

XII - Accountancy
Prelim - 2

Marking Scheme

1 Mark Questions

① Profit will be distributed equally. (1)

② Net worth of the firm = $2,00,000 \times 4 = 8,00,000$

(-) Capital of partner

(Assets - Liab) + Cap

$(5,40,000 - 1,00,000) + 2,00,000$

$= 6,40,000$

Goodwill of firm

$1,60,000$

∴ share = $1,60,000 \times \frac{1}{4} = \underline{\underline{40,000}}$ (1)

③ No entry (1)

④ $\frac{200,000}{(2,10,000)}$
 $(10,000)$

→ will be shown on the Debit Side of T&E A/c (1)

⑤ (c) Retirement of a partner. (1)

⑥ (iii), (i) and (ii) (1)

⑦ Dissolution of firm: Assets of the firm are realised and liabilities are settled. The balance amount, if any, is distributed among all the partners. (1)

Dissolution of partnership: Assets of the firm are revalued and liabilities are reassessed. The profit/loss due to it, is distributed among partners in their profit sharing ratio

(1)

8 A's Capital A/c Dr 80,000 (1)
 B's Capital A/c Dr 20,000.
 To P&I A/c 1,00,000

9 $36,000 \times \frac{2}{5} \times \frac{3}{12} = \text{Rs. } 3600$
 (1)

10 Rs. 15,000 (1)

11 X's Capital A/c Dr
 Z's Capital A/c Dr
 To Y's Capital A/c (1)

12 (a) Opening Capital (1)

13 $90,000 \times 4 = 3,60,000$
 $= 360000 \times \frac{10}{100} \times \frac{6}{12}$
 $= \text{Rs. } 1,80,000$
 (1)

14 Calculation of Medicines Consumed (92E A/c - Dr) (3 Marks)

Amount paid for medicines		54000
Add: Stock of medicines (2019)	15000	
Advance paid (2019)	1000	
✓✓ Creditors for medicine (2020)	6500	22500
		<hr/>
		76500
Less: Stock of medicines (2020)	2500	
Advance paid (2020)	6500	
✓✓ Creditors for medicine (2019)	10000 6500	19000
Medicines consumed during the year		<hr/>
		57500

(or).

T & E A/c for the year ended 31st March 2020

Expenditure	Amt	Income	Amount	Amount
		By subscriptions	2,86,000	
		Add: O/s sub cy	60,000	
		Adv sub py	<u>40,000</u>	
		Less:	3,86,000	
		Less: O/s sub py	(40,000)	
		Adv sub cy	(50,000)	
			<u> </u>	296000

15

Part adjustment table. (4 marks)

particulars	Akshay		Binoy		Charan		firm	
	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr
To c to be credited	-	5000	-	3000	-	4000	12000	-
To c to be Debited	150	-	150	-	150	-	-	450
Profits wrongly cr now debited.	12000	-	12000	-	12000	-	-	24000
Profits to be credited	-	18000	-	14400	-	3600	24000	-
Share of loss.	5775	-	4620	-	1155	-	-	11550
	17925	23000	16770	17400	13305	7600	36000	36000
(3 marks)		<u>5075 (cr)</u>		<u>630 (cr)</u>		<u>5705 (Dr)</u>		

Charan's Capital A/c Dr 5705
 To Akshay's Capital A/c 5075
 To Binoy's Capital A/c 630.
 (1 mark)

3

14

Alternative Method

Creditors A/c (2m)

To bal b/d (Adv py)	1000	By bal b/d	10,000
To Bank (Amt paid)	54000.	By Purch. (bf)	32500 45000
To bal c/d	6500	By bal c/d (Adv cy)	13000 6500
	<u>61500</u>		<u>61500.</u>

Medicines consumed = op stock + Purch - Cl. Stock
 = 15000 + 45000 - 2500
 = 57500 (1/2)

Ex. I & E A/c

To Med consumed	15000 57500	(1/2)
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(Or)

Alternative method.

