

The Question Paper Design, Syllabus,
Sample Question Paper
and
Marking Scheme
In
Accountancy (Code No.055)
Class XII
Effective for Board Examination 2015
CENTRAL BOARD OF SECONDARY EDUCATION

SYLLABUS
Accountancy (Code No. 055)
Class–XII (March 2015)

One Paper **3 Hours**
Marks **Theory 80 Marks+ 20**

Units	Periods	Marks
Part A Accounting for Partnership Firms and Companies		
Unit 1. Accounting for Partnership Firms	90	35
Unit 2. Accounting for Companies	60	25
	150	60
Part B Financial Statement Analysis		
Unit 3. Analysis of Financial Statements	30	12
Unit 4. Cash Flow Statement	20	8
	50	20
Part C Project Work	40	20
Project work will include:		
Project File : 4 Marks		
Written Test : 12 Marks (One Hour)		
Viva Voce : 4 Marks		
OR		
Part B Computerized Accounting		
Unit 3 . Computerized Accounting	60	20
Part C Practical Work	26	20
Practical work will include:		
File : 4 Marks		
Practical Examination : 12 Marks (One Hour)		
Viva Voce : 4 Marks		

Part A: Accounting for Partnership Firms and Companies

60 Marks 150 Periods

Unit 1: Accounting for Partnership Firms

- Partnership: features, Partnership deed.
- Provisions of the Indian Partnership Act 1932 in the absence of partnership deed.
- Fixed v/s fluctuating capital accounts. Preparation of Profit & Loss Appropriation account- division of Profit among partners, guarantee of profits.
- Past adjustments (relating to interest on capital, interest on drawing, salary and profit sharing ratio).
- Goodwill: nature, factors affecting and methods of valuation - average profit, super profit and capitalization.

Scope: Interest on partner's loan is to be treated as a charge against profits.

Accounting for Partnership firms - Reconstitution and Dissolution.

- **Change in the Profit Sharing Ratio** among the existing partners - sacrificing ratio, gaining ratio. Accounting for revaluation of assets and re-assessment of liabilities and treatment of reserves and Accumulated profits.
- **Admission of a partner** - effect of admission of a partner on change in the profit sharing ratio, treatment of goodwill (as per AS 26), treatment for revaluation of assets and re - assessment of

liabilities, treatment of reserves and accumulated profits, adjustment of capital accounts and preparation of balance sheet.

- **Retirement and death of a partner:**

Effect of retirement /death of a partner on change in profit sharing Ratio, treatment of goodwill (as per AS 26), treatment for revaluation of assets and re - assessment of Liabilities, adjustment of accumulated profits and reserves, adjustment of capital accounts and preparation of balance sheet. Preparation of loan account of the retiring partner.

- Calculation of deceased partner's share of profit till the date of death. Preparation of deceased Partner's capital account, executor's account and preparation of balance sheet.

- Dissolution of a partnership firm: types of dissolution of a firm. Settlement of accounts - preparation of

Realization account, and other related accounts: Capital accounts of partners and Cash/Bank A/c (Excluding piecemeal distribution, sale to a company and insolvency of partner(s)).

Note:

(i) If value of asset is not given, its realized value should be taken as nil.

(ii) In case, the realization expenses are borne by a partner, clear indication should be given regarding the payment thereof.

Unit 2: Accounting for Companies

Accounting for Share Capital

- **Share and share capital:** nature and types.
- **Accounting for share capital:** issue and allotment of equity shares, private placement of shares, Public subscription of shares - over subscription and under subscription of shares; Issue at par and at premium and at discount, calls in advance and arrears (excluding interest), issue of shares for consideration other than cash.
- Accounting treatment of forfeiture and re-issue of shares.
- Disclosure of share capital in company's Balance Sheet.

Accounting for Debentures

- **Debentures:** Issue of debentures at par, at a premium and at a discount. Issue of debentures for consideration other than cash; Issue of debentures with terms of redemption; debentures as collateral security-concept, interest on debentures.
- **Redemption of debentures:** Lump sum, draw of lots and purchase in the open market (excluding and cum- interest). Creation of Debenture Redemption Reserve.

Part B: (i) Financial Statement Analysis

20 Marks 50 Periods

Unit 3: Analysis of Financial Statements

- **Financial statements of a company:** Statement of Profit and Loss and Balance Sheet in the prescribed form with major headings and sub headings (as per Schedule VI to the Companies Act, 1956).

Scope: Exceptional Items, Extraordinary Items and Profit (loss) from Discontinued Operations are excluded.

- **Financial Statement Analysis:** Objectives and limitations.
- **Tools for Financial Statement Analysis:** Comparative statements, common size statements, cash flow Analysis, ratio analysis.

- **Accounting Ratios:** Objectives, classification and computation.

Liquidity Ratios: Current ratio and Quick ratio.

Solvency Ratios: Debt to Equity Ratio, Total Asset to Debt Ratio, Proprietary Ratio and Interest Coverage Ratio.

Activity Ratios: Inventory Turnover Ratio, Trade Receivables Turnover Ratio, Trade Payables Turnover Ratio and Working Capital Turnover Ratio.

Profitability Ratios: Gross Profit Ratio, Operating Ratio, Operating Profit Ratio, Net Profit Ratio and Return on Investment.

Scope: As ratio analysis is a managerial tool, for the computation of profitability ratios, relevant information should be specified whether it is a part of Statement of Profit and Loss as per Schedule VI or not.

Unit 4: Cash Flow Statement

- Meaning, objectives and preparation (as per AS 3 (Revised) (Indirect Method only)

Scope:

- (i) Adjustments relating to depreciation and amortization, profit or loss on sale of assets including investments, Dividend (both final and interim) and tax.
- (ii) Bank overdraft and cash credit to be treated as short term borrowings.
- (iii) Current Investments to be taken as Marketable securities unless otherwise specified.

PROJECT WORK

20 Marks 40 Periods

Kindly refer to the Guidelines published by the CBSE.

OR

Part B: Computerized Accounting

20 Marks 60 Periods

Unit 3: Computerized Accounting

Overview of Computerized Accounting System

- Introduction: Application in Accounting.
- Features of computerized Accounting System.
- Structure of CAS.
- Software Packages: Generic; Specific; Tailored.

