

Subject: ACCOUNTANCY (055)

MARKING SCHEME

Q.	Part A - Accounting for Partnership firms and Companies	
1	Ans: B. ₹1,500	1
2	Ans: C. A is correct but R is incorrect.	1
3	Ans: D. 20% p.a OR Ans: D. ₹39,000	1
4	Ans: D. 15%	1
5	Ans: B. C's Capital A/c.....Dr ₹4,000 To B's Capital A/c ₹4,000 OR A. Rohit's Capital A/c Dr. ₹10,000 To Ratan's Capital A/c ₹5,000 To Sanjiv's Capital A/c ₹5,000	1
6	Ans: A. 2:1:1	1
7	Ans: D. Sameena- ₹4,00,000; Ayesha- ₹2,00,000 OR C. ₹38,000	1
8	Ans: B. Both A and R are correct and R is not correct explanation of A.	1
9	Ans: A. (i)B's Capital account –Dr ₹7,500 To Realisation account ₹7,500 (Being investment taken over by the partner B)	1
10.	Ans: D. A is incorrect but R is correct.	1
11.	Ans: B. ₹ 4,500 OR C. ₹10,000	1
12	Ans: A. ₹2,400	1
13	Ans: A. ₹15	1
14	Ans: C. (ii); (iii)	1
15	Ans: A. ₹10,000 OR D. ₹400	1
16	Ans: A. ₹5,00,00,000	1

17

i)Calculate the new profit sharing ratio.
Ans:Gagan:Vinayak:Saurav= 12:8:5

(ii)Pass the journal entry for the treatment of Investment Fluctuation Reserve.

Particulars	Dr(₹)	Cr(₹)
Investment Fluctuation Res.....dr	40,000	
To Investment A/c		30,000
To Gagan's Capital A/c		6,000
To Vinayak's Capital A/c		4,000
(Being IFR adjusted)		

(iii)What will be the share of revaluation profit or loss for the partners, the partners decided to show the revalued figures in the books of Reconstituted firm.
Gagan's share of revaluation profit= ₹12,000
Vinayak's share of revaluation profit = ₹8,000

OR

(i)Calculate the gaining ratio.
Ans: 1:1

(ii)Pass the journal entry for the accounting treatment of goodwill on Sunny's retirement.

Particulars	Dr(₹)	Cr(₹)
Farhan's capital A/c.....Dr	5,000	
Sanjay's capital A/c.....Dr	5,000	
To Sunny Capital A/c		10,000
(Being share of goodwill adjusted for retiring partner)		

(iii)What will be the share of revaluation profit or loss for Sunny, the partners decided to show the revalued figures in the books of Reconstituted firm.
Sunny's share of revaluation loss= ₹4,000

3

18.

Journals:

Date	Particulars	Dr(₹)	Cr(₹)
30.6.23	Bala's Executors A/c.....dr To cash A/c (Being the amount paid)	24,000	24,000
31.12.23	Bala's Executors A/c.....dr To cash A/c (Being the amount paid)	38,160	38,160

3

19.

Journals:

Date	Particulars	Dr(₹)	Cr(₹)
(a)	Divya's A/c.....dr To Cash/Bank A/c (Being liability paid off by partner)	7,000	7,000
(b)	Realisation A/c.....Dr To Cash/Bank A/c (Being liability paid off)	13,500	13,500