I & E A/c

By Sub.	2,00,000	(1/2)
(+) Op's cy	56,000	(1)
(+) Adv py	40,000	(1)
		<u>2,96,000</u> (1/2)

15

4 marks (OR) 15

A

Sacrifice by A = $\frac{1}{10} \times \frac{1}{2} = \frac{1}{20}$

Sacrifice by B = $\frac{1}{10} \times \frac{1}{2} = \frac{1}{20}$ (1m)

New profit sharing Ratio

A = $\frac{3}{5} - \frac{1}{20} = \frac{11}{20}$

B = $\frac{2}{5} - \frac{1}{20} = \frac{7}{20}$

C = $\frac{1}{10} = \frac{2}{20}$ = 11:7:2 (1m)

B

Share given by Y to X = $\frac{1}{9}$

Share given by Y to Z = $1 - \frac{1}{9} = \frac{8}{9}$ (1m)

Shares gained

X = $\frac{3}{9} \times \frac{1}{9} = \frac{3}{81}$

Z = $\frac{3}{9} \times \frac{8}{9} = \frac{24}{81}$

GR = 3:24
1:8 (1m)

17

4 marks

(i) Realisation A/c Dr 5000
To K's Capital A/c 5000. (1/2)

K's Capital A/c Dr 5500
To L's Capital A/c 5500. (1/2)

(ii) X's Capital A/c Dr 19200
To Realisation A/c 19200. (1)

(iii) Bank A/c Dr
To Realisation A/c (66500 + ~~15000~~) ~~81500~~ 66500 (1)

(iv) Shyam's Capital A/c Dr 900
To Realisation A/c 900. (1)

5

B's share of profit

$$= \frac{\text{last year's profit}}{\text{last year's sales}} \times \text{Sales till death} \times \text{his share}$$

$$= \frac{3,00,000}{15,00,000} \times 3,00,000 \times \frac{1}{3}$$

$$= \text{Rs. } 20,000$$

P & I suspense A/c Dr 20,000
To B's capital A/c 20,000 (1)

Goodwill

$$\text{Average profit} = \frac{1,20,000 + 2,00,000 + 2,60,000 + 2,20,000}{4}$$

$$= 2,10,000$$

$$\text{Goodwill of firm} = 2,10,000 \times 3 = 6,00,000$$

$$\text{B's sh of goodwill} = 6,00,000 \times \frac{1}{3} = 2,00,000 \quad (1)$$

A's capital A/c Dr 1,00,000

C's capital A/c Dr 1,00,000

To B's capital A/c 2,00,000 (1)

(4)

4 marks

(18)

OpSR = 3:1

ApSR = 1:1:1

$$\begin{aligned} G/W &= 30,000 \times \frac{1}{3} \\ &= 90,000 \times \frac{1}{12} \\ &= 7500 \end{aligned}$$

Gain/Sacrifice

$$X = \frac{3}{4} - \frac{1}{3} = \frac{9-4}{12} = \frac{5}{12} \quad \text{S}$$

$$Y = \frac{1}{4} - \frac{1}{3} = \frac{3-4}{12} = \left(\frac{1}{12}\right) \quad \text{G}$$

(1/2)

(i)

Bank A/c Dr 1,30,000

To X's capital A/c 1,00,000

To premium for goodwill A/c 30,000

(1)

(ii)

Premium for goodwill A/c Dr 30,000

Y's capital A/c Dr 7500

To X's cap A/c 37500

(1 1/2)

(iii) X's cap

15000

To Cash/Bank 15000

(19)

6 marks

Income & Expenditure A/c

(1/2)

Expenditure	Amount	Income	Amount
To Medicines consumed Medicines Amount 5,00,000		By Subscriptions	
(+) Op stock 2,00,000		By Sales	10,00,000
(-) Cl stock (3,00,000)		By Sales	20,000
(-) Op credit 1,60,000		(+) Adv PY 20,000	(10,000)
(+) Cl credit 2,40,000	480,000	(-) Adv CY (10,000)	20,000
To charity show exp 20,000		(-) Adv CY (10,000)	10,20,000
To depreciation		By charity show fr.	60,000
Equipment (420000 - 300000) 1,20,000		By general donation	90,000
Building (8,00,000 - 7,60,000) 40,000		By interest on sv	1,40,000
To Salaries 550,000		By deficit	1,10,000
To misc. exp. 10,000			
To Honorarium to Drs 200,000			
	<u>14,20,000</u>		<u>14,20,000</u>

$$(12 \times \frac{1}{2} = 6M)$$

(6)

20

Revaluation A/c. (2m) (1/2 x 4)

To Building A/c	1500	By land A/c	15000
To Profit Share	16500	By Creditors A/c	3000
A's cap 2750			48000
B's cap 5500			
C's cap 8250			
	18000		18000

Partner's Capital Account. (1/2 x 4 = 2m)

Particulars	Alpha	Beta	Gamma	Particulars	Alpha	Beta	Gamma
To Gamma	12500	-	-	By bal bld	50,000	25,000	12,500
To bal c/d	42750	35500	40750	By Revaluation	2,750	5,500	8,250
				By Alpha's cap	-	-	12500
				By Gen Reserve	2500	5000	7500
	55250	35500	40750		55250	35500	40750

Balance Sheet as on 1st April 2020. (2m)

Liabilities	Am't	Assets	Amount
Capital A/c		Bank	2500
Alpha 42750		Debtors	15000
Beta 35500		land	40,000
Gamma 40750	119000	Building (25000 - 1500)	23500
Creditors	22000	stock	20,000
Bill payable	10,000	Plant	50,000
	151000		151000

Gain/Sacrifice = OPBR - NPSR.