Accounting Application of Electronic Spreadsheet

- Concept of Electronic Spreadsheet.
- Features offered by Electronic Spreadsheet.
- Application in Generating Accounting Information - Bank Reconciliation Statement; Asset Accounting; Loan Repayment of loan schedule, Ratio Analysis
- Data Representation- Graphs, Charts and Diagrams.

Using Computerized Accounting System

- Steps in installation of CAS, codification and Hierarchy of account heads, creation of accounts.
- Data: Entry, Validation and Verification.
- Adjusting entries, preparation of balance sheet, profit and loss account with closing entries and opening entries.

- Need and security features of the system.

Database Management System (DBMS)

- Concept and Features of DBMS.
- DBMS in Business Application.
- Generating Accounting Information - Payroll.

Part C: Practical Work

20 Marks 26 Periods

Please refer to the guidelines published by CBSE.

Question Paper Design
Accountancy (Code No. 055)
Class XII (2014-15)
March 2015 Examination

One Paper

Theory: 80 Marks

Duration: 3 hrs.

S. No	Typology of Question	Very Short Answer Mark	Short Answer I 3 Marks	Short Answer II 4Marks	Long Answer I 6 Marks	Long Answer II 8marks	Marks	Marks %
1.	Remembering- (Knowledge based) Simple recall questions, to know specific facts, terms, concepts, principles, or theories; Identify, define, or recite, information)	3	1	2	1	-	20	25%
2.	Understanding- (Comprehension –to be familiar with meaning and to understand conceptually, interpret, compare, contrast, explain, paraphrase, or interpret information)	2	-	1	1	1	20	25%
3.	Application (Use abstract information in concrete situation, to apply knowledge to new situations; Use given content to interpret a situation, provide an example, or solve a problem)-	-	2	1	1	-	16	20%
4.	High Order Thinking Skills (Analysis & Synthesis- Classify, compare, contrast, or differentiate between different pieces of information; Organize and/or integrate unique pieces of information from a variety of sources)	2	-	-	1	1	16	20%
5.	Evaluation and Multi-Disciplinary- (Appraise, judge, and/or justify the value or worth of a decision or outcome, or to predict outcomes based on values)	1	1	1	-	-	08	10%
6.	TOTAL	8x1=8	4x3=12	5x4=20	4x6=24	2x8=16	80(23)+20 Projects	100%

SAMPLE QUESTION PAPER
ACCOUNTANCY (055) CLASS-XII
2015

Time allowed –Three hours

Max Marks 80

General Instructions:

- 1) This question paper contains two parts A and B.
- 2) Part A is compulsory for all.
- 3) Part B has two options-Financial statement Analysis and Computerised Accounting.
- 4) Attempt only one option of Part B.
- 5) All parts of a question should be attempted at one place.

PART A: ACCOUNTING FOR PARTNERSHIP FIRMS AND COMPANIES

1. Any change in the relationship of existing partners which results in an end of the existing agreement and enforces making of a new agreement is called

- (a) Revaluation of partnership.
- (b) Reconstitution of partnership.
- (c) Realization of partnership.
- (d) None of the above.

(1)

2. Karan, Nakul and Asha were partners in a firm sharing profits and losses in the ratio 3:2:1. At the time of admission of a partner, the goodwill of the firm was valued at ₹2,00,000. The accountant of the firm passed the entry in the books of accounts and thereafter showed goodwill at ₹2,00,000 as an asset in the Balance Sheet. Was he correct in doing so? Why?

(1)

3. Anu, Bina and Charan are partners. The firm had given a loan of ₹20,000 to Bina. They decided to dissolve the firm. In the event of dissolution, the loan will be settled by:

- (a) Transferring it to debit side of Realization account.
- (b) Transferring it to credit side of Realization account.
- (c) Transferring it to debit side of Bina's capital account.
- (d) Bina paying Anu and Charan privately.

(1)

4. Differentiate between 'Capital Reserve' and 'Reserve Capital'.

(1)

5. Metacaf Ltd. issued 50,000 shares of ₹ 100 each payable ₹20 on application (on 1st May 2012); ₹30 on allotment (on 1st January 2013); ₹20 on first call (on 1st July 2013) and the balance on final call (on 1st February 2014). Shankar, a shareholder holding 5,000 shares did not pay the first call on the due date. The second call was made and Shankar paid the first call amount along with the second call. All sums due were received.

Total amount received on 1st February was:

- (a) ₹15,00,000
- (b) ₹16,00,000
- (c) ₹10,00,000
- (d) ₹11,00,000

(1)

6. Abha and Beena were partners sharing profits and losses in the ratio of 3:2. On April 1st 2013, they decided to admit Chanda for 1/5th share in the profits. They had a reserve of ₹25,000 which they wanted

to show in their new balance sheet. Chanda agreed and the necessary adjustments were made in the books. On October 1st 2013, Abha met with an accident and died. Beena and Chanda decided to admit Abha's daughter Fiza in their partnership, who agreed to bring ₹2,00,000 as capital. Calculate Abha's share in the reserve on the date of her death. (1)

7. State any three purposes for which securities premium can be utilized. (3)

8. Ankur and Bobby were into the business of providing software solutions in India. They were sharing profits and losses in the ratio 3:2. They admitted Rohit for a 1/5 share in the firm. Rohit, an alumni of IIT, Chennai would help them to expand their business to various South African countries where he had been working earlier. Rohit is guaranteed a minimum profit of ₹2,00,000 for the year. Any deficiency in Rohit's share is to be borne by Ankur and Bobby in the ratio 4:1. Losses for the year were ₹10,00,000. Pass the necessary journal entries (3)

9. Newbie Ltd. was registered with an authorized capital of ₹5,00,000 divided into 50,000 equity shares of ₹10 each. Since the economy was in robust shape, the company decided to offer to the public for subscription 30,000 equity shares of ₹10 each at a premium of ₹20 per share. Applications for 28,000 shares were received and allotment was made to all the applicants. All calls were made and duly received except the final call of ₹ 2 per share on 200 shares. Show the 'Share Capital' in the Balance Sheet of Newbie Ltd. as per Schedule VI of the Companies Act 1956. Also prepare Notes to Accounts for the same. (3)