3

		Realisation A/c.....dr To Harshita's Capital A/c (Being liability paid off by partner)	15,000	15,000																																
20	<table><tr><th>Date</th><th>Particulars</th><th>Dr(₹)</th><th>Cr(₹)</th></tr><tr><td>1.4.23</td><td>Bank A/c.....Dr To Debenture Application & Allotment A/c (Being the application & allotment amt received)</td><td>3,60,000</td><td>3,60,000</td></tr><tr><td>1.4.23</td><td>Debenture Application & Allotment A/c.....Dr Discount on issue of Debentures A/c.....Dr To 9% Debenture A/c</td><td>3,60,000 40,000</td><td>4,00,000</td></tr><tr><td>31.3.24</td><td>Statement of Profit/LossDr Discount on issue of Debentures A/c (Being the discount written off)</td><td>40,000</td><td>40,000</td></tr></table> <p style="text-align: center;">OR</p> <table><tr><th>Date</th><th>Particulars</th><th>Dr(₹)</th><th>Cr(₹)</th></tr><tr><td></td><td>Share Capital A/c.....dr To Calls in Arrear To Forfeited Share A/c (Being the shares forfeited)</td><td>2,000</td><td>1,400 600</td></tr><tr><td></td><td>Bank A/c.....Dr Forfeited Share A/c.....Dr To Share Capital A/c (Being the shares reissued)</td><td>1,400 600</td><td>2,000</td></tr><tr><td></td><td>Forfeited Share A/c.....dr To Capital Reserve</td><td>---</td><td>---</td></tr></table>	Date	Particulars	Dr(₹)	Cr(₹)	1.4.23	Bank A/c.....Dr To Debenture Application & Allotment A/c (Being the application & allotment amt received)	3,60,000	3,60,000	1.4.23	Debenture Application & Allotment A/c.....Dr Discount on issue of Debentures A/c.....Dr To 9% Debenture A/c	3,60,000 40,000	4,00,000	31.3.24	Statement of Profit/LossDr Discount on issue of Debentures A/c (Being the discount written off)	40,000	40,000	Date	Particulars	Dr(₹)	Cr(₹)		Share Capital A/c.....dr To Calls in Arrear To Forfeited Share A/c (Being the shares forfeited)	2,000	1,400 600		Bank A/c.....Dr Forfeited Share A/c.....Dr To Share Capital A/c (Being the shares reissued)	1,400 600	2,000		Forfeited Share A/c.....dr To Capital Reserve	---	---			3
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21.	(a)Total Capital= ₹32,00,000 Raveena's capital = ₹8,00,000 (b) <table><tr><th>Date</th><th>Particulars</th><th>Dr(₹)</th><th>Cr(₹)</th></tr><tr><td></td><td>Cash A/c.....Dr To Premium for Goodwill A/c (Being the premium brought by Raveena)</td><td>36,000</td><td>36,000</td></tr><tr><td></td><td></td><td>36,000</td><td>6,000</td></tr></table>	Date	Particulars	Dr(₹)	Cr(₹)		Cash A/c.....Dr To Premium for Goodwill A/c (Being the premium brought by Raveena)	36,000	36,000			36,000	6,000			4																				
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		Premium for Goodwill A/c.....Dr To Arijit's Capital A/c To Hema's Capital A/c To Preetam's Capital A/c (Being the goodwill adjusted in sacrificing ratio)		12,000 18,000																																																																										
22.	(i)What is the purchase consideration? Ans: ₹2,00,000 ii. Calculate the amount paid by cheque to JCT Ltd. Ans: ₹50,000 iii. How many equity shares are issued to JCT Ltd? Ans:1,50,000/12.5 = 12,000 equity shares were issued. iv. Pass the journal entry for issue of shares.					4																																																																								
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24. Net Profit after interest on Rakesh's loan = 3,60,000 – 6,000 = 3,54,000 6

P/L Appropriation A/c

Particulars	₹	Particulars	₹
To IOC to transferred to Capital A/c		By NP b/d	3,54,000
Rakesh 20,000		By IOD to transferred to Capital A/c	
Sumit 20,000		Sumit 150	
Rinku 20,000		Rinku 180	
Jay 20,000	80,000	Rakesh 270	
To Salary			600
Jay's Capital A/c	1,20,000		
To Share of profit transferred to capital A/c:	1,54,600		
Rakesh 38,650			
Sumit 38,650			
Rinku 38,650			
Jay 38,650			
	3,54,600		3,54,600

Partners' Capital A/c

Part.	Rakesh	Sumit	Rinku	Jay	Part.	Rakesh	Sumit	Rinku	Jay
Dra	9000	5000	8000		Bal	200000	200000	200000	200000
w	270	150	180						
IOD					IOC	20000	20000	20000	20000
Bal	249380	253500	250470	378650	Sal				120000
					DP	38650	38650	38650	38650
						258650	258650	258650	378650
	258650	258650	258650	378650					

OR

Revaluation account

Particulars	₹	Particulars	₹
To Provision for Doubtful debt	1,000	By O/S expense	6,000
To Stock	1,800		
To claim for compensation	1,100		
To Revaluation profit	2,100		
M's Cap: 1,050			
N's Cap: 700			
O's Cap: 350			

			6,000			6,000	
Partners' Capital A/c							
Part.	M	N	O	Part.	M	N	O
G/will	4,500	3,000	1,500	Bal b/d	40,000	40,000	30,000
N cap	6,000		2,000	P/L A/c	7,500	5,000	2,500
Cash		10,000		Rev A/c	1,050	700	350
N loan		40,700		M cap		6,000	
Bal c/d	38,050		29,350	O cap		2,000	
	48,550	53,700	32,850		48,550	53,700	32,850
Bal c/d	50,550		16,850	Bal b/d	38,050		29,350
O current			12,500	M Current	12,500		
	50,550		29,350		50,550		29,350

25.

