 2	3

	Part IX (A)Any Two Answer		
42.	Bank A/c Dr. 7,20,000 To 7% Debenture Application 7,20,000	1	
	7% Debenture Application A/c Dr. 7,20,000 To 7% Debentures 7,20,000	1	
	7% Debenture Allotment A/C Dr. 10,80,000 To 7% Debentures 10,80,000	1	
	Bank Account Dr 10,80,000 To 7% Debenture Allotment A/c 10,80,000	1	
43.	Any Four Relevant Points 1.To provide information about economic resources and obligations of a business 2. To provide information about the earning capacity of the business 3. To provide information about cash flows4. To judge effectiveness of management 5. To provide information about activities of business affecting the society. 6. Disclosing accounting policies: These reports have to provide the significant policies, concepts followed in the process of accounting.	1+1+1+1	

44.	Common Size Income Statement					1 <
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	Share Allotment To Share Capital	Dr	20,000	20,000	1	5
	Bank A/C To Share Allotment	Dr	20,000	20,000		
	Share First Call To Share Capital	Dr	20,000	20,000		
	Bank A/C To Share First Call	Dr	20,000	20,000		
	Share Second Call To Share Capital	Dr	20,000	20,000		
	Bank A/C To Share Second Call	Dr	20,000	20,000		
	Share Final Call To Share Capital	Dr	20,000	20,000		
	Bank A/C To Share Final Call	Dr	20,000	20,000	1	
48.	Current Ratio= Current Assets/Current Liabilities = 67,000/52,000 = 1.29: 1				1	
	Quick Ratio = Quick Assets/Current Liabilities = 40,000/52,000 = 0.77 : 1				1 1 1/2 1 1 1/2	