10. Drumbeats Ltd. had a prosperous shoe business. They were manufacturing shoes in India and exporting to Italy. Being a socially aware organization, they wanted to pay back to the society. They decided to not only supply free shoes to 50 orphanages in various parts of the country but also give employment to children from those orphanages who were above 18 years of age. In order to meet the fund requirements, they decided to raise 50,000 equity shares of ₹ 50 each and 40,000 9% debentures of ₹ 40 each. Pass the necessary journal entries for issue of shares and debentures. Also identify one value which the company wants to communicate to the society. (3)

11. Following is the Balance Sheet of Punita, Rashi and Seema who are sharing profits in the ratio 2:1:2 as on 31st March 2013. (4)

Liabilities		Amount(₹)	Assets		Amount(₹)
Creditors		38,000	Building		2,40,000
Bills Payable		2,000	Stock		65,000
Capitals:			Debtors		30,000
Punita	1,44,000		Cash at bank		5,000
Rashi	92,000		Profit and Loss Account		60,000
Seema	<u>1,24,000</u>	3,60,000			
		4,00,000			4,00,000

Punita died on 30th September 2013. She had withdrawn 44,000 from her capital on July 1, 2013. According to the partnership agreement, she was entitled to interest on capital @8% p.a. Her share of profit till the date of death was to be calculated on the basis of the average profits of the last three years. Goodwill was to be calculated on the basis of three times the average profits of the last four years. The profits for the years ended 2009-10, 2010-11 and 2011-12 were ₹30,000, ₹70,000 and ₹80,000 respectively.

Prepare Punita's account to be rendered to her executors.

12. Kanika and Gautam are partners doing a dry cleaning business in Lucknow, sharing profits in the ratio 2:1 with capitals ₹5,00,000 and ₹4,00,000 respectively. Kanika withdrew the following amounts during the year to pay the hostel expenses of her son.

	₹
1 st April	10,000
1 st June	9,000
1 st Nov.	14,000
1 st Dec.	5,000

Gautam withdrew ₹15,000 on the first day of April, July, October and January to pay rent for the accommodation of his family. He also paid ₹20,000 per month as rent for the office of partnership which was in a nearby shopping complex.

Calculate interest on Drawings @6% p.a.

(4)

13. (a) A firm earned profits of ₹80,000, ₹1,00,000, ₹1,20,000 and ₹1,80,000 during 2010-11, 2011-12, 2012-13 and 2013-14 respectively. The firm has capital investment of ₹5,00,000. A fair rate of return on investment is 15% p.a. Calculate goodwill of the firm based on three years' purchase of average super profits of last four years.

(b) Kabir and Farid are partners sharing profits and losses in the ratio of 7:3. Kabir surrenders 2/10th from his share and Farid surrenders 1/10th from his share in favor of Jyoti, a new partner. Calculate new profit sharing ratio and sacrificing ratio.

(6)

14. (a) Sunrise Company Ltd. has an equity share capital of ₹10,00,000. The company earns a return on investment of 15% on its capital. The company needed funds for diversification. The finance manager had the following options: (i) Borrow ₹5,00,000 @15% p.a. from a bank payable in four equal quarterly installments starting from the end of the fifth year (ii) Issue ₹5,00,000, 9% Debentures of Rs. 100 each redeemable at a premium of 10% after five years. To increase the return to the shareholders, the company opted for option (ii). Pass the necessary journal entries for issue of debentures.

(b) Walter Ltd. issued ₹ 6,00,000 8% Debentures of ₹ 100 each redeemable after 3 years either by draw of lots or by purchase in the open market. At the end of three years, finding the market price of debentures at ₹95 per debenture, it purchased all its debentures for immediate cancellation. Pass necessary journal entries for cancellation of debentures assuming the company has sufficient balance in Debenture Redemption Reserve.

(6)

15. Ashish and Neha were partners in a firm sharing profits and losses in the ratio 4:3. They decided to dissolve the firm on 1st May 2014. From the information given below, complete Realisation A/c, Partner's Capital Accounts and Bank A/c:

(6)

Dr.	Realisation A/c		Cr.
Liabilities	Amount(₹)	Assets	Amount(₹)
To sundry assets:		By Sundry liabilities:	
-Machinery	5,60,000	-Creditors	40,000
-Stock	90,000	-Ashish's wife's loan	25,000
-Debtors	55,000		
To Bank:		By Bank:	
-Creditors	_____	-Machinery	4,80,000
		-Debtors	10,000

To Ashish's Capital A/c: -Ashish's wife's loan	34,000	By Ashish's Capital A/c: -Stock 1,28,000 -typewriter 70,000	1,98,000
To Neha's Capital A/c; -Realisation expenses	7,000	By Neha's Capital A/c -Debtors	40,000
To profit transferred to: Ashish's capital A/c 4,000 Neha's capital A/c <u>3,000</u>	7,000		
	7,93,000		7,93,000

Dr.		Partner's Capital Accounts		Cr.	
Particulars	Ashish(₹)	Neha(₹)	Particulars	Ashish(₹)	Neha(₹)
To Realisation A/c			By		
To Bank A/c	4,00,000	4,50,000	By		
			By		

Dr.		Bank A/c		Cr.	
Particulars	Amount(₹)	Particulars	Amount(₹)		
To Balance b/d		By Realisation A/c			
To Realisation A/c	4,90,000	By Ashish's Loan A/c		4,000	
		By Ashish's Capital A/c		4,00,000	
		By Neha's Capital A/c			

16. A and B are partners in a firm sharing profits and losses in the ratio 3:1. They admit C for a $\frac{1}{4}$ share on 31st March 2014 when their Balance Sheet was as follows:

Liabilities	Amount(₹)	Assets	Amount(₹)
Employees Provident Fund	17,000	Stock	15,000
Workmen's Compensation Fund	6,000	Debtors 50,000	
Investment Fluctuation Reserve	4,100	Less provision for doubtful debts <u>2,000</u>	48,000
Capitals: A	54,000	Investments	7,000
B	35,000	Cash	6,100
		Goodwill	40,000
	1,16,100		1,16,100

The following adjustments were agreed upon:

- C brings in ₹16,000 as goodwill and proportionate capital.
- Bad debts amounted to ₹3,000.
- Market value of investment is ₹4,500.
- Liability on account of workmen's compensation reserve amounted to ₹2,000.