$A = \frac{1}{6} - \frac{1}{3} = -\frac{1}{6} G$
 $B = \frac{2}{6} - \frac{1}{3} = -$
 $G = \frac{3}{6} - \frac{1}{3} = \frac{1}{6} S.$

OR: 1:2:3.
NR = 1:1:1

A's capital 12500
 To A's capital 12500
 G/L = 75000 x 1/6

(7)

(21)

8 Marks.

Revaluation A/c. ($5 \times \frac{1}{2} = 2\frac{1}{2}m$)

Particulars	Amt	Particulars	Amt
To Bad debts	4000	By old exp	3600
To damages payable	4000	By Sundry Acc	5000
To profit transfr to		(Bad debt Recovered)	
X's cap 300			
Y's cap 300	600		
	<u>8600</u>		<u>8600</u>

Partner's capital A/c. ($7 \times \frac{1}{2} = 3\frac{1}{2}m$)

Particulars	Amt X	Y	Z	Particulars	X	Y	Z
To p & l A/c	4000	4000	-	By bal bld	100000	120000	-
To bal bld	98900	126900	80,000	By cash	-	-	80,000
				By Z's current A/c	-	8000	-
				By Rev A/c	300	300	-
				By WCR ($\frac{1200}{6000}$)	2600	2600	-
	<u>102900</u>	<u>130900</u>	<u>80,000</u>		<u>102900</u>	<u>130900</u>	<u>80,000</u>

Cash A/c ($4 \times \frac{1}{2} = 2m$)

Particulars	Amt	Particulars	Amt
To bal bld	20,000	By Profit acc	5000
To Z's capital	80,000	By bal bld	80000
To B-D Rec.	5000		105000
	<u>105000</u>		<u>105000</u>

Sacrifice = OR - NR. $X = \frac{1}{2} - \frac{2}{6} = 0$ $Y = \frac{1}{2} - \frac{2}{6} = \frac{1}{6}$

Goodwill

~~$Ap = \frac{20,000 + 40,000 + 60,000}{3} = 40,000$~~

~~$Alw = 40,000 \times 1.5 = 60,000 - 12,000 = 48,000$~~

~~$Z's sh of glw = 48,000 \times \frac{1}{6} = 8,000$~~

Z's current A/c 8000
To Y's cap A/c 8000

(8)

(OR) Smales. Retirement

Revaluation A/c (2 1/2)

To Patents	40,000	By Investment	52,000
To Machinery	1,00,000	By loss transfr to	96,000
To PBD	8,000	Sun's cap 48,000	
	1,48,000	Mon's cap 32,000	
		Star's cap 16,000	148,000

Partners' Capital Account (3 1/2)

Particulars	Sun			Moon			Particulars	Star		
	Sur	Mon	Star	Sur	Mon	Star		Sur	Mon	Star
To goodwill	60,000	40,000	20,000	By bal bld	13,60,000	6,40,000	4,20,000			
To Adv exp	36,000	24,000	12,000	By WCR						
To Revaluation	48,000	32,000	16,000	2,40,000 - 12,000	60,000	40,000	20,000			
To Star's cap.	60,000	40,000	-	By IFR	60,000	40,000	20,000			
To Investment	-	-	352,000	By Sun's cap	-	-	60,000			
To Star's loan	-	-	40,000	By Moon's cap	-	-	40,000			
To Bank	-	-	80,000							
To B/P	-	-	40,000							
To bal bld	12,76,000	5,84,000	-							
	14,80,000	7,20,000	560,000		14,80,000	7,20,000	5,60,000			

160,000
 80,000 40,000 40,000

Balance sheet (2)

Liabilities	Amount	Assets	Amount
To Creditors	4,20,000	Cash at bank 115,000 - 80,000	35,000
Partners' Claims	1,20,000	Debtors	8,00,000
EPF	1,20,000	(-) PBD	48,000
Bills payable	40,000	Stock	75,30,000
Star's loan	40,000	Machinery	1,00,000
Sun's cap 12,76,000		Patent	1,60,000
Star's cap 5,84,000	18,60,000		
	<u>26,00,000</u>		<u>26,00,000</u>
	26,00,000		(9)