Journal Entries
Issue of Debentures

Date	Particulars	L F	Dr ₹	Cr ₹
2023 Apr 1	Bank A/c Dr To Debenture Application/Allotment A/c. (Being the application and allotment money received on 5,000, 10% Debentures @ ₹100 Each at a premium of 5%.		5,25,000	5,25,000
2023 Apr 1	Debenture Application &Allotment A/c Dr Loss on issue A/c Dr To 10% Debenture A/c To Securities Premium A/c To Debenture Redemption Premium A/c (Being the debentures allotted, redeemable @ 8%)		5,25,000 40,000	5,00,000 25,000 40,000
Interest on Debentures:				
2024 Mar3 1	Interest on Debenture A/c.....Dr To Debenture holder A/c (Being the interest on debenture due.)		50,000	50,000
Mar3 1	Debenture Holder A/c Dr To Bank A/c (Being interest paid)		50,000	50,000
Mar3 1	Statement of P/L Ac Dr To interest on debenture A/c (Being the interest transferred)		50,000	50,000

26. (i) How many shares were offered to the public in the year 2023-24?
Ans: 15,000 shares
- (ii) What is the total amount received by the company at the time of allotment in the year 2023-24?
Ans: ₹8,52,000
- (iii) What amount of Securities Premium will be shown in the notes to accounts for the year 2023-24?
Ans: ₹3,90,000
- (iv) Pass the journal entry for forfeiture of Paresh's share.
Ans: Share Capital A/c.....Dr 2,00,000
 To Calls in Arrear A/c 60,000
 To forfeited Share A/c 1,40,000
- (v) Pass the journal entry for reissue of shares.
Ans: Bank A/c.....Dr 1,05,000
 To Securities Premium A/c 5,000
 To Share Capital A/c 1,00,000
- (vi) Calculate the amount of capital reserve to be shown under notes to account for 2023-24.
Ans: ₹70,000.

OR

Journal entries in the books of PVX Limited.

Particulars	Dr(₹)	Cr(₹)
Bank A/c.....Dr	1,08,000	
To Equity share Application & Allotment A/c		1,08,000
Equity share Application & Allotment A/c.....Dr	1,08,000	
To Equity Share Capital A/c		90,000
To First & Final Call A/c		18,000
First & Final Call A/c.....Dr	75,000	
To Equity Share Capital A/c		60,000
To Securities Premium A/c		15,000
Bank A/c.....Dr	56,430	
Calls in arrear A/c.....Dr	570	
To Equity share Application & Allotment A/c		57,000
Equity Share Capital A/cDr	1,500	
Securities Premium A/cDr	150	
To Calls in arrear A/c		570
To Forfeited Share A/c		1,080
Bank A/c.....Dr	1,350	
Forfeited ShareDr	150	
To Equity share Capital A/c		1,500
Forfeited ShareDr	930	
To Capital Reserve A/c		930