Prepare Revaluation A/c and Partner's Capital A/cs.

OR

X, Y and Z are partners in a firm sharing profits in proportion of 1/2, 1/6 and 1/3 respectively. The Balance Sheet as on April 1, 2014 was as follows:

Liabilities	Amount(₹)	Assets	Amount(₹)
Employees Provident Fund	12,000	Freehold Premises	40,000
Sundry Creditors	18,000	Machinery	30,000
General Reserve	12,000	Furniture	12,000
Capitals		Stock	22,000
X	30,000	Debtors 20,000	
Y	30,000	Less provision for	
Z	28,000	doubtful debts <u>1,000</u>	19,000
		Cash	7,000
	1,30,000		1,30,000

Z retires from the business and the partners agree that:

- Machinery is to be depreciated by 10%.
- Provision for bad debts is to be increased to ₹ 1,500.
- Furniture was taken over by Z for ₹ 14,000.
- Goodwill is valued at ₹ 21,000 on Z's retirement.
- The continuing partners' have decided to adjust their capitals in their new profit sharing ratio after retirement of Z. Surplus or deficit if any, in their capital accounts will be adjusted through their current accounts.

Prepare Revaluation A/c and Partners' Capital A/c's. (8)

17. Amrit Ltd. issued 50,000 shares of ₹10 each at a premium of ₹2 per share payable as ₹3 on application, ₹4 on allotment (including premium), ₹2 on first call and the remaining on second call. Applications were received for 75,000 shares and a pro-rata allotment was made to all the applicants. All moneys due were received except allotment and first call from Sonu who applied for 1,200 shares. All his shares were forfeited. The forfeited shares were reissued for ₹9,600. Final call was not made. Pass necessary journal entries.

OR

Velco Ltd. issued 30,000 shares of ₹ 10 each at a discount of ₹1 per share payable as ₹3 on application, ₹2 on allotment, ₹2 on first Call and ₹2 on second call.

Applications were received for 40,000 shares and a pro-rata allotment was made to all the applicants. All money due were received except allotment and first call from Mohit who had applied for 2,000 shares. His shares were forfeited after first call. Subsequently, the second call was duly made and duly received. Thereafter, the forfeited shares were reissued for ₹9 fully paid. Pass the necessary journal entries (8)

PART B: ANALYSIS OF FINANCIAL STATEMENTS

18. Cash deposit with the bank with a maturity date after two months belongs to which of the following while preparing cash flow statement:

- Investing activities
 - Financing activities
 - Cash and Cash equivalents
 - Operating activities.
- (1)

19. Finserve Ltd is carrying on a Mutual Fund business. It invested ₹ 30,00,000 in shares and ₹15,00,000 in debentures of various companies during the year. It received ₹ 3,00,000 as dividend and interest. Find out cash flows from investing activities. (1)

20. (a) Name the sub heads under the head 'Current Liabilities' in the Equity and Liabilities part of the Balance Sheet as per Schedule VI of the Companies Act 1956.
 (b) State any two objectives of Financial Statements Analysis. (4)

21. (a) From the following details, calculate Opening inventory: Closing inventory ₹60,000; Total Revenue from operations ₹5,00,000 (including cash revenue from operations ₹1,00,000); Total purchases ₹3,00,000 (including credit purchases ₹60,000). Goods are sold at a profit of 25% on cost.
 (b) Current Assets of a company are ₹17,00,000. Its current ratio is 2.5 and liquid ratio is 0.95.
 Calculate Current Liabilities and Inventory. (4)

22. Nimani Ltd. is into the business of back office operations. Honesty and hard work are the two pillars on which the business has been built. It has a good turnover and profits. Encouraged by huge profits, it decided to give the workers bonus equal to two months salary. Following is the Comparative Statement of Profit and Loss of Nimani Ltd. for the years ended 31st March 2013 and 2014.

- (a) Calculate Net Profit ratio for the years ending 31st March 2013 and 2014.
 (b) Identify any two values which Nimani Ltd. wants to communicate to the society.

Particulars	Note No.	2012-13 (₹)	2013-14 (₹)	Absolute Change	Percentage change
Revenue from operations		20,00,000	30,00,000	10,00,000	50
Less Employee benefit expenses		8,00,000	10,00,000	2,00,000	25
Profit before tax		12,00,000	20,00,000	8,00,000	66.67
Tax rate 40%		4,80,000	8,00,000	3,20,000	66.67
Profit after tax		7,20,000	12,00,000	4,80,000	66.67

(4)

23. Following are the Balance Sheets of Krishna Ltd. as on 31st March 2013 and 2014:

Particulars	Note No.	2013-14 (₹)	2012-13(₹)
EQUITY AND LIABILITIES			
(1) Shareholders Funds			
(a) Share capital		14,00,000	10,00,000
(b) Reserves and Surplus	1	5,00,000	4,00,000
(2) Non Current Liabilities			
Long term borrowings		5,00,000	1,40,000
(3) Current Liabilities			
Trade Payables		1,00,000	60,000
Short term Provisions	2	80,000	60,000
Total		25,80,000	16,60,000
ASSETS			
(1) Non Current Assets			
(a) Fixed assets			
(i) Tangible assets	3	16,00,000	9,00,000
(ii) Intangible Assets	4	1,40,000	2,00,000

(2) Current Assets			
(a) Inventories		2,50,000	2,00,000
(b) Trade Receivables		5,00,000	3,00,000
(b) Cash and Cash Equivalents		90,000	60,000
Total		25,80,000	16,60,000

Notes to Accounts:

S.No.	Particulars	As on 31.3.2014 (₹)	As on 31.3.2013 (₹)
1.	Reserves and Surplus Surplus (i.e. balance in Statement of Profit and Loss)	5,00,000	4,00,000
2.	Short Term provisions Provision for tax	80,000	60,000
3.	Tangible assets Machinery Less Accumulated depreciation	17,60,000 (1,60,000)	10,00,000 (1,00,000)
4.	Intangible Assets Goodwill	1,40,000	2,00,000

Prepare a Cash Flow Statement after taking into account the following adjustment:

- (i) Tax paid during the year amounted to ₹ 70,000. (6)

OR

Part B: Computerized Accounting

18. While navigating in the workbook, which of the following commands is used to move to the beginning of the Current row:

- [ctrl] + [home]
- [page Up]
- [Home]
- [ctrl] + [Back space] (1)

19. Join line in the context of Access table means:

- Graphical representation of tables between tables
- Lines bonding the data within table
- Line connecting two fields of a table
- Line connecting two records of a table (1)

20. Enumerate the basic requirements of computerised accounting system for a business organization.

(4)

21. The generation of ledger accounts is not a necessary condition for making trial balance in a computerised accounting system. Explain. (4)
22. Intentional manipulation of accounting records is much easier in computerised accounting than in manual accounting. How? (4)
23. Computerisation of accounting data on one hand stores voluminous data in a systematic and organised manner where as on the other hand suffers from threats of vulnerability and manipulations. Discuss the security measures you would like to employ for securing the data from such threats. (6)

Marking Scheme
Sample Question Paper
Accountancy, Class XII
Board Examination, March, 2015

Sl.No.	Outline Answers	Marks																																																		
1.	(b) Reconstitution of partnership.	1 Mark																																																		
2.	No, the accountant's decision is not correct because according to AS-26, goodwill should be recorded in the books only when consideration in money or money's worth has been paid for it	1 Mark																																																		
3.	(c) Transferring it to debit side of Bina's capital account.	1 Mark																																																		
4.	'Capital Reserve' is the reserve that is created out of capital profits/gains whereas, that part of the share capital which has not yet been called up and has been kept as reserve to be called up in the event of the winding up of the company is called 'Reserve Capital'	1 Mark																																																		
5.	₹16,00,000	1 Mark																																																		
6.	₹12,000	1Mark																																																		
7.	The amount received as securities premium can be used for following purposes (any three): (a) In purchasing its own shares. (b) Issuing fully paid bonus shares to the members. (c) Writing off preliminary expenses of the company. (d) Writing off the expenses of, or the commission paid, or discount allowed on any issue of securities or debentures of the company. (e) Providing for the premium payable on the redemption of any redeemable preferences shares or any debentures of the company.	1 x 3 =																																																		
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	<p>(1) Shareholders funds Share capital</p>	1	2,79,600	<p>½ mark ½ mark 1 mark =1+ ½ + ½+1 = 3 marks</p>																																
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(a)		Bank A/c Dr. To 9% Debenture Application and Allotment A/c (Being Debenture application money received)		5,00,000	5,00,000	1 mark
		9% Debenture Application and Allotment A/c Dr. Loss on issue of Debentures A/c Dr. To 9% Debenture A/c To Premium on redemption of Debentures A/c (Being issue of debentures at par, redeemable at a premium)		5,00,000 50,000	5,00,000, 50,000	2 marks = 1 + 2 = 3 marks
(b)		Own debentures A/c Dr. To Bank A/c (Being 60,000 debentures purchased for cancellation @ Rs 75)		5,70,000	570,000	1 mark
		8% Debentures a/c Dr. To Own Debentures A/c To Gain on Cancellation of Debentures A/c (Being debentures cancelled)		6,00,000	5,70,000 30,000	1 mark
		Gain on Cancellation of Debentures A/c Dr. To Capital Reserve (Being the gain transferred to Capital Reserve)		30,000	30,000	½ mark
		Debenture Redemption Reserve A/c Dr. To General Reserve (Being the Amount of Debenture Redemption Reserve Transferred to General Reserve)		3,00,000	3,00,000	½ mark = 1+1+ ½ + ½ =3 marks