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Realisation A/c (5m)

Particulars	Amount	Particulars	Amount
To Sundry Assets		By Sundry liabilities	
Machinery 440000		Sundry Credit 160000	
Stock 100000		Sneha's Brother's	
Debtors 54000	594000	loan 40000	2,00,000
To Bank (S's Bro's loan)		By Bank (Debtors)	52,000
(40,000 + 4000)	44000	By Megha's capital (M/c)	1,76,000
To Bank (crs)	160,000	By Bank (M/c)	2,10,000
To Bank (real. exp)	10,000	By Sneha's capital (stock)	58,000
		By loss on Realisation	
		Megha's capital 67200	
		Sneha's capital 44800	112000
	808000		808000

Partners' capital A/c (1 1/2)

Particulars	Megha	Sneha	Particulars	Megha	Sneha
To Realisation (bn)	67200	44800	By bal b/d	350000	388000
To Realisation (Asst taken over)	176000	58000			
To Bank (bt)	106800	285200			
	350000	388000		350000	388000

Bank A/c (1 1/2)

To bal b/d	3,44,000	By Realisation A/c	2,14,000
To Bank Realisation A/c		(44000 + 160000 + 10000)	
(52000 + 210000)	2,62,000	By Megha's capital	1,06,800
		By Sneha's capital	2,85,200
	6,06,000		6,06,000

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OR

(1 1/2)

P&I Alc.

Particulars	Amount	Particulars	Amount
To interest on B's loan $1,00,000 \times \frac{6}{100}$	6000	By Net profit	3,00,000
To profit transf to P&I Alc	294000		
	<u>3,00,000</u>		<u>3,00,000</u>

P&I app Alc

Particulars	Amount	Particulars	Amount
To Ioc		By Profit (from P&I Alc)	2,94,000 (1/2)
A's capital 17000	(1 1/2)	By Interest on Drawings	
B's capital 15000		A's capital 2708	
C's capital 16000	48000	B's capital 2250 (1 1/2)	
To Salary		C's capital 2000	6958
A's capital 48000	(1)		
B's capital 60000	108000		
To commission			
C's capital	(1)		
	294000		
To profit transf to			
A's capital 40000	(1)		
B's capital 38519	115558		
C's capital 37039			
	<u>300958</u>		<u>300958</u>

Ioc

$$A = 50,000 \times \frac{10}{100} \times \frac{6.5}{12} = 2708$$

$$B = 60,000 \times \frac{10}{100} \times \frac{4.5}{12} = 2250$$

$$C = 40,000 \times \frac{10}{100} \times \frac{6}{12} = 2000$$

working notes Ioc

$$A = 2,50,000 \times \frac{8}{100} \times \frac{3}{12} = 5000$$

$$2,00,000 \times \frac{8}{100} \times \frac{9}{12} = 12000$$

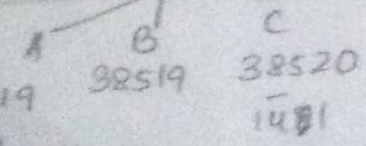
$$1,70,000$$

$$B = 1,50,000 \times \frac{8}{100} \times \frac{2}{12} = 3000$$

$$2,00,000 \times \frac{8}{100} \times \frac{2}{12} = 12000$$

$$15000$$

N.G. 115558 @ 1:1:1



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Part-B
(Mark questions)

- 23 (c) Financing Activities
- 24 (c) 85%
- 25 (d) wages
- 26 Cash used in Investing Activities = Rs. 5,50,000.
- 27 ~~Shareholders fund~~, ~~Subscribed Capital~~ (sh. Capital)
Current Assets, Inventories
- 28 (i) payment to a trade creditor
- 29 No charge.