PART B- ANALYSIS OF FINANCIAL STATEMENT																																																				
27.	Ans: D. Short-term Borrowings OR Ans: C. 1:1	1																																																		
28.	B. ₹3,00,000	1																																																		
29.	C. Purchase of Patent ₹6,000 under Investing Activities. OR A. Sale of Plant ₹11,000	1																																																		
30.	A. Assertion and Reason are both correct and the Reason is the correct explanation of the Assertion.	1																																																		
31.	<table><tr><td>Item</td><td>Main Heading</td><td>Sub Heading</td></tr><tr><td>a) Loose Tools</td><td>Current Assets</td><td>Inventories</td></tr><tr><td>(b) Furniture</td><td>Non- Current Assets</td><td>Property, Plant & equipment- Tangible</td></tr><tr><td>(c) Trade payables to be settled beyond 12 months from the date of Balance Sheet 31st March 2024, for the accounting year 2023-24.</td><td>Non-current liabilities</td><td>Long term Borrowings</td></tr><tr><td>(d) Calls-in-arrear</td><td>Share Capital</td><td>Subscribed Share Capital</td></tr><tr><td>(e) Bank overdraft</td><td>Current Liabilities</td><td>Short term Borrowings</td></tr><tr><td>(f) Formulae and Recipes</td><td>Non-current Assets</td><td>Property, Plant & Equipment- Intangible Assets</td></tr></table>	Item	Main Heading	Sub Heading	a) Loose Tools	Current Assets	Inventories	(b) Furniture	Non- Current Assets	Property, Plant & equipment- Tangible	(c) Trade payables to be settled beyond 12 months from the date of Balance Sheet 31 st March 2024, for the accounting year 2023-24.	Non-current liabilities	Long term Borrowings	(d) Calls-in-arrear	Share Capital	Subscribed Share Capital	(e) Bank overdraft	Current Liabilities	Short term Borrowings	(f) Formulae and Recipes	Non-current Assets	Property, Plant & Equipment- Intangible Assets	3																													
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Net Profit after tax	56,000	1,11,000	55,000	98.21%																																																

33.	<p>Shareholders fund = ₹1,40,000 (a)Debt-Equity Ratio = 80,000/1.40,000 = 4:7 or 0.57:1 Total Assets = ₹3,20,000 (b)Total Assets to Debt Ratio = 3,20,000/80,000 = 4:1</p> <p style="text-align: center;">OR</p> <p>Average Inventory = ₹40,000 Cost of Revenue from operation = 40,000 x 8 = ₹3,20,000 Gross Profit = ¼ x 3,20,000 = ₹80,000 Revenue from operation = ₹4,00,000</p>			4																																																																		
34.	<table><tr><th>Particulars</th><th>₹</th><th>₹</th></tr><tr><td>Net profit for the year</td><td></td><td>10,000</td></tr><tr><td>-Transfer from reserve</td><td></td><td>(40,000)</td></tr><tr><td>+Provision for tax</td><td></td><td>1,30,000</td></tr><tr><td>+Interim Dividend</td><td></td><td>5,000</td></tr><tr><td>Net Profit before tax & EOI</td><td></td><td></td></tr><tr><td>Adj for non-cash and non op items:</td><td></td><td>1,05,000</td></tr><tr><td>Depreciation</td><td>90,000</td><td></td></tr><tr><td>Interest on debenture</td><td>8,000</td><td></td></tr><tr><td>Profit on sale of machine</td><td>(2000)</td><td></td></tr><tr><td></td><td></td><td>96,000</td></tr><tr><td>Operating profit before working capital change</td><td></td><td>2,01,000</td></tr><tr><td>+Decrease in CA and Increase in CL</td><td></td><td></td></tr><tr><td>Trade payable</td><td>20,000</td><td></td></tr><tr><td>Inventory</td><td>85,000</td><td></td></tr><tr><td></td><td></td><td>1,05,000</td></tr><tr><td>-Increase in CA and Decrease in CL</td><td></td><td></td></tr><tr><td>Trade Receivable</td><td>(10,000)</td><td></td></tr><tr><td></td><td></td><td>(10,000)</td></tr><tr><td>Cash Generated from operations</td><td></td><td>2,96,000</td></tr><tr><td>-Tax</td><td></td><td>(200,000)</td></tr><tr><td>Net Cash from operating activities</td><td></td><td>96,000</td></tr></table>			Particulars	₹	₹	Net profit for the year		10,000	-Transfer from reserve		(40,000)	+Provision for tax		1,30,000	+Interim Dividend		5,000	Net Profit before tax & EOI			Adj for non-cash and non op items:		1,05,000	Depreciation	90,000		Interest on debenture	8,000		Profit on sale of machine	(2000)				96,000	Operating profit before working capital change		2,01,000	+Decrease in CA and Increase in CL			Trade payable	20,000		Inventory	85,000				1,05,000	-Increase in CA and Decrease in CL			Trade Receivable	(10,000)				(10,000)	Cash Generated from operations		2,96,000	-Tax		(200,000)	Net Cash from operating activities		96,000	6
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