15.	<p>Dr. Realisation A/c Cr.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Liabilities</th> <th style="width: 20%;">Amount(₹)</th> <th style="width: 30%;">Assets</th> <th style="width: 20%;">Amount(₹)</th> </tr> </thead> <tbody> <tr> <td>To sundry assets:</td> <td></td> <td>By Sundry liabilities:</td> <td></td> </tr> <tr> <td>-Machinery</td> <td style="text-align: right;">5,60,000</td> <td>-Creditors</td> <td style="text-align: right;">40,000</td> </tr> <tr> <td>-Stock</td> <td style="text-align: right;">90,000</td> <td>-Ashish's wife's loan</td> <td style="text-align: right;">25,000</td> </tr> <tr> <td>-Debtors</td> <td style="text-align: right;">55,000</td> <td></td> <td></td> </tr> <tr> <td>To Bank:</td> <td></td> <td>By Bank:</td> <td></td> </tr> <tr> <td>-Creditors</td> <td style="text-align: right;"><u>40,000</u></td> <td>-Machinery</td> <td style="text-align: right;">4,80,000</td> </tr> <tr> <td></td> <td></td> <td>-Debtors</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td>To Ashish's Capital A/c:</td> <td></td> <td>By Ashish's Capital A/c:</td> <td></td> </tr> <tr> <td>-Ashish's wife's loan</td> <td style="text-align: right;">34,000</td> <td>-Stock</td> <td style="text-align: right;">1,28,000</td> </tr> <tr> <td></td> <td></td> <td>-typewriter</td> <td style="text-align: right;">70,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">1,98,000</td> </tr> <tr> <td>To Neha's Capital A/c;</td> <td style="text-align: right;">7,000</td> <td>By Neha's Capital A/c</td> <td></td> </tr> <tr> <td>-Realisation expenses</td> <td></td> <td>-Debtors</td> <td style="text-align: right;">40,000</td> </tr> <tr> <td>To profit transferred to:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Ashish's capital A/c 4,000</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Neha's capital A/c <u>3,000</u></td> <td style="text-align: right;">7,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">7,93,000</td> <td></td> <td style="text-align: right;">7,93,000</td> </tr> </tbody> </table>	Liabilities	Amount(₹)	Assets	Amount(₹)	To sundry assets:		By Sundry liabilities:		-Machinery	5,60,000	-Creditors	40,000	-Stock	90,000	-Ashish's wife's loan	25,000	-Debtors	55,000			To Bank:		By Bank:		-Creditors	<u>40,000</u>	-Machinery	4,80,000			-Debtors	10,000	To Ashish's Capital A/c:		By Ashish's Capital A/c:		-Ashish's wife's loan	34,000	-Stock	1,28,000			-typewriter	70,000				1,98,000	To Neha's Capital A/c;	7,000	By Neha's Capital A/c		-Realisation expenses		-Debtors	40,000	To profit transferred to:				Ashish's capital A/c 4,000				Neha's capital A/c <u>3,000</u>	7,000								7,93,000		7,93,000	<p>$\frac{1}{2}$ mark for each blank x 12 = 6 marks</p>
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	<p>Dr. Partner's Capital Accounts Cr.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Particulars</th> <th style="width: 10%;">A(₹)</th> <th style="width: 10%;">B(₹)</th> <th style="width: 10%;">C(₹)</th> <th style="width: 25%;">Particulars</th> <th style="width: 10%;">A(₹)</th> <th style="width: 10%;">B(₹)</th> <th style="width: 10%;">C(₹)</th> </tr> </thead> <tbody> <tr> <td>To Goodwill A/c</td> <td style="text-align: right;">30,000</td> <td style="text-align: right;">10,000</td> <td style="text-align: center;">-</td> <td>By Balance b/d</td> <td style="text-align: right;">54,000</td> <td style="text-align: right;">35,000</td> <td style="text-align: center;">-</td> </tr> <tr> <td>To Revaluation A/c</td> <td style="text-align: right;">750</td> <td style="text-align: right;">250</td> <td style="text-align: center;">-</td> <td>By Cash A/c</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">23,200</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>By Investment fluctuation fund</td> <td style="text-align: right;">1,200</td> <td style="text-align: right;">400</td> <td style="text-align: center;">-</td> </tr> <tr> <td>To Balance c/d</td> <td style="text-align: right;">39,450</td> <td style="text-align: right;">30,150</td> <td style="text-align: right;">23,200</td> <td>By Workmen's Compensation fund</td> <td style="text-align: right;">3,000</td> <td style="text-align: right;">1,000</td> <td style="text-align: center;">-</td> </tr> </tbody> </table>	Particulars	A(₹)	B(₹)	C(₹)	Particulars	A(₹)	B(₹)	C(₹)	To Goodwill A/c	30,000	10,000	-	By Balance b/d	54,000	35,000	-	To Revaluation A/c	750	250	-	By Cash A/c	-	-	23,200					By Investment fluctuation fund	1,200	400	-	To Balance c/d	39,450	30,150	23,200	By Workmen's Compensation fund	3,000	1,000	-	<p>2 x 3 = 6 marks</p> <p>= 2+ 6</p>																																				
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				By premium for good will	12,000	4,000	-
	70,200	40,400	23,200		70,200	40,400	23,200

=
8 marks

OR

OR

Dr.		REVALUATION A/c		Cr.	
Particulars	Amount(₹)	Particulars	Amount(₹)		
To Machinery	3,000	By Furniture	2,000		
To Provision for doubtful debts	500	By Loss transferred to :			
		X's Capital A/c	750		
		Y's Capital A/c	250		
		Z's Capital A/c	500		
	3,500		3,500		

2 marks

Dr.				Partner's Capital Accounts				Cr.			
Particulars	X (₹)	Y (₹)	Z (₹)	Particulars	X (₹)	Y (₹)	Z (₹)				
To Furniture	-	-	14,000	By Balance b/d	30,000	30,000	28,000				
To Z's Capital A/c	5,250	1,750	-	By General Reserve	6,000	2,000	4,000				
To Revaluation A/c	750	250	500	By X's Capital A/c	-	-	5,250				
To Z's Loan A/c	-	-	24,500	By Y's Capital A/c	-	-	1,750				
To Y's Current A/c	-	15,000	-	By X's Current A/c	15,000	-	-				
To Balance c/d	45,000	15,000	-								
	51,000	32,000	39,000		51,000	32,000	39,000				

2 x 3
=
6 marks

=
2+ 6
=
8 marks

17.	IN THE BOOK OF AMRIT LTD.						
	JOURNAL						
	Date	Particulars	F	Dr.(₹)	Cr. (₹)		
		Bank A/c Dr. To Share Application A/c (Being application money received on 75,000, shares @Rs.3 per share)		2,25,000	2,25,000		½ mark
		Share Application A/c Dr. To Share Capital A/c To Share Allotment A/c (Being application money adjusted)		2,25,000	1,50,000 75,000		1 mark
		Share Allotment A/c Dr. To Share Capital A/c To Securities Premium A/c (Being allotment money due on 50,000 shares)		2,00,000	1,00,000 1,00,000		1 mark
		Bank A/c Dr. To Share Allotment A/c (Being allotment money received) OR Bank A/c Dr. Calls in Arrears A/c Dr. To Share Allotment A/c (Being allotment money received)		1,23,000 1,23,000 2,000	1,23,000 1,25,000		1 mark
		Share First Call A/c Dr. To Share Capital A/c (Being first call due on 50,000 shares)		1,00,000	1,00,000		½ mark
	Bank A/c Dr. To Share First Call A/c (Being first call money received) OR Bank A/c Dr. Calls in arrears A/c Dr. To Share First Call A/c (Being first call money received)		98,400 98,400 1,600	98,400 1,00,000	1 mark		
					1 mark		