30 Ratio (3 Marks)

$$ROI = \frac{NPBIT}{CE} \times 100 \quad \left(\frac{1}{2}\right) \quad NPBIT = NPAT + Tax + Interest$$

$$Tax = 60,000 \times \frac{40}{60} = 40,000 \quad \left(\frac{1}{2}\right)$$

$$Interest = 2,00,000 \times \frac{10}{100} = 20,000 \quad \left(\frac{1}{2}\right)$$

$$NPBIT = 60,000 + 40,000 + 20,000 = 1,20,000 \quad \left(\frac{1}{2}\right)$$

$$CE = SHF + NCL$$

$$= 50,000 + 2,00,000 + 25,000 \quad \left(\frac{1}{2}\right)$$

$$= 2,75,000$$

$$ROI = \frac{1,20,000}{2,75,000} \times 100 = 43.6\% \quad \left(\frac{1}{2}\right)$$

(Or)

$$TADR = \frac{\text{Total Assets}}{\text{Debt}} \quad \left(\frac{1}{2}\right)$$

$$\text{Total assets} = 50,00,000 + 20,00,000 = 70,00,000$$

$$\text{Debt} = 40,00,000$$

$$\text{TADR} = \frac{\frac{1}{2} \times 70,00,000}{\frac{1}{2} \times 40,00,000} = \frac{1}{2} \times 1.75 : 1$$

$$\text{DER} = \frac{\text{Debt}}{\text{Equity}} \quad \left(1 \frac{1}{2}\right)$$

$$\begin{aligned} \text{Equity} &= \text{NCA} + \text{CA} - \text{CL} - \text{NCL} \\ &= 50,00,000 + 20,00,000 - 15,00,000 - 40,00,000 \\ &= \underline{\underline{15,00,000}} \\ &= \frac{1}{2} \times \frac{40,00,000}{15,00,000} = \frac{1}{2} \times 2.7 : 1 \end{aligned}$$

(31) Comparative Income Statement. (4 Marks)

Particulars	2019	2020	Ab. ch.	% chng.	
IRFO	4,00,000	6,00,000	2,00,000	50%	1/2
Other Income (Int on Inv)	60,000	40,000	(20,000)	(33.3%)	1/2
Total Income	4,60,000	6,40,000	1,80,000	39.13%	1/2
CRFO	1,60,000	2,40,000	80,000	50%	1/2
Employee benefit exp	20,000	30,000	10,000	50%	1/2
	1,80,000	2,70,000	90,000	50%	1/2
Profit before tax	2,80,000	3,70,000	90,000	32.14%	1/2
(-) Tax 50%	1,40,000	1,85,000	45,000	32.14%	1/2
Profit during the yr.	1,40,000	1,85,000			
	1,40,000	1,85,000	45,000	32.14%	

(OR)

Common-sized Balance Sheet (4M)

Particulars	2018-19	2019-20	% 2019	% 2020
I Equity and liabilities				
Shareholders funds	4,00,000	8,00,000	50%	50%
Non-current liab	2,00,000	5,00,000	25%	31.25%
current liabilities	2,00,000	3,00,000	25%	18.75
Total	8,00,000	16,00,000	100%	100%
II Assets				
Non-current Asset	5,00,000	10,00,000	62.5%	62.5%
Current Asset	3,00,000	6,00,000	37.5%	37.5%
Total	8,00,000	16,00,000	100%	100%

32

Machinery A/c

Particulars	Amount	Particulars	Amount
To bal b/d	9,40,000	By depreciation	80,000
To cash (purch)	2,00,000	By cash (sp) (sale)	20,000
		By loss on sale	20,000
		By bal c/d	10,20,000
	11,40,000		11,40,000

Cash flow Statement of Laxmi Ltd for the year ended 31st March 2020

Particulars	Amount	Amount
Cash flow from operating Activities		
Net profit (180000 - 210000)	(30,000)	
Provision for tax	70,000	
Proposed Dividend	50,000	
Net profit before tax & to 9	90,000	(1M)

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DA = 3m

2A = 2m

FA = 1m

90,000.

NON-cash non operating items

Depreciation 80,000.

Loss on sale of Mach. 20,000

Interest on debentures $(4,00,000 \times \frac{9}{100})$ 36,000

Operating profit before working 226000.

(+)

Changes in CA & CL

Add: ↑ in CA, ↓ in CL

Trade payable 25000

Less: ↓ in CL, ↑ in CA

Inventories (40,000)

Trade Receivables (90,000)

Cash generated from operations 91000

(-) Tax paid (120000)

Cash used in Operating Activities (29000)

(+)

II Investing Activities

purchase of Machinery (2,00,000)

Sale of Machinery 20,000

Purchase of 12% Bonds (3,50,000)

Cash used in Investing Activities (530000)

(-)

III Financing Activities

Issue of share capital (proceed) 450000

Issue of debentures 200000

Interest on debentures (36000)

Proposed Dividend (50,000)

Cash flow from financing Activities 564000

(+)

Net Increase in cash & cash eq. 5000

(+) Cash & cash eq. (beginning) 80,000

Cash & cash eq. at the end. 85000

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