	Share Capital A/c Securities Premium A/c To Share Forfeiture A/c To Share Allotment A/c To Share First Call A/c (Being 800 shares forfeited for non payment of allotment money and first call)	Dr. Dr.	5,600 1,600	3,600 2,000 1,600	1 mark
	OR Share Capital A/c Securities Premium A/c To Share Forfeiture A/c To Calls in Arrears A/c (Being 800 shares forfeited for non payment of allotment money and first call)	Dr. Dr.	5,600 1,600	3,600 3,600	1 mark = $\frac{1}{2} + 1 +$ 1 + 1 + $\frac{1}{2}$ + 1 + 1 + 1 + 1 = 8 marks OR
	Bank A/c To Share Capital A/c To Securities Premium A/c (Being 800 shares re issued)	Dr.	9,600	5,600 4,000	8 marks OR
	Share Forfeiture A/c To Capital Reserve A/c (Being Share Forfeiture amount transferred to capital reserve)	Dr.	3,600	3,600	$\frac{1}{2}$ mark
OR					
In The Books of Velco Ltd.					
JOURNAL					
Date	Particulars	F	Dr.(₹)	Cr. (₹)	
	Bank A/c To Share Application A/c (Being application money received on 40,000 Shares @Rs.3 per share)	Dr.	1,20,000	1,20,000	1 mark
	Share Application A/c To Share Capital A/c To Share Allotment A/c (Being application money adjusted)	Dr.	1,20,000	90,000 30,000	$\frac{1}{2}$ mark
	Share Allotment A/c Discount on Issue of Shares A/c To Share Capital A/c (Being allotment money due)	Dr. Dr.	60,000 30,000	90,000	1 mark

	Bank A/c To Share Allotment (Being allotment money received)	Dr.	28,500	28,500	1 mark
	Bank A/c Calls in Arrears A/c To Share Allotment A/c (Being allotment money received)	Dr. Dr.	28,500 1,500	30,000	
	Share First Call A/c To Share Capital A/c (Being first call due)	Dr.	60,000	60,000	1 mark
	Bank A/c To Share First Call A/c (Being first call received)	Dr.	57,000	57,000	½ mark
	Bank A/c Calls in Arrears A/c To Share First Call A/c (Being first call received)	Dr. Dr.	57,000 3,000	60,000	
	Share Capital A/c To Share Forfeiture A/c To Share Allotment A/c To Share First Call A/c To Discount on Issue of Shares A/c (Being 1,500 shares forfeited for non payment of allotment money and first call)	Dr.	12,000	6,000 1,500 3,000 1,500	½ mark = ½ + ½ + ½ + 1 + ½ + 1 + 1 + 1 + ½ + 1 + ½ = 8 marks
	Share Second and Final Call A/c To Share Capital A/c (Being second and final call due on 28,500 shares)	Dr.	57,000	57,000	
	Bank A/c To Share Second and Final Call A/c (Being second and final call received)	Dr.	57,000	57,000	
	Bank A/c Discount on Issue of Shares A/c To Share Capital A/c (Being 1,500 shares reissued @Rs.9 per share fully paid)	Dr. Dr.	13,500 1,500	15,000	
	Share Forfeiture A/c To Capital Reserve (Being the balance in Share Forfeiture A/c transferred to capital reserve)	Dr.	6,000	6,000	

PART B
ANALYSIS OF FINANCIAL STATEMENTS

18.	(c) Cash and Cash equivalents	1 mark
19.	Cash flows from investing activities - Nil	1 mark
20.	<p>(a) CURRENT LIABILITIES</p> <p>(a) Short term borrowings</p> <p>(b) Trade payables</p> <p>(c) Other current liabilities</p> <p>(d) Short term provisions</p> <p>(b) Objectives of Financial Statements Analysis (any two)</p> <p>(i) Helps in assessing the earning capacity or profitability</p> <p>(ii) Helps in assessing managerial efficiency</p> <p>(iii) Helps in assessing the long term and short term solvency of the enterprise.</p> <p>(iv) Helps in inter-firm comparison.</p> <p>(v) Helps in forecasting and preparing budgets.</p> <p>(vi) Helps the users in understanding complicated matter in a simplified manner.</p>	<p>$\frac{1}{2} \times 4$ = 2 marks</p> <p>1 x 2 = 2 marks = 2+2 = 4 marks</p>
21.	<p>(a)</p> <p>Total revenue from operations = ₹ 5,00,000</p> <p>Gross Profit = $\frac{1}{4} \text{ cost} = \frac{1}{5} \text{ sales}$ = $\frac{1}{5} \times \text{Rs. } 5,00,000$ = ₹ 1,00,000</p> <p>Cost of Revenue from operations = Net Revenue from operations - Gross Profit = ₹ 5,00,000 - ₹ 1,00,000 = ₹ 4,00,000</p> <p>Cost of Revenue from operations = Opening Inventory + Net Purchases - Closing inventory</p> <p>₹ 4,00,000 = Opening inventory + ₹ 3,00,000 - ₹ 60,000</p> <p>Opening inventory = ₹ 1,60,000</p> <p>(b)</p> <p>Current Ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}}$</p> <p>2.5 = $\frac{\text{₹ } 17,00,000}{\text{Current Liabilities}}$</p> <p>→ Current Liabilities = ₹ 6,80,000</p> <p>Quick Ratio = $\frac{\text{Quick Assets}}{\text{Current Liabilities}}$</p> <p>→ 0.95 = $\frac{\text{Quick Assets}}{\text{₹ } 6,80,000}$</p>	2 marks

	<p>→ Quick Assets = ₹ 6,46,000</p> <p>Inventory = Current Assets-Quick Assets = ₹ 17,00,000 – ₹ 6,46,000 = ₹ 10,54,000</p> <p>Ans. Current Liabilities = ₹ 6,80,000 Inventory = ₹ 10,54,000</p>	<p>1 mark</p> <p>1 mark = 2+1+1 = 4 marks</p>																																																
22. (a)	<p>Calculation of Net Profit Ratio: $\text{Net Profit Ratio} = \frac{\text{Net Profit}}{\text{Net Sales}} \times 100$ 2012-13 Net Profit Ratio = $\frac{₹ 7,20,000}{₹ 20,00,000} \times 100$ = 36%</p> <p>2013-14 Net Profit Ratio = $\frac{₹ 12,00,000}{₹ 30,00,000} \times 100$ = 40%</p>	<p>1 mark</p> <p>1 mark</p> <p>1 x 2 = 2 marks = 1+1+2 = 4 marks</p>																																																
(b)	<p>Values that Himani Ltd. wants to communicate to the society:</p> <ul style="list-style-type: none"> • Social responsibility. • Welfare of employees. 																																																	
23.	<p style="text-align: center;">In the books of Krishna Ltd. Cash Flow Statement For the year ended 31st March'14</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Particulars</th> <th style="width: 20%;">₹</th> <th style="width: 20%;">₹</th> </tr> </thead> <tbody> <tr> <td colspan="3">CASH FLOWS FROM OPERATING ACTIVITIES</td> </tr> <tr> <td>Net profit before tax (Working Note 1)</td> <td style="text-align: right;">1,90,000</td> <td></td> </tr> <tr> <td>Add non operating/non cash items:</td> <td></td> <td></td> </tr> <tr> <td> Depreciation on machinery</td> <td style="text-align: right;">60,000</td> <td></td> </tr> <tr> <td> Goodwill Written off</td> <td style="text-align: right;"><u>60,000</u></td> <td></td> </tr> <tr> <td>Operating profit before working capital changes</td> <td style="text-align: right;">3,10,000</td> <td></td> </tr> <tr> <td>Add increase in Trade Payables</td> <td style="text-align: right;">40,000</td> <td></td> </tr> <tr> <td>Less Increase in Inventories</td> <td style="text-align: right;">(50,000)</td> <td></td> </tr> <tr> <td> Increase in Trade Receivables</td> <td style="text-align: right;"><u>(2,00,000)</u></td> <td></td> </tr> <tr> <td>Cash generated from operations</td> <td style="text-align: right;">1,00,000</td> <td></td> </tr> <tr> <td>Less Income Tax paid</td> <td style="text-align: right;"><u>(70,000)</u></td> <td></td> </tr> <tr> <td>Cash flow from operating activities</td> <td></td> <td style="text-align: right;">30,000</td> </tr> <tr> <td colspan="3">CASH FLOWS FROM INVESTING ACTIVITIES</td> </tr> <tr> <td>Purchase of machinery</td> <td style="text-align: right;"><u>(7,60,000)</u></td> <td></td> </tr> <tr> <td>Cash used in investing activities</td> <td></td> <td style="text-align: right;">(7,60,000)</td> </tr> </tbody> </table>	Particulars	₹	₹	CASH FLOWS FROM OPERATING ACTIVITIES			Net profit before tax (Working Note 1)	1,90,000		Add non operating/non cash items:			Depreciation on machinery	60,000		Goodwill Written off	<u>60,000</u>		Operating profit before working capital changes	3,10,000		Add increase in Trade Payables	40,000		Less Increase in Inventories	(50,000)		Increase in Trade Receivables	<u>(2,00,000)</u>		Cash generated from operations	1,00,000		Less Income Tax paid	<u>(70,000)</u>		Cash flow from operating activities		30,000	CASH FLOWS FROM INVESTING ACTIVITIES			Purchase of machinery	<u>(7,60,000)</u>		Cash used in investing activities		(7,60,000)	<p>2 marks</p> <p>½ mark</p>
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	CASH FLOWS FROM FINANCING ACTIVITIES			1 mark
	Issue of shares		4,00,000	
	Long term borrowings		<u>3,60,000</u>	
	Cash flow from financing activities		7,60,000	
	Net increase in cash and cash equivalents		30,000	
	Add opening balance of cash and cash equivalents		60,000	1 mark
	Closing balance of cash and cash equivalents		90,000	
Working Note 1:				½ mark
Calculation of Net Profit Before Tax				
Surplus i.e. Balance in Statement of Profit and Loss			1,00,000	
Add provision for tax			<u>90,000</u>	
			<u>1,90,000</u>	

Dr.		Provision for Tax A/c		Cr.	
Particulars	Amount(₹)	Particulars	Amount (₹)		
To cash (tax paid)	70,000	By balance b/d	60,000	1 mark	
To balance c/d	80,000	By provision made during the year	90,000		
	<u>1,50,000</u>		<u>1,50,000</u>		

OR

Part B: Computerized Accounting

18. (c)
 19. (b)
 20. The computerised accounting is one of the database-oriented applications wherein the transaction data is stored in well- organized database. The user operates on such database using the required interface and also takes the required reports by suitable transformations of stored data into information. Therefore, the fundamentals of computerised accounting include all the basic requirements of any database-oriented application in computers.

I Accounting framework.....[2]

It is the application environment of the computerised accounting system. A healthy accounting framework in terms of accounting principles, coding and grouping structure is a pre-condition for any computerised accounting system.

I Operating procedure[2]

A well-conceived and designed operating procedure blended with suitable operating environment of the enterprise is necessary to work with the computerised accounting system.

21. In computerised accounting system, every day business transactions are recorded with the help of computer software. Logical scheme is implied for codification of account and transaction. Every account and transaction is assigned a unique code. The grouping of accounts is done from the first stage. [Briefly explaining what is account groups and hierarchy of ledger].The hierarchy

of ledger accounts is maintained and the data is transferred into Ledger accounts automatically by the computer. In order to produce ledger accounts the stored transaction data is processed to appear as classified so that same is presented in the form of report. The preparation of financial statements is independent of producing the trial balance.

(2 marks each point)

22. Intentional manipulation of accounting records is much easier in computerised accounting due to following:

- i. Defective logical sequence at the programming stage
- ii. Prone to hacking

[2 points each, briefly explaining with examples)

23. Every accounting software ensures data security, safety and confidentiality. Therefore every, software should provide for the following:

- Password Security: Password is a mechanism, which enables a user to access a system including data. The system facilitates defining the user rights according to organisation policy. Consequently, a person in an organisation may be given access to a particular set of a data while he may be denied access to another set of data.
- . Data Audit: This feature enables one to know as to who and what changes have been made in the original data thereby helping and fixing the responsibility of the person who has manipulated the data and also ensures data integrity. Basically, this feature is similar to Audit Trail.
- . Data Vault: Software provides additional security through data encryption

(2 marks